BOARD BOOK OF
MARCH 26, 2020

Texas Department of Housing and Community Affairs
PROGRAMMATIC IMPACT
Fiscal Year 2019 (September 1, 2018, through August 31, 2019)

Owner Financing and Down Payment
- 30-year, fixed interest rate mortgage loans
- Mortgage credit certificates
- Down payment, closing cost assistance
- Homebuyer education

Programs:
- Homebuyer Assistance Program (HBA)*
- Single Family Homeownership

    Expended Funds: $1,693,834,604
    Total Households Served: 9,605

Energy Related Assistance
- Utility bill payment assistance
- Energy consumption education
- Weatherization for energy efficiency

Programs:
- Comprehensive Energy Assistance Program (CEAP)
- Weatherization Assistance Program (WAP)

    Expended Funds: $147,270,662
    Total Households Served: 162,668

Multifamily New Construction
- Affordable rental units financed and developed

Programs:
- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds
- Multifamily Direct Loan Program*

    Expended Funds: $108,945,178
    Total Households Served: 7,062

Homelessness Services
- Shelter building rehabilitation, conversion, operations
- Essential services e.g., health services, transportation, job training, employment services

Programs:
- Emergency Solutions Grant Program (ESG)
- Homeless Housing and Services Program (HHSP)

    Expended Funds: $12,162,959
    Total Individuals Served: 71,350

Multifamily Rehab Construction
- Affordable rental units financed and rehabilitated

Programs:
- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds

    Expended Funds: $56,792,063
    Total Households Served: 2,503

Supportive Services
Provides administrative support for essential services for low income individuals through Community Action Agencies

Program:
- Community Services Block Grant Program (CSBG)

    Expended Funds: $31,103,729
    Total Individuals Served: 561,906

Owner Rehabilitation Assistance
- Home rehabilitation, reconstruction
- Manufactured housing unit replacement
- Accessibility modifications e.g., ramp, grab bar installation

Programs:
- Homeowner Rehabilitation Assistance Program (HRA)*
- Amy Young Barrier Removal Program

    Expended Funds: $11,384,025
    Total Households Served: 251

Rental Assistance
- Short, long term rent payment help
- Assistance linked with services
- Transitional assistance
- Security, utility deposits

Programs:
- Tenant-Based Rental Assistance (TBRA)*
- Section 8 Housing Choice Vouchers
- Section 811

    Expended Funds: $11,021,909
    Total Households Served: 1,932

Single Family Development
- Single family development, reconstruction, rehabilitation
- Do-it-yourself, "sweat equity" construction, rehabilitation
- Contract for Deed refinance

Programs:
- Single Family Development Program (SFD)*
- Contract for Deed (CFD)

    Expended Funds: $3,769,888
    Total Households Served: 85

    Total Expended Funds: $2,076,285,016
    Total Households Served: 817,362

All FY2019 data as reported in TDHCA's 2020 State Low Income Housing Plan and Annual Report (SLIHP).

Note: Some households may have been served by more than one TDHCA program.

* Administered through the federally funded HOME Investment Partnerships Program

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
9:00 AM
March 26, 2020

Meeting Location: In light of the March 13, 2020, disaster declaration by the Office of the Governor, and the subsequent waivers of portions of Tex. Gov't Code, Ch. 551*, this meeting of the TDHCA Governing Board will be accessible to the public via the telephone and web link information, below. In order to engage in two-way communication during the meeting, persons must first register (at no cost) to attend the webinar via the link provided. Anyone who calls into the meeting without registering online will not be able to ask questions or provide comments, but the meeting will still be audible. A recording of the meeting will be made available to the public as soon as possible following the meeting.

Governing Board Webinar registration:
https://attendee.gotowebinar.com/register/605841502786399757. Dial-in number: +1 (631) 992-3221, access code 479-898-662 (persons who use the dial-in number and access code without registering online will only be able to hear the Board meeting and will not be able to ask questions or provide comments). Note, this meeting will be proceeding as a teleconference under Tex. Gov't Code §551.125, as modified by waiver, and video will not be available.

CALL TO ORDER
ROLL CALL   **Leslie Bingham, Vice Chair**
CERTIFICATION OF QUORUM

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

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

Resolution recognizing April as Fair Housing Month

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

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* The list of Open Meeting laws subject to temporary suspension effective March 16, 2020, is available at:
https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2020/Press/Open%20Meeting%20Laws%20Subject%20to%20Temporary%20Suspension.pdf

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

EXECUTIVE

a) Presentation, discussion, and possible action on Board meeting minutes summary for December 12, 2019

J. Beau Eccles
General Counsel

ASSET MANAGEMENT

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

| 02120 | Humble Memorial Gardens | Humble |

Rosalio Banuelos
Director of Asset Management

c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application

| 19009 | Churchill at Golden Triangle Community | Fort Worth |
| 98170 | Homes of Persimmons | Dallas |

COMMUNITY AFFAIRS

d) Presentation, discussion, and possible action on awards for 2020 Community Services Block Grant discretionary funds for education and employment services to Native American and Migrant Seasonal Farmworker populations

Michael DeYoung
Director of Community Affairs

HOUSING RESOURCE CENTER

e) Presentation, discussion, and possible action on the draft 2020-2024 State of Texas Consolidated Plan

Elizabeth Yevich
Director of Housing Resource Center

LEGAL

f) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning related properties Park Meadows Villas (HTC 03140 / CMTS 3354) and Stone Hollow Village (HTC 04057 / CMTS 4112)

Jeff Pender
Deputy General Council

g) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Santa Fe Trails (HTC 70028 / CMTS 895)

RULES

h) Presentation, discussion, and possible action on an order adopting new 10 TAC Chapter 90, Migrant Labor Housing Facilities, §90.9 and directing publication in the Texas Register

Tom Gouris
Director of HOME and Special Initiatives

MULTIFAMILY FINANCE

i) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Talavera Lofts (HTC #19239)

Marni Holloway
Director of Multifamily Finance

j) Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications

Teresa Morales
Director of Multifamily Bonds

20414	Arbor at Wayforest	Houston ETJ
20421	Richcrest Apartments	Houston ETJ
20404	Tampico Apartments	San Antonio
20418	Park at 38Thirty	San Antonio
20446	St. Johns Square	San Antonio
20409	McKinney Flats	McKinney

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Outreach and Activities Report (February-March)

Michael Lyttle
Director of External Affairs

ACTION ITEMS

ITEM 3: INTERNAL AUDIT

a) Review and possible acceptance of the State Auditor's Office audit of the TDHCA Financial Statement

b) Report on the meeting of the Internal Audit and Finance Committee

State Auditor's Office

Sharon Thomason
Chair of the Audit and
Finance Committee

ITEM 4: SINGLE FAMILY AND HOMELESS PROGRAMS

a) Presentation, discussion, and possible action on a proposed amendment to a Colonia Self-Help Center Program Contract with El Paso County in accordance with 10 TAC Chapter 25, the Colonia Self-Help Center Program Rule

Abigail Versyp
Director of Single Family
and Homeless Programs

ITEM 5: BOND FINANCE

a) Presentation, discussion, and possible action regarding the Issuance of a Multifamily Note (The Reserves at San Marcos Apartments) Resolution No. 20-012 and a Determination Notice of Housing Tax Credits

Teresa Morales
Director of
Multifamily Bonds

ITEM 6: AGENCY PROGRAMMATIC RESPONSE TO COVID-**19** PANDEMIC

a) Presentation, Discussion and Possible Action authorizing the Executive Director to extend certain deadlines under 10 TAC Chapter 11, the Qualified Allocation Plan (QAP), 10 TAC Chapter 12, the Multifamily Housing Revenue Bond Rules (Bond Rule), and 10 TAC Chapter 13, the Multifamily Direct Loan (MFDL) Rule and related Notices of Funding Availability (NOFA)

Marni Holloway
Director of
Multifamily Finance

b) Presentation, discussion, and possible action on waivers to certain provisions of Texas Administrative Code for state and federal funds administered by the Single Family and Homeless Programs Division for disaster response for qualified persons and households most impacted by COVID-19, and authorization to submit a minor amendment to the State of Texas 2019 Action Plan

Abigail Versyp
Director of Single Family
and Homeless Programs

c) Presentation, discussion, and possible action on the reprogramming of Program Year 2019 and programming of 2020 Community Services Block Grant Administrative and Discretionary funds for response to COVID-19

Michael DeYoung
Director of
Community Affairs

d) Presentation, discussion, and possible action authorizing the Executive Director to take extend certain deadlines and take possible waiver action for provisions of 10 TAC Chapter 6, Community Affairs Programs, and related Notices of Funding Availability (NOFAs) and contracts, for federal funds administered by the Community Affairs Division for disaster response for qualified persons and households impacted most impacted by COVID-19

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

EXECUTIVE SESSION

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

Leslie Bingham
Vice Chair

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

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

Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules

of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;

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

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

OPEN SESSION

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

ADJOURN

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Elizabeth Yevich, at 512-463-7961 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least five days before the meeting so that appropriate arrangements can be made.

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

Texas Department of Housing and Community Affairs
RESOLUTION

WHEREAS, April 2020 is Fair Housing Month, and marks 52 years since the passage of the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968), signed by U.S. President Lyndon Baines Johnson on April 11, 1968;

WHEREAS, the Fair Housing Act provides that no person shall be subjected to discrimination because of race, color, national origin, religion, sex, disability, or familial status in the sale, rental, financing, or advertising of housing and charges the Secretary of the U.S. Department of Housing and Urban Development (HUD) with administering HUD programs in a manner that meets the requirements of the law and purposes of the Fair Housing Act;

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) administers HUD and other housing programs that promote the development and supply of safe, decent, affordable housing for qualifying Texans;

WHEREAS, it is the policy of the Department to support equal housing opportunity in the administration of all of its programs and services, including encouraging equitable lending practices for its homebuyer programs and ensuring compliance with Fair Housing rules and guidelines for its multifamily developments;

WHEREAS, the Department, through its programs, workshops, trainings, and materials seeks to educate property managers, consultants, program administrators, architects, contractors, developers, engineers, lenders, real estate professionals, and others about the importance of their adherence to the requirements of the Fair Housing Act;

WHEREAS, the Department encourages the development of educational fair housing programs in local communities throughout the State and is seeking to build new opportunities for fair housing education and training; and

WHEREAS, the Department and the State of Texas support equal housing opportunity and housing choice in accordance with the Fair Housing Act not only during Fair Housing Month in April, but throughout the entire year;

NOW, THEREFORE, it is hereby

RESOLVED, that the Texas Department of Housing and Community Affairs —
(1) recognizes the significance of Fair Housing Month as an important time to acknowledge, better understand, and support equal housing opportunity, and encourages the continued commitment to fair housing in the State of Texas; and

(2) recognizes that in the pursuit of the goal and responsibility of providing affordable housing and equal housing opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate April 2020 as Fair Housing Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of the impact and importance of affordable housing and equal housing opportunity to the success of all Texans.

Signed this Twenty-sixth day of March 2020.

Leslie Bingham, Vice Chair   Paul A. Braden, Member

Sharon Thomason, Member   Leo Vasquez , Member

Bobby Wilkinson, Executive Director

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

MARCH 26, 2020

Presentation, discussion, and possible action on Board meeting minutes summary for December 12, 2019

RECOMMENDED ACTION

Approve the Board meeting minutes summary for December 12, 2019

RESOLVED, that the Board meeting minutes summary for December 12, 2019, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
December 12, 2019

On Thursday, the twelfth day of December 2019, at 9:30 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held in Hearing Room E2.026 of the Texas Capitol Extension, 1100 Congress Avenue, Austin, Texas.

The following members, constituting a quorum, were present and voting:

- J.B. Goodwin
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

J.B. Goodwin served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as Secretary.

1) The Board unanimously approved a resolution commemorating and recognizing December 21, 2019, as Homeless Persons' Memorial Day in Texas.

2) The Board unanimously approved the Consent Agenda as presented.

3) Action Item 3(a) – Report on the meeting of the Internal Audit and Finance Committee – was presented by Sharon Thomason, Chair, TDHCA Board Audit and Finance Committee. The Board heard the report and took no action.

4) Action Item 3(b) – Presentation, discussion, and possible approval of the Annual Internal Audit Plan for Fiscal Year 2020 – was presented by Mark Scott, TDHCA Director of Internal Audit. The Board unanimously approved staff recommendation to approve the 2020 audit plan.

5) Action Item 4(a) – Presentation, discussion, and possible action on a proposed amendment to the 2020-2021 State Housing Trust Fund Biennial Plan and authorization for staff to submit the amended plan to all appropriate offices – was presented by Raul Gonzales, TDHCA Director of the Office of Colonia Initiatives, Housing Trust Fund, and Neighborhood Stabilization Program. The Board unanimously approved staff recommendation to approve the amendment.

6) Action Item 5(a) – Presentation, discussion, and possible action on the Federal Fiscal Year 2020 Low Income Home Energy Assistance Program Community Energy Assistance Program award for Galveston County Community Action Council, Inc. – was presented by Gavin Reid, TDHCA Manager of Planning and Training. Additional information was provided by Brooke

Boston, TDHCA Director of Programs, and Bobby Wilkinson, TDHCA Executive Director. The Board unanimously approved staff recommendation to make the award.

7) Action Item 5(b) – Presentation, discussion, and possible action authorizing the Department to submit an application for Community Services Block Grant disaster supplemental funding in response to an action transmittal released by the U.S. Department of Health and Human Services, and if successfully awarded to administer such funds – was presented by Mr. Reid. Additional information was provided by Mr. Eccles and Mr. Wilkinson. The Board unanimously approved staff recommendation to grant authority to staff to apply for the funds.

8) Action Item 6(a) – Presentation, discussion, and possible action regarding Resolution No. 20-009 authorizing the implementation of Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program 94, approving the form and substance of the program manual and the program summary, authorizing the execution of documents and instruments necessary or convenient to carry out Mortgage Credit Certificate Program 94, and containing other provisions relating to the subject – was presented by John Tomme, TDHCA Senior Financial Analyst. The Board unanimously approved staff recommendation to approve the resolution.

9) Action Item 7(a) – Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications for 19443 Spanish Park, Arlington; 19473 Flora Lofts, Dallas; 19470 Jackie Robinson, El Paso; 19400 Villas del San Xavier, San Marcos; and, 19467 Auro Crossing, Austin ETJ – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously approved staff recommendation to issue the tax credits.

10) Action Item 7(b) – Presentation, discussion, and possible action on a waiver of 10 TAC §11.3 of the Qualified Allocation Plan related to Housing De-Concentration Factors for Austin Manor Apartment Homes (#19471) in the extraterritorial jurisdiction of Austin – was pulled from the agenda.

11) Action Item 7(c) – Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits and an Award of Direct Loan Funds for The Walzem (#19468) in San Antonio ETJ – was presented by Ms. Morales. Following public comment (listed below), the Board unanimously approved staff recommendation to issue the tax credits and award the funds.

- Michael Lyttle, TDHCA Director of External Affairs, read a letter into the record from Tommy Calvert, Bexar County Commissioner, Precinct Four, in opposition to staff recommendation.

12) Action Item 7(d) – Presentation, discussion and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for 17239 Abbington Ranch, Boerne; 17736 Providence at Ted Trout Drive,

Hudson; 18376 Lakeview Point Apartments, Garland; and, 17700 The Terraces at Arboretum, Houston – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. Additional information was provided by Brent Stewart, TDHCA Director of Real Estate Analysis. Following public comment (listed) below, the Board unanimously approved staff recommendation to approve requests from 17239 Abbington Ranch, 18376 Lakeview Point Apartments, and 17700 The Terraces at Arboretum. The Board unanimously denied staff recommendation to deny the request from 17736 Providence at Ted Trout Drive. Consequently, the Board approved the request from 17736 and established an in-service due date of June 30, 2020 for that development.

- Chris Akbari, ITEX Development and applicant of 17736, testified in opposition to staff recommendation on 17736
- Bill Ewing, Jr., general contractor for 17736, provided information regarding 17736

13) Action Item 7(e) – Presentation, discussion, and possible action to adopt the 2020 Multifamily Programs Application Procedures Manual – was presented by Ms. Holloway. The Board unanimously approved staff recommendation to adopt the manual.

14) Action Item 7(f) – Presentation, discussion, and possible action regarding the approval for publication in the Texas Register of the 2020-1 Multifamily Direct Loan Annual Notice of Funding Availability – was presented by Andrew Sinnott, TDHCA Multifamily Loans Program Administrator. The Board unanimously approved staff recommendation to issue the NOFA.

15) Action Item 7(g) – Presentation, discussion, and possible action regarding awards of Direct Loan funds from the 2019-1 Multifamily Direct Loan Notice of Funding Availability for 19053 Laurel Creek Apartments, Austin; and, 19508 Roosevelt Gardens, Austin – was presented by Mr. Sinnott. The Board unanimously approved staff recommendation to make the awards.

16) Action Item 8(a) – Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, and an order adopting the new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing both its publication in the Texas Register and adoption of its Substantial Amendment to the One Year Action Plan (OYAP) – was presented by Mr. Sinnott. The Board unanimously approved staff recommendation to repeal the existing rules, publish the new rules, and approve the amendment to the OYAP.

17) Action Item 8(b) – Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC, Subchapter A, Administration, §1.7, Appeals Process; an order adopting new 10 TAC, Subchapter A, Administration, §1.7, Appeals Process; and directing that they be published in the Texas Register – was presented by Ms. Boston. The Board unanimously approved staff recommendation to repeal the existing rules and publish the new rules.

18) Action Item 8(c) – Presentation, discussion, and possible action on an order proposing new 10 TAC, Chapter 10, Subchapter G, Affirmative Marketing Requirements and Written Policies and Procedures, and directing its publication for public comment in the Texas Register – was

presented by Ms. Boston. The Board unanimously approved staff recommendation to publish the draft rules.

19) Action Item 8(d) – Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 6, Community Affairs Programs; an order adopting new 10 TAC Chapter 6, Community Affairs Programs; and directing that they be published for adoption in the Texas Register – was presented by Mr. Reid. The Board unanimously approved staff recommendation to repeal the existing rules and publish the new rules.

20) Action Item 8(e) – Presentation, discussion, and possible action on amendments to Title 10, Part 1, Chapter 10, Subchapter F of the Texas Administrative Code, in particular 10 TAC §10.602 Notice to Owners and Corrective Action Periods; §10.605 Elections under IRC §42(g); §10.607 Reporting Requirements; §10.609 Notices to the Department; §10.610 Written Policies and Procedures, §10.611 Determination, Documentation and Certification of Annual Income; §10.612 Tenant File Requirements; §10.613 Lease Requirements; §10.614 Utility Allowances; §10.615 Elections under IRC §42(g); Additional Income and Rent Restrictions for HTC, Exchange, and TCAP Developments; §10.616 Household Unit Transfer Requirements for All Programs; §10.617 Affirmative Marketing Requirements, §10.618 Onsite Monitoring; §10.622 Special Rules Regarding Rents and Rent Limit Violations; §10.623 Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period; §10.624 Compliance Requirements for Developments with 811 PRA Units; and Figure §10.625; and directing that they be published for public comment in the Texas Register – was presented by Patricia Murphy, TDHCA Director of Compliance. The Board unanimously approved staff recommendation to publish the draft rules.

21) Action Item 8(f) – Presentation, discussion, and possible action on an order approving the repeal of 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and an order adopting new 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and directing their publication in the Texas Register – was pulled from the agenda.

22)   During the Public Comment portion of the meeting the follow persons provided comment:

- Mr. Wilkinson made comments regarding the service of Chairman Goodwin, who is leaving the Board effective December 31, 2019
- Chairman Goodwin provided personal comments regarding his service on the Board, agency staff, agency performance, and the affordable housing industry

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 11:10 a.m.   The next meeting is set for Thursday, January 16, 2020.

_____
Secretary

Approved:

_____
Chair

1b

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Humble Memorial Gardens (HTC #02120)

RECOMMENDED ACTION

WHEREAS, Humble Memorial Gardens (the Development) received a 9% Housing Tax Credit (HTC) award in 2002 to construct 75 multifamily units in Humble, Harris County;

WHEREAS, the HTC application for the Development received points and/or other preferences for agreeing to provide a Right of First Refusal (ROFR) to purchase the Development over a two-year ROFR period, and this provision is reflected in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, in 2015, the 84th Texas Legislature, Regular Session, amended Tex. Gov't Code §2306.6725 and §2306.6726 to allow, among other things, for a 180-day ROFR period and to permit a Qualified Entity to purchase a property under ROFR, and defined a Qualified Entity to mean an entity described by, or as amended, an entity controlled by an entity described by, 26 U.S.C. §42(i)(7)(A), Internal Revenue Code of 1986;

WHEREAS, Humble Memorial Gardens, Ltd. (the Development Owner or Owner) requests to amend the LURA for the Development to incorporate changes made to Tex. Gov't Code §2306.6725 and §2306.6726 in 2015; and

WHEREAS, amendment to the ROFR period in the LURA is a material change requiring Board approval under 10 TAC §10.405(b)(2)(E), and the Development Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board, including holding a public hearing;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Humble Memorial Gardens is approved as presented to this meeting, and the Executive Director and his designees are hereby authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Humble Memorial Gardens received a 9% HTC award in 2002 to construct 75 multifamily units in Humble, Harris County. In a letter dated February 4, 2020, David P. Cole, Administrative Manager for Hester Street LLC, the Managing General Partner of the Development Owner, and Mark S. Moorhouse, Vice President of Humble Leased Housing Associates I, LLC, the Development General Partner of the Development Owner, requested approval to amend the HTC LURA related to the ROFR provision.

In 2002, the Housing Tax Credit application allotted five points to the Development Owner in exchange for a two-year ROFR period. Upon completion of the Development, the Owner entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Tax Credits recorded in Harris County on June 2, 2006, later amended and recorded in Harris County in 2010.

As approved in 2002, the additional use restrictions in the current HTC LURA would require, among other things, a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnerships Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), a tenant organization or to the Department, if at any time after the 15th year of the Compliance Period the Owner decides to sell the property. The property is currently in the 16th year of the Compliance Period specified in the LURA. However, the Owner desires to exercise its rights under Tex. Gov't Code §2306.6726 to amend the LURA to allow for a 180-day ROFR period.

In 2015, the 84th Texas Legislature, Regular Session, passed HB 3576, which amended Tex. Gov't Code §2306.6725 to allow for a 180-day ROFR period and Tex. Gov't Code §2306.6726 to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. Additionally, Tex. Gov't Code §2306.6726, as amended by HB 3576, defines Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's 2020 Uniform Multifamily Rules, Subchapter E, include administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on February 13, 2020, at the Development's onsite community clubhouse. No negative public comment was received at the public hearing regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

HUMBLE MEMORIAL GARDENS
9850 J M Hester Street
Humble, Texas 77338

February 4, 2020

VIA HAND DELIVERY
Ms. Lucy Trevino
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

      Re: TDHCA File No. 02120; Humble Memorial Gardens (the "**Property**")

Dear Ms. Trevino:

      The undersigned, being the General Partners (herein so called) of Humble Memorial Gardens, Ltd., a Texas limited partnership and the current owner of the Property (the "**Partnership**"), are submitting this letter to request a material LURA amendment in order to modify the two-year Right of First Refusal ("**ROFR**") period.

Request to Amend ROFR Period

      In 2015, Texas Government Code Section 2306.6726 was amended to allow for a 180-day ROFR period. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(E) of the Rules allows for a LURA amendment in order to conform a ROFR to the provisions in Section 2306.6726. Therefore the General Partners, acting on behalf of the Partnership, request a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

      In accordance with Section 10.405(b) of the Rules, the Partnership, is delivering a fee in the amount of $2,500.00. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, and lenders. The Partnership will proceed to set a date and time for the public hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Partnership requests staff recommendation in support of this request to be considered at the next available TDHCA Board meeting.

82387535v.1 0053017/00000

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

HUMBLE MEMORIAL GARDENS, LTD.,
a Texas limited partnership
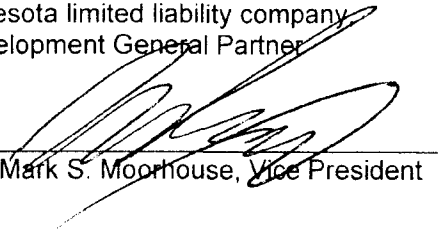
By: Hester Street LLC,
        a Texas limited liability company,
        its Managing General Partner

        By: _____
              David P. Cole, Administrative Manager

By: Humble Leased Housing Associates I, LLC,
        a Minnesota limited liability company,
        its Development General Partner

        By: _____
              Mark S. Moorhouse, Vice President

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Churchill at Golden Triangle Community (HTC #19009)

RECOMMENDED ACTION

WHEREAS, Churchill at Golden Triangle Community (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2019 for the new construction of 99 multifamily units in Fort Worth, Tarrant County;

WHEREAS, Churchill at Golden Triangle Community, LP (the Development Owner or Owner) requests approval for an overall 9.18% reduction in the Common Area as defined in §11.1(d)(22) of the 2020 Qualified Allocation Plan (QAP) and for non-material changes to the design plans;

WHEREAS, Board approval is required for a reduction of three percent or more in the common areas directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;
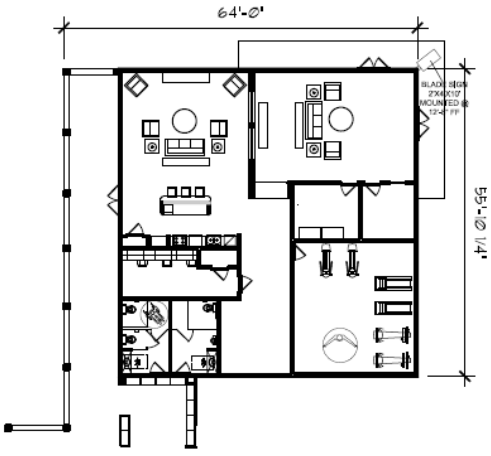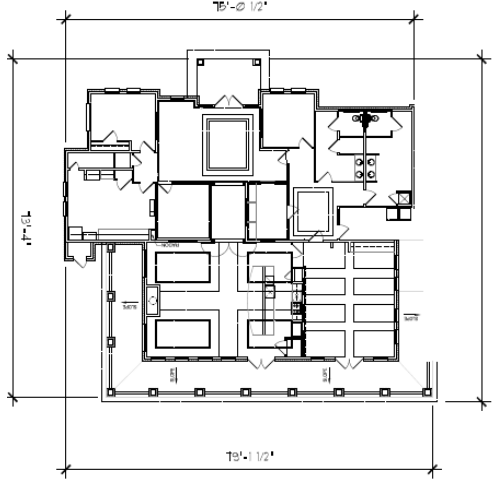
NOW, therefore, it is hereby

RESOLVED, that the requested material amendment for Churchill at Golden Triangle Community is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Churchill at Golden Triangle Community received a 9% HTC award in 2019 to construct 99 units in Fort Worth, Tarrant County. On January 23, 2020, Brad Forslund, the representative for the Development Owner, submitted a request for a material amendment to the original common area design and for non-material changes to the original design plans. The request seeks approval for an overall 9.18% decrease or 2,444 square foot reduction to the Common Area, as

defined in 10 TAC §11.1(d)(22). The revised design plans include a 16.67% increase in the area of the clubhouse from 3,000 to 3,500 square feet. The increase is the result of an improved floorplan that includes the addition of an office and a workroom to the administration section of the clubhouse. However, the material change to the Common Area is the result of a reduction in the breezeways/corridors/stairs from 23,623 to 20,679 square feet (a 12.46% reduction). Mr. Forslund stated that the reductions are to improve life, safety, and efficiency of the buildings. He explained that in the original design, the breezeways contained multiple alcoves that they discovered would be difficult to adequately light, ventilate, and provide visibility. Therefore, the revised plans include a more simplified and traditional design of the breezeways. The result is a 2,944 square foot reduction in the breezeways for a net reduction of 9.18%, or 2,444 square feet, in the Common Areas. A comparison of original and revised Common Area is identified in the following table:

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)	
Application	Amendment
Common Area:	Common Area
Clubhouse 3,000 s.f.	Clubhouse 3,500 s.f.
Breezeway / Corridor / Stairs 23,623 s.f.	Breezeway / Corridor / Stairs 20,679 s.f.
Total Common Area 26,623 s.f.	Total Common Area 24,179 s.f.
Clubhouse: 3,000 sf CLUBHOUSE	Clubhouse: 3,500 SQ. FT. CLUBHOUSE

In addition to the material reduction to the Common Area, the revised design plans identify design changes that are considered Notification Items under 10 TAC §10.405(a)(2)(B) and (C). First, there are modifications to the original unit designs resulting in a 0.27% or 219 square feet increase in the Net Rentable Area (NRA) identified at application, from 80,817 to 81,036 square feet. The following is a comparison of the changes to the NRA:

	Application			Revisions				
	Units in Bldg	Sqft/Unit	Total NRA	Units in Bldg	Revised Sqft/Unit	Difference/Unit	Total Revised NRA	Total Increase to NRA
Bldg 1	45	675	30,375	45	675	0	30,375	
Bldg 2	21	902	18,942	21	900	2	18,900	
Bldg 3	24	900	21,600	24	909	-9	21,816	
Bldg 4	9	1,100	9,900	9	1,105	-5	9,945	
Total	99		80,817	99	3,589		81,036	219

Second, the modified unit designs affected the corner units in each building and the clubhouse, resulting in a 29.15% or 2,596 square foot reduction in the area of the porches/balconies. Mr. Forslund stated that the change was necessary because the original design presented complications with the new floorplans, but each unit will continue to have nicely sized and functional porches/balconies. The revised designs result in a 29.15% or 2,596 square foot reduction in the total area of the porches/balconies. The following table is a comparison of the original and revised porches/balconies:

	Application			Revisions			
	# of Units	Original Sqft/Unit	Total	Revised Sqft/Unit	Revised Sqft	Difference/Unit	Total Reduction
Bldg 1	45	57	2,565	51	2,295	-6	
Bldg 2	21	68	1,428	52	1,092	-16	
Bldg 3	24	123	2,952	53	1,272	-70	
Bldg 4	9	134	1,206	47	423	-87	
Clubhouse			756		1,229		
Total Porches / Balconies Sqft			8,907		6,311		-2,596
							29.15%

Third, there is a 37.34% or 606 square feet reduction in the administrative storage/utility room areas, from 1,623 to 1,017 square feet. The storage/utility areas were originally designed for potential telecom or operations uses. Due to the improved efficiency to the buildings, these areas are no longer needed, and therefore, are reduced. The reduction does not affect the units, which will continue to have a storage closet located on the porches/balconies. Finally, the revised design plans include an addition of a 500 square foot maintenance/pump room. Under 10 TAC §11.1(d)(22), Common Area does not include maintenance areas, equipment rooms, or storage.

Mr. Forslund states that they are not proposing a change in the construction costs with the amended design plans. Their General Contractors have advised the Owner that the additions are generally offset by the cost savings associated with the reductions. Also, the design changes are mostly associated with the unconditioned and unfinished spaces. Therefore, the cost savings will offset the increases to the conditioned and finished spaces.

Staff has reviewed the original application and determined that the revisions to the design plans noted above do not negatively affect the Development and do not affect the scoring of the Application or the tax credit award, and the Development will continue to meet the accessibility requirements.

Staff recommends approval of the requested material amendment to the Application.

January 23, 2020

Mr. Rosalio Banuelos
Director of Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 East 11ᵗʰ Street
Austin, Texas 78701-2410

RE: Churchill at Golden Triangle TDHCA #19009

Dear Mr. Banuelos,

On behalf of Churchill at Golden Triangle Community, L.P. we are requesting an amendment to our tax credit application. The amendment relates to the change in square footages of various components of the proposed community. Some components increased in size and some decreased in size. The net change was a decrease in common area of 4,933 square feet (see attached worksheet). We are using TDHCA's definition of common area which includes breezeways, stairwells, storage, utility rooms, balconies/patios and the clubhouse.

We increased the square footage of the units by 213 square feet and the clubhouse by 500 square feet. This increase was as a result of improving the floorplans and adding an office and workroom to the administration portion of the clubhouse.

We also added a maintenance room of 500 square feet and a 262 square foot laundry room to the common area amenities.

The square footage reductions include a reduction in breezeway square footage due to improving life safety and efficiency of the buildings. The original designs included multiple alcoves in the breezeways that would have been difficult to adequately light, provide proper visibility and properly ventilate. We have simplified the breezeways to a more traditional design. This reduction totaled 2,944 square feet.

The second area where we reduced square footage was in the balconies. All units still have nicely sized and functional balconies. We reduced the corner balconies on the corner units that were complicating the redesign of the floorplans. The reduction in balcony square footage is 2,596 square feet.

The third area where we decreased square footage was the storage/utility areas. These would have been areas for potential telecom or operations use. They are not the storage units provided with each unit as originally proposed. As we improved the efficiency of the buildings these telecom and operations storage/utility units were naturally reduced or eliminated. This reduction totaled 606 square feet.

We are not proposing a change in construction costs with this amendment. Our general contractors are saying the costs of the reduction are generally off set with the costs of the additions. This is because we are offsetting greater reductions in unconditioned unfinished space with less increases in conditioned finished space.

We have highlighted the areas on the attached architectural drawings where the major changes were made.

Included as exhibits to this letter are revised architectural plans and a square footage comparison worksheet. A check for $2,500 is also included for the application amendment fee.

Thank you for your help in this matter.

Sincerely,

Brad Forslund
Authorized Representative

Enclosures

Churchill at Golden Triangle   **TDHCA #19009**

Per TDHCA Application

Building	NRA	Breezeway/Corridor/ Stairs	Storage/Utility	Porches/Balconies	Clubhouse	Maintenance/ Pumproom	Total
1	19,581	7,366	444	2,031	3,000		32,422
2	22,224	5,739	393	2,403			30,759
3	20,868	5,670	393	2,403			29,334
4	18,150	4,848	393	2,070		0	25,461
							0
Total	80,823	23,623	1,623	8,907	3,000	0	117,976

	NRA	Breezeway/Corridor/ Stairs	Storage/Utility	Porches/Balconies	Clubhouse	Maintenance/ Pumproom	Total
Per DD Plans(see below)	81,036	20,679	1,017	6,311	3,500	500	113,043
Difference	213	(2,944)	(606)	(2,596)	500	500	(4,933)

Per DD Set (final)

Building	NRA	Breezeway/Corridor/ Stairs	Storage/Utility	Porches/Balconies	Clubhouse	Maintenance/ Pumproom	Total
1	20,190	7,717	1,017	2,466	3,500		34,890
2	22,884	4,524	0	1,119			28,527
3	20,358	4,674	0	1,164			26,196
4	17,604	3,764	0	1,562		500	23,430
							0
Total	81,036	20,679	1,017	6,311	3,500	500	113,043

1c

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Homes of Persimmons (HTC #98170)

RECOMMENDED ACTION

WHEREAS, Homes of Persimmons (the Development) received an award of 9% Housing Tax Credits (HTCs) in 1998 for the construction of 180 units of multifamily housing in Dallas, Dallas County;

WHEREAS, Persimmon Townhomes, Ltd. (the Development Owner or Owner) is seeking to sell a tract of land to a developer and is requesting a release of this land from the original 44.8664 acres encumbered by the Land Use Restriction Agreement (LURA), leaving 22.065 acres as the encumbered site for the Development;

WHEREAS, the released acreage results in a 50.82% reduction to the original site acreage represented at Application and a 103.34% modification of the residential density;

WHEREAS, Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Homes of Persimmons is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Homes of Persimmons was approved in 1998 for an award of 9% Housing Tax Credits to construct 180 multifamily housing units in Dallas, Dallas County, on a tract of land described as 44.8664 acres in the LURA. In a letter dated February 6, 2020, John C. Shackelford, representative for Joseph Kemp, President of the General Partner for the Development Owner, requested to amend the Application to release 22.871 acres of unimproved and unused land encumbered by the LURA, and leave 22.065 acres encumbered by the LURA.

Surveys were provided that identify the developed section of the site as 22.065 acres (Developed Acreage) and the undeveloped section as 22.871 acres (Undeveloped Acreage). Due to changes that occurred when resurveying the sites, there is a 0.0696-acre difference in the combined acreage from the original 44.8664 acres encumbered by the LURA. Mr. Shackelford states the Undeveloped Acreage is currently not benefiting the Development and that no aspects of the Development will be affected by the removal of the Undeveloped Acreage from the LURA. Mr. Shackelford also states that since the Undeveloped Acreage is currently not benefiting the Development, this land would better serve the public if released. Information provided indicates the Owner has entered into contract to sell the Undeveloped Acreage to NRP Properties LLC (NRP). Mr. Shackelford states that NRP is interested in using the land to build an affordable senior living community, but nothing is finalized yet.

Staff reviewed the Application and the underwriting report and confirmed that it was originally noted that the Applicant was acquiring approximately 45 acres for a cost of $500,000, and the site plan provided indicated slightly more than half of this land would be used for the Development. The underwriter noted that the Applicant estimated that 25 acres would be used for the Development, but the Applicant did not provide documentation to support to the actual development site acreage. The underwriter noted in the report that cost for the excess land should be removed from the development budget, but this was not done by the Applicant. Staff reviewed the Seller's Statement in the cost certification that confirms 45.1985 acres were purchased for a cost of $525,000 on October 9, 1998. Staff also confirmed that the final development cost schedule in the cost certification included $525,000 as the acquisition cost. However, had the acquisition cost been prorated for the Developed Acreage, the amount of deferred developer fee would have decreased, but the recommended HTC amount would not have been affected.

The removal of the Undeveloped Acreage results in a 50.82% reduction to the 44.8664 acres encumbered by the LURA and a 103.34% increase in the residential density. Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F).

Staff recommends approval of the requested material amendment to the Application, which will result in an amendment to the HTC LURA for the Development to only encumber the Developed Acreage of 22.065.

Shackelford

A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

John C. Shackelford
9201 N. Central Expressway
Fourth Floor
Dallas, Texas 75231
(214) 780-1400 (Main)
(214) 780-1414 (Direct)
(214) 780-1401 (Fax)
jshack@shackelford.law

February 6, 2020

Via Federal Express
and Via Email: leeann.chance@tdhca.state.tx.us
Lee Ann Chance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

      RE: TDHCA File No. 98170 Homes of Persimmon (the "**Development**")

Dear Ms. Chance:

This firm is legal counsel for Persimmon Townhomes, Ltd., a Texas limited partnership (the "**Development Owner**"), and I have been requested by Joseph Kemp, President of the General Partner (herein so called), to request approval from the Texas Department of Housing and Community Affairs ("**TDHCA**") in accordance with Section 10.405(b) of the Uniform Multifamily Rules (the "Rules"), to amend the Housing Tax Credit Application (the "**Original Application**") filed by Development Owner in 2000.

The amendment requested is to remove approximately 23 acres of land (the "**Undeveloped Acreage**") from the Land Use Restriction Agreement ("**LURA**") where such real property is unimproved and not used for the Development despite its inclusion in the legal description attached to the LURA and which was referenced in the Original Application. Although this proposed removal will decrease the site acreage by more than 10% from the original acreage proposed in the Original Application, the modification will not affect the residential density of the Development, or any other aspect of the Development.

The Undeveloped Acreage has remained undeveloped beyond the expiration of the initial Compliance Period, it provides no benefit to the Development and it being burdened by the LURA wastefully prohibits it from future development, which is not in the best interest of the public. Development Owner anticipates selling the Undeveloped Acreage to a developer interested in building an affordable housing senior living community, which is in the best interest of the public by increasing the number of affordable housing units. Again, the release of the Undeveloped Acreage from the LURA would not adversely affect the Development in any way. There is, therefore, good cause for this amendment request.

One of TDHCA's main objectives is to provide high quality affordable housing to the community. This mission can be accomplished by allowing Development Owner to amend the Original Application to release the Undeveloped Acreage to be sold to housing developers. Without TDHCA's release of the Undeveloped Acreage from the LURA, the Undeveloped

Acreage will continue to be idle and wasted. All in all, the site modification in the LURA would positively impact the community.

Enclosed herewith please find check #730003921 for payment of the Original Application amendment fee of $3,500.00 in accordance with Section 10.405(b) of the Rules.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Very truly yours,

John C. Shackelford

JCS/klm

cc: Joseph Kemp (Via email)
        Esther Lee (Of the Firm)

R:\SHACKLAW\52030\1\TDHCA App Amend Ltr.docx

LEGEND

LT	LIGHT POLE
SD	STORM DRAIN
FL	FIRE LANE
WM	WATER METER
BL	BUILDING LINE
CO	CLEAN OUT
FH	FIRE HYDRANT
SS	SANITARY SEWER
W	WATER
CLF	CHAIN LINK FENCE
T	TELEPHONE
MH	MAN HOLE
GM	GAS METER
FIR	FOUND IRON ROD
SIR	SET IRON ROD
FC	FENCE CORNER
P/T	POWER & TELEPHONE
PT	ASPHALT PAVEMENT
	CONCRETE PAVEMENT
UP	UNDERGROUND POWER
PP	POWER POLE
G	GAS
	UNDERGROUND POWER
BP	BUMPER POLE
	PARKING SPACES

UTILITY WARNING

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM THE INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

PROPERTY DESCRIPTION

BEING a part of a 45.1993 acre tract situated in the John B. Richards Survey, Abstract No. 1192, and located in City Block No. 6871, City of Dallas, Dallas County, Texas, and being part of that same tract of land conveyed to BRB J V No. 1, a Texas joint venture, by deed recorded in Volume 84057, Page 3145, Deed Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a ½ inch iron rod found for corner in the Southeast ROW line of Persimmon Road (a 50' ROW), 1009.46 feet Southwest of the Southwest ROW line of Bonnie View Road, said corner being the West corner of Block 1/6871, Highland Hills Apartments, an Addition in the City of Dallas, Texas, according to the Plat thereof recorded in Volume 70219, Page 1368, Deed Records, Dallas County, Texas;

THENCE: S 29° 00' 00" E, 831.48 feet, along the Southwest line of said Highland Hills Apartments and Block 1/6871 to a ½ inch iron rod found for corner in the Northwest ROW line of Highland Hills Drive (a 60' ROW);

THENCE: S 61° 00' 00" W, along the Northwest ROW line of Highland Hills Drive, as dedicated on the file plat of Highland Hills Apartments as recorded in Volume 73116, Page 2072, Deed Records, Dallas County, Texas, a distance of 121.57 feet to a ½ inch iron rod found for corner at the beginning of a curve to the left having a central angle of 64° 15' 10", a radius of 360.00, and a chord bearing and distance of S 28° 52' 25" W, 382.89 feet;

THENCE: along said curve, an arc distance of 403.71 feet to a railroad spike found for corner at the end of said curve;

THENCE: S 03° 15' 10" E, a distance of 163.58 feet to a 5/8 inch iron rod found for corner for the Southeast corner of Highland Hills Apartments;

THENCE: N 86° 44' 50" E, along the South line of Highland Hills Apartments, a distance of 633.20 feet to a point for corner in the centerline of a creek;

THENCE: in a Southerly direction along the meanderings of Simpson Branch, the following eleven (11) calls.

(1)   S 01° 36' 00" W, a distance of 45.33 feet;
(2)   S 47° 19' 00" W, a distance of 111.89 feet;
(3)   S 21° 58' 00" E, a distance of 73.29 feet;
(4)   S 31° 56' 00" W, a distance of 54.15 feet;
(5)   S 08° 13' 00" E, a distance of 76.57 feet;
(6)   S 07° 04' 00" E, a distance of 155.68 feet;
(7)   S 34° 43' 00" W, a distance of 55.29 feet;
(8)   S 23° 52' 00" E, a distance of 73.07 feet;
(9)   S 41° 43' 00" W, a distance of 113.06 feet;
(10) S 30° 25' 00" E, a distance of 122.39 feet;
(11) S 04° 00' 00" W, a distance of 51.10 feet to a point for corner in the Northwest ROW line of Simpson Stuart Road (a 100' ROW);

THENCE: S 60° 30' 50" W, along said Northwest ROW line of Simpson Stuart Road as conveyed to Dallas County by deed recorded in Volume 80125, Page 150, Deed Records, Dallas County, Texas, a distance of 1022.42 feet to a 3/8 inch iron rod found for corner for the Southeast corner of City Block 6872;

THENCE: N 03° 06' 30" W, along the North line of said City Block 6872 and along a fence, a distance of 1428.43 feet to a ½ inch iron rod found for corner;

THENCE: S 60° 15' 00" W, along a fence, a distance of 234.08 feet to a ½ inch iron rod found for corner for the Northwest corner of City Block 6874;

THENCE: N 29° 14' 00" W, along a fence and the Northeast line of City Block 6874, distance of 536.67 feet to a ½ inch iron rod set for corner;

THENCE: N 10° 26' 33" E, 78.32 feet to a ½ inch iron rod found for corner;

THENCE: N 29° 14' 00" W, 260.00 feet to a ½ inch iron rod set for corner in said Southeast ROW line of Persimmon Road;

THENCE: N 60° 27' 00" E, along said Southeast ROW line of Persimmon Road, a distance of 511.92 feet to a ½ inch iron rod set for corner;

THENCE: N 60° 42' 23" E, continuing along said Southeast ROW line of Persimmon Road, a distance of 481.89 feet to the PLACE OF BEGINNING and containing 44.8664 acres of land.

HIGHLAND HILLS DRIVE APTS
VOL 70219 PG 1368

BLOCK 2/6871

HIGHLAND HILLS APTS
VOL 70219 PG 1368

BLOCK 3/6871

BLOCK 6871

SIMPSON BRANCH

NO PROP CORNERS IN CREEK

SIMPSON STUART RD.

S 01° 36' 00" W 45.33'
S 47° 19' 00" W 111.89'
S 21° 58' 00" E 73.29'
S 31° 56' 00" W 54.15'
S 08° 13' 00" E 76.57'
S 07° 04' 00" E 155.68'
S 34° 43' 00" W 55.29'
S 23° 52' 00" E 73.07'
S 41° 43' 00" W 113.06'
S 30° 25' 00" E 122.39'
S 04° 00' 00" W 51.10'

BM 515.01

S 60° 30' 50" W 1022.42'

N 86° 44' 50" E 633.20'

VACANT LAND

S 29° 00' 00" E 831.48'

N 60° 42' 23" E 481.89'

BEGINNING POINT

A=64° 15' 10"
R=360.00'
L=403.71'
C=S 28° 52' 25" W
382.8879'

WIRE FENCE FD   S 03° 15' 10" E 163.58'

TOTAL AREA 44.8664 AC

N 03° 06' 30" W 1428.43'

WIRE FENCE   OVERHEAD POWER LINE

VACANT LAND

BLOCK 6872

M 234.08'

S 60° 15' 00" W

N 29° 14' 00" W 536.67'

BLOCK 6874

PERSIMMON ROAD

N 60° 27' 00" E 511.92'

N 10° 26' 33" E 78.325'

N 29° 14' 00" W 260.00'

(e) the subject property does not serve any adjoining property for underground drainage, ingress and egress or any other purpose except as shown on the survey and set forth as a Field Note;

(f) all required building setback lines on the subject property are located as shown hereon;

(g) the undersigned has received and examined a copy of Title Insurance Commitment No. TC99-107522, issued March 10, 1999, with an effective date of February 15, 1999 by Safeco Land Title of Tarrant, and of each instrument listed therein, the location of each such easement, right-of-way, servitude and other matter affecting title, to the extent it can be located, has been shown on the survey with appropriate recording reference, and all matters that cannot be located have been listed hereon as a Field Note;

(h) I have consulted the U.S. Department of Housing and Urban Development, Federal Insurance Administration Flood Hazard Boundary Map, Community No. 480171, Map No. 0210C, dated March 16, 1983, and found that the subject property is not located in a special flood hazard area (Zone "C") according to the map, and

(i) the engineer expressly understands and agrees that (a) this certificate is made to induce Wells Fargo Bank, National Association ("Lender") to extend credit secured by a deed of trust lien covering the Property and to induce ("Title Company") to issue a policy of title insurance insuring the validity and priority of such deed of trust lien, (b) both Lender and Title Company are entitled to rely upon this plat of survey as being true and accurate in all respects and upon this certificate as being true and accurate, and (c) the consideration paid to the engineer for the preparation and certification of such survey has been paid, in part, for the benefit of Lender and Title Company and in anticipation of their reliance hereon.

March 24, 1999

J L LANE
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 2509
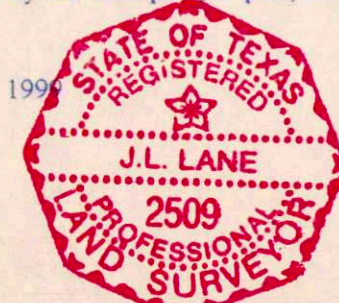
J.L. LANE
2509
STATE OF TEXAS REGISTERED PROFESSIONAL SURVEYOR

NOTE

*Electric and telephone line easement as granted to Texas Power & Light Company, dated August 26, 1940, filed October 17, 1940, recorded in Volume 2236, Page 165, Deed Records, Dallas County, Texas. Shown on Survey.

SURVEYOR'S CERTIFICATION

TO: WELLS FARGO BANK, National Association, PERSIMMON TOWNHOMES, LTD., a Texas limited partnership, LAWYER'S TITLE INSURANCE COMPANY and SAFECO LAND TITLE OF TARRANT

I hereby certify that:

(a) this survey was prepared by me or under my supervision in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys," jointly established and adopted by ALTA and ACSM and NSPS in 1997 and includes Items 1 through 4, 6 through 11 and 13 through 16 of Table A thereof and was prepared pursuant to the accuracy standards (adopted by ALTA and ACSM) of a Class A Survey, as defined therein;

(b) this survey which was established by a field survey actually made on the ground pursuant to the record description is true, correct and accurate as to the boundaries and areas of the subject property and the location and number of parking spaces, size, location and type of buildings and improvements thereon (if any), and as to the other matters shown hereon, it shows the location of all improvements, rights-of-way, easements and any other matters affecting the subject property;

(c) there are no party walls or encroachments on adjoining premises, streets or alleys by any buildings, structures, or other improvements located on the property and there are no encroachments on the property by buildings, structures or other improvements situated on adjoining property, except as shown on the survey and set forth as a Field Note;

(d) adequate ingress to and egress from the subject property is provided by Persimmon Road and Simpson Stuart Road, the same being paved, dedicated public rights-of-way maintained by the City of Dallas;

REVISIONS		SURVEY	

PART OF THE JOHN B. RICHARDS SURVEY, ABST 1192
PART OF CITY BLOCK 6871
CITY OF DALLAS, DALLAS COUNTY, TEXAS

LANE'S SOUTHWEST SURVEYING INC.
2717 MOTLEY DR. SUITE B
MESQUITE, TEXAS 75150 - 3812
Phone (972)681-4442 Fax 681-4829

DATE: JAN. 1999
SCALE 1" = 100'
FILE No. D3-1842 B

BLOCK 1/6871
HIGHLAND HILLS APARTMENTS
VOL. 70219, PG. 1368
M.R.D.C.T.

S 30°03'51" E 831.48'
(DEED CALL S29°00'00")

5/8" IRF

1/2" IRF
C.M.

S 59°56'09" W 121.57'
(DEED CALL S61°00'00")

VICINITY MAP
N.T.S.

SITE

N

SOCA FUNDING, LLC
INSTRUMENT NO. 201400280467
O.P.R.D.C.T.

LOT 2, BLOCK 2/6871
HIGHLAND HILLS DRIVE APARTMENTS
VOL. 73116, PG. 2072
M.R.D.C.T.

5/8" IRF

R=360.00
L=403.71
CB=S27°48'34"W
LC=382.89
Δ=64°15'11"
(DEED CALL S28°52'25"W)

PERSIMMON ROAD
(A VARIABLE WIDTH R.O.W.)

N 59°32'33" E 482.03'
(DEED CALL N60°41'20" 481.87')

HIGHLAND
HILLS DRIVE
(A 60.0 FOOT WIDTH R.O.W.)

S 4°19'01" E 163.58'
(DEED CALL S03°15'10")

1" IRF

5/8" IRFC

PERSIMMON TOWNHOMES, LTD
VOL. 98202, PG. 1706
D.R.D.C.T.

996,267 SQ. FT.
OR 22.871 ACRES

N

0   30   60   120

Scale 1" = 60'

LOT 1, BLOCK 4/6871
HOMES OF PERSIMMONS ADDITION
VOL. 99227, PG. 0023
M.R.D.C.T.

N 59°23'09" E 561.92'
(DEED CALL N60°27'00"E 561.92')

S 85°40'59" W 400.46'
(PLAT CALL 86°44'30")

1-1/4" SQUARE
STEEL ROD
FOUND

P.O.B.

N 4°10'21" W 162.42'

5/8" IRFC
C.M.

S 59°11'09" W 233.70'
(DEED CALL S60°15'00"W 234.08')

LOT 1, BLOCK 6872
PECAN GROVE TOWN HOMES
INST. NO. 200503521331
O.P.R.D.C.T.

IDEAL CHRISTIAN CHILD
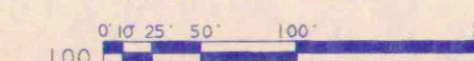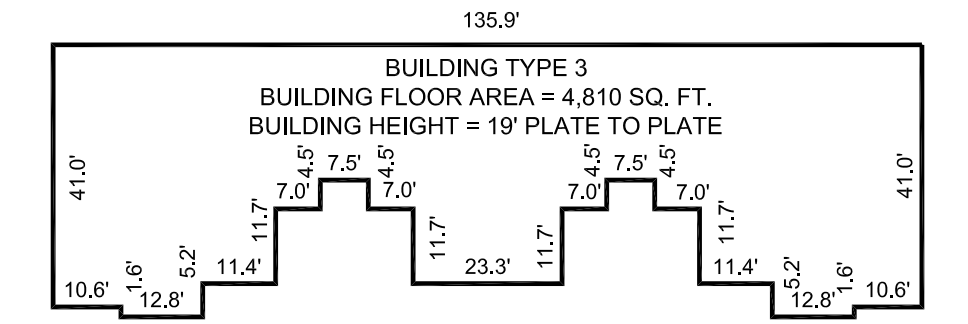CARE FOUNDATION, INC.
VOL. 85176, PG. 3381
D.R.D.C.T.

RAY DUKES
VOL. 99097, PG. 5214
D.R.D.C.T.

5/8" IRF

N 30°17'51" W 856.67'
(DEED CALL N29°14'00"W)

5/8" IRF

LOT 1, BLOCK 6872
PECAN GROVE TOWN HOMES
INST. NO. 200503521331
O.P.R.D.C.T.

This is to certify that I have, this date, made an on the ground survey of the property located on 3100 Persimmon Road in the City of Dallas, Texas, described as follows:

Being a 22.871 acre tract of land out of the John B. Richards Survey, Abstract No. 1192 in the City of Dallas, Dallas County, Texas , said 22.871 acre tract of land being a portion of that certain tract of land conveyed to Persimmon Townhomes, Ltd by deed as recorded in Volume 98202, Page 1706, Deed Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found for corner, said point being the northwest corner of Lot 1, Block 4/6871, Homes of Persimmons Addition, an addition to the City of Dallas, according to the plat thereof recorded in Volume 99227, Page 0023, Map Records, Dallas County, Texas, same point being in the easterly line of Lot 1, Block 6872, Pecan Grove Town Homes, an addition to the City of Dallas, according to the plat thereof recorded in Instrument No. 200503521331, Official Public Records, Dallas County, Texas, said point also being the southwest corner of said remainder Persimmon Townhomes, Ltd tract;

THENCE North 04 degrees 10 minutes 21 seconds West, along the common line of said Lot 1, Block 6872, Pecan Grove Town Homes and said Persimmon Townhomes, Ltd tract, a distance of 162.42 feet to a 1-1/4" square steel rod found for corner;

THENCE South 59 degrees 11 minutes 09 seconds West, continuing along the common line of said Lot 1, Block 6872, Pecan Grove Town Homes and said Persimmon Townhomes, Ltd tract, a distance of 233.70 feet to a 5/8" iron rod found for corner, said point being the most westerly southwest corner of said 22.871 acre tract of land being described;

THENCE North 30 degrees 17 minutes 51 seconds West, continuing along the common line of said Lot 1, Block 6872, Pecan Grove Town Homes and said Persimmon Townhomes, Ltd tract, passing a 1/2" iron rod found at the northeast corner of said Lot 1, Block 6872, Pecan Grove Town, same being the southeast corner of that certain tract of land conveyed to Ray Dukes by deed as recorded in Volume 99097, Page 5214, Deed Records, Dallas County, Texas and continuing for a total distance of 856.67 feet to a 5/8" iron rod found for corner, said point being in the east line of that certain tract of land conveyed to Ideal Christian Child Foundation, Inc. by deed as recorded in Volume 85176, Page 3381, Deed Records, Dallas County, Texas, same point being in the southeasterly line of Persimmon Road (a variable width right-of-way) ;

THENCE North 59 degrees 23 minutes 09 seconds East, along the southeasterly line of said Persimmon Road, a distance of 561.92 feet to a 1/2" iron rod set for corner;

THENCE North 59 degrees 23 minutes 33 seconds East, continuing along the southeasterly line of said Persimmon Road, a distance of 482.03 feet to a 5/8" iron rod found for corner, said point being the northeast corner of said Persimmon Townhomes, Ltd tract, same point being the northwest corner of Block 1/6871, Highland Hills Apartments, an addition to the City of Dallas, according to the plat thereof recorded in Volume 70219, Page 1368, Map Records, Dallas County, Texas;
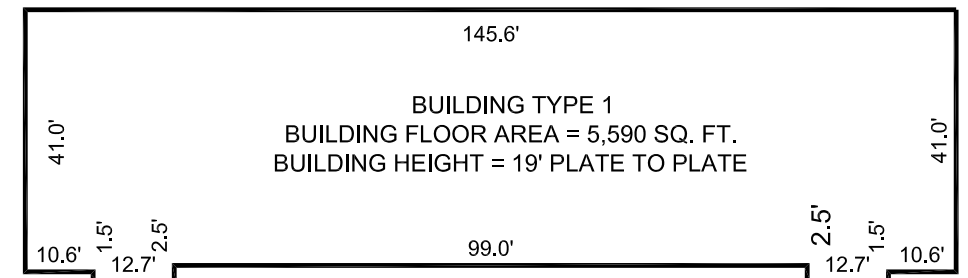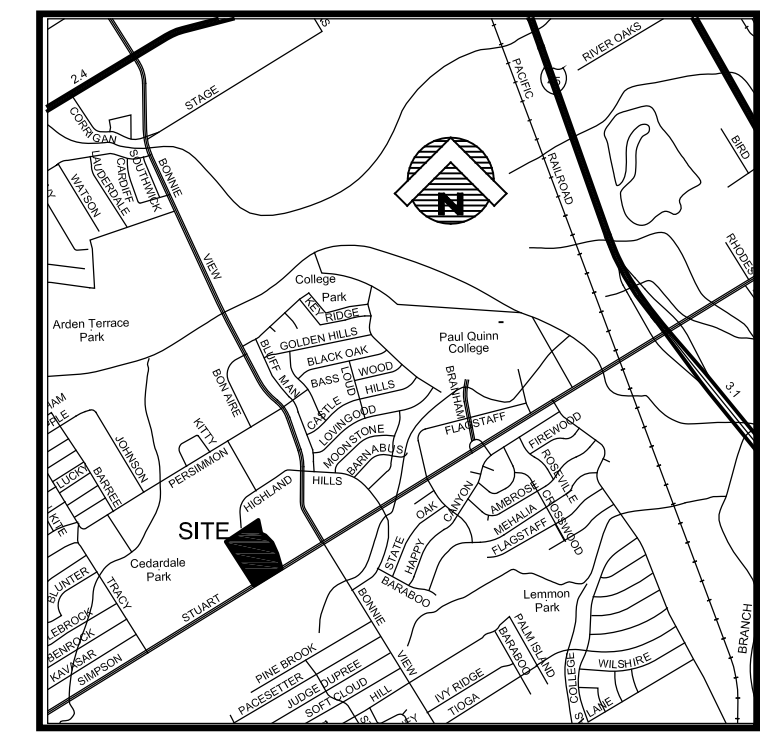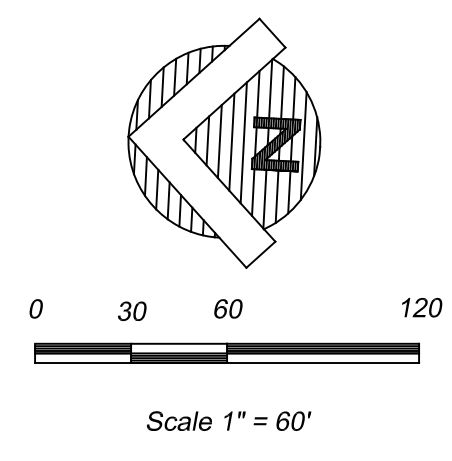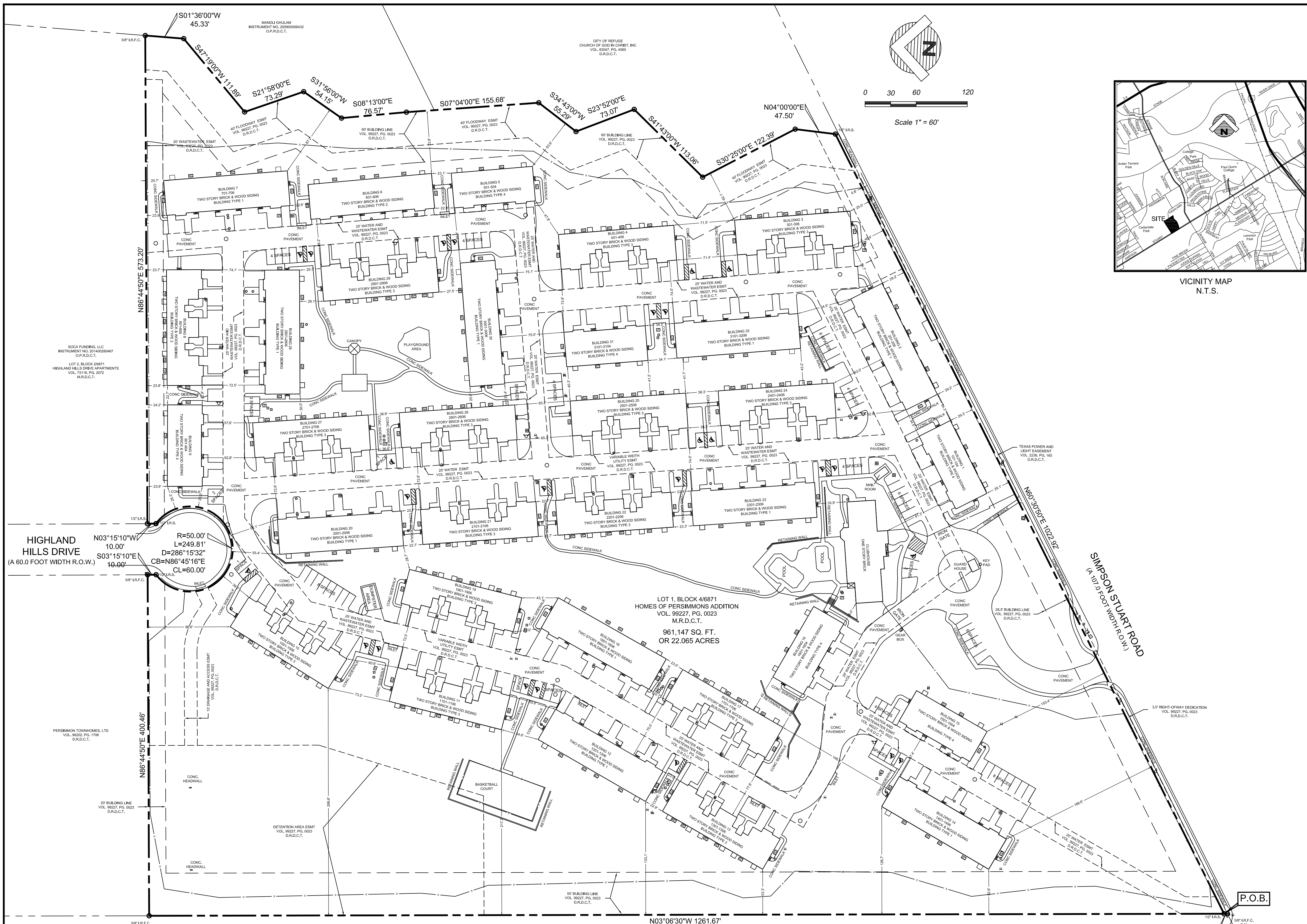
THENCE South 30 degrees 03 minutes 51 seconds East, departing the south line of said Persimmon Road, and along the common line of said Persimmon Townhomes, Ltd tract and said Highland Hills Apartments, a distance of 831.48 feet to a 1/2" iron rod found for corner, said point being the southeast corner of said 22.871 acre tract of land being described, same point being the southwest corner of said Highland Hills Apartments, said point also being in the northwesterly line of Highland Hills Drive (a 60.00 foot width right-of-way);

THENCE South 59 degrees 56 minutes 09 seconds West, along the northwesterly line of said Highland Hills Drive, a distance of 121.57 feet to a 5/8" iron rod found for corner, said point being the beginning of a curve to the left having a radius of 360.00 feet, a delta angle of 64 degrees 15 minutes 11 seconds, and a chord bearing and distance of South 27 degrees 48 minutes 34 seconds West, 382.89 feet;

THENCE in a southwesterly direction along said curve to the left and continuing along the northwesterly line of said Highland Hills Drive, an arc distance of 403.71 feet to a 1" iron rod found for corner;

THENCE South 04degrees 19 minutes 01 seconds East, along the westerly line of said Highland Hills Drive, a distance of 163.58 feet to a 5/8" iron rod found for corner, said point being the most southerly southeast corner of said 22.871 acre tract of land being described, same point being in the north line of said Lot 1, Block 4/6871, Homes of Persimmons Addition;

THENCE South 85 degrees 40 minutes 59 seconds West, along the common line of said 22.871 acre tract of land being described an said Lot 1, Block 4/6871, Homes of Persimmons Addition, a distance of 400.46 feet to the POINT OF BEGINNING, and containing 996,267 square feet or 22.871 acres of computed land.

NOTES:
1. IRF - Iron Rod Found
2. IRS-Iron Rod Set
3. Basis of Bearing - All bearing are based on the Texas Coordinate System, North Central Zone, North American Datum 1983.
4. C.M. = Controlling Monument

FLOOD CERTIFICATE
As determined by the FLOOD INSURANCE RATE MAPS for City of Dallas, Dallas County, Texas, the subject property Does not lie within a Special Flood Hazard Area (100 Year Flood), Zone "X", Map date 07-07-2014 and Community Panel No. 48113 C0495 K.

If this site is not within an identified flood hazard area, this Flood Statement does not imply that the property and/or structures thereon will be free from flooding or flood damage. On rare occasions, greater floods can and will occur and flood heights may be increased by man-made or natural causes. This Flood Statement shall not create liability on the part of the Surveyor.

TO: Persimmon Townhomes, Ltd, Buyer, Lender and Title Company

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 6(a), 6(b), 7(a), 8, 9, 10(a), 11, 13, 16 and 19 of Table A thereof. The field work was completed on November 4, 2016.

William P. Price
Registered Professional Land Surveyor No. 3047

STATE OF TEXAS
REGISTERED
William P. Price
3047
PROFESSIONAL
LAND SURVEYOR

ALTA/ACSM LAND TITLE SURVEY
22.871 ACRE TRACT
A PORTOIN OF
PERSIMMONS TOWNHOMES, LTD
VOLUME 98202, PAGE 1706
MAP RECORDS, DALLAS COUNTY, TEXAS
SITUATED IN
JOHN B. RICHARD SURVEY, ABSTRACT NO. 1192
CITY OF DALLAS, DALLAS COUNTY, TEXAS

TBPS No. 101733-00

SHEET: 1 OF 1

LEGEND

GAS METER		FIRE HYDRANT		MONITORING WELL	SIGN
GAS VALVE		WATER METER		TRAFFIC SIGNAL POLE	LIGHT POLE
TELEPHONE PEDESTAL		FUEL PORT		TRAFFIC SIGNAL BOX	TYPICAL FENCE
POWER POLE		WATER VALVE		TRAFFIC SIGNAL BOX	CONCRETE
DOWN GUY	P	TRANSFORMER PAD		SWB MAN HOLE	TREE
S.S. MAN HOLE		ELECTRIC BOX		GAS MAN HOLE	ELECTRIC PLUG
CLEAN OUT		STORM DRAIN MAN HOLE		VAULT	
				TELEPHONE MANHOLE	

NO.	DATE	REVISION
1.		
2.		
3.		

SURVEY GROUP
SURVEYING * CONSULTING * MANAGEMENT

1475 HERITAGE PARKWAY, 217
MANSFIELD, TEXAS 76063

(817) 354-1445
surveygroup@att.net

JOB NO.:
20-009

DATE:
February 21, 2020

SCALE:
1" = 60'

DRAWN BY:
R.M.

SG

Scale 1" = 60'
0 30 60 120

VICINITY MAP
N.T.S.

BUILDING TYPE 1
BUILDING FLOOR AREA = 5,590 SQ. FT.
BUILDING HEIGHT = 19' PLATE TO PLATE

BUILDING TYPE 2
BUILDING FLOOR AREA = 5,590 SQ. FT.
BUILDING HEIGHT = 19' PLATE TO PLATE

BUILDING TYPE 3
BUILDING FLOOR AREA = 4,810 SQ. FT.
BUILDING HEIGHT = 19' PLATE TO PLATE

BUILDING TYPE 4
BUILDING FLOOR AREA = 3,940 SQ. FT.
BUILDING HEIGHT = 19' PLATE TO PLATE

CLUBHOUSE
BUILDING FLOOR AREA = 4,789 SQ. FT.
BUILDING HEIGHT = 10' PLATE TO PLATE

LOT 1, BLOCK 4/6871
HOMES OF PERSIMMONS ADDITION
VOL. 99227, PG. 0023
M.R.D.C.T.
961,147 SQ. FT.
OR 22.065 ACRES

HIGHLAND HILLS DRIVE
(A 60.0 FOOT WIDTH R.O.W.)

SIMPSON STUART ROAD
(A 107.0 FOOT WIDTH R.O.W.)

P.O.B.

WILIAM P. PRICE
Registered Professional Land Surveyor, No. 3047

ALTA/ACSM LAND TITLE SURVEY
ALL OF
22.065 ACRE TRACT
LOT 1, BLOCK 4/6871
HOMES OF PERSIMMONS ADDITION
VOLUME 99227, PAGE 0023
MAP RECORDS, DALLAS COUNTY, TEXAS
SITUATED IN
JOHN B. RICHARD SURVEY, ABSTRACT NO. 1192
CITY OF DALLAS, DALLAS COUNTY, TEXAS

SHEET: 1 OF 2

PROJECT NAME:
HOMES OF PERSIMMONS
3245 SIMPSON STUART ROAD
DALLAS, DALLAS COUNTY, TEXAS

TBPS No. 101733-00

NO.	DATE	REVISION
1.		
2.		
3.		

SURVEY GROUP
SURVEYING * CONSULTING * MANAGEMENT

400 SOUTH INDUSTRIAL BLVD., STE 219
EULESS, TEXAS 76040
(817) 354-1445
(817) 354-1451 FAX

JOB NO.: 14-170
DATE: JANUARY 9, 2015
SCALE: 1" = 60'
DRAWN BY: R.M.

SURVEY PLAT

This is to certify that I have, this date, made an on the ground survey of the property located on 3245 Simpson Stuart Road in the City of Dallas, Texas, described as follows:

Tract I:

Being a 22.065 acre tract of land out of the John B. Richards Survey, Abstract No. 1192 in the City of Dallas, Dallas County, Texas, said 22.065 acre tract of land being all of Lot 1, Block 4/6871 of Homes of Persimmons Addition, an addition to the City of Dallas, according to the plat thereof recorded in Volume 99227, Page 0023, Map Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 1/2" iron rod stamped " RPLS 3047" set for corner, said point being the southwest corner of said Lot 1, Block 4/6871, same point being in the northerly line of Simpson Stuart Road (a 107.0 foot right-of-way), said point also being in the easterly line of that certain tract of conveyed to Chicory Court - Simpson Stuart, LP by deed as recorded in Volume 2004098, page 684, Deed Records, Dallas County, Texas;

THENCE North 03 degrees 06 minutes 30 seconds West, along the common line of said Lot 1, Block 4/6871 and said Chicory Court - Simpson Stuart, LP tract, a distance of 1261.67 feet to a 5/8" iron rod stamped "RPLS 2509" found for corner, said point being the northwest corner of said Lot 1, Block 4/6871, same point being in the southwest corner of that certain tract of land conveyed to Persimmon Townhomes, Ltd by deed as recorded in Volume 98202, Page 1706, Deed Records, Dallas County, Texas;

THENCE North 86 degrees 44 minutes 50 seconds East, departing the common line of said Lot 1, City Block No. 4/6871 and said Chicory Court - Simpson Stuart, LP tract and along the common line of said Lot 1, Block 4/6871 and said Persimmon Townhomes, Ltd., tract, a distance of 400.46 to a 5/8" iron rod stamped "RPLS 2509" found for corner, said point being the southwest corner of said Persimmon Townhomes, Ltd., tract , same point being in the westerly line of Highland Hills Drive (a 60.0 foot right-of-way),

THENCE South 03 degrees 15 minutes 10 seconds East, along the west line of said Highland Hills Drive, a distance of 10.00 feet to a 1/2" iron rod stamped " RPLS 3047" set for corner, said point being the beginning of a curve to the left having a radius of 50.00 feet, a delta angle of 286 degrees 15 minutes 32 seconds and a chord bearing and distance of North 86 degrees 45 minute 15 seconds East, 60.00 feet;

THENCE in a northeasterly direction along said curve to the left and along the southerly line of Highland Hills Drive, an arc distance of 249.81 feet to a 1/2" iron rod stamped " RPLS 3047" set for corner, said point being in the east line of said Highland Hills;

THENCE North 03 degrees 15 minutes 10 seconds West, along the east line of Highland Hills Drive, a distance of 10.00 feet to a 1/2" iron rod stamped " RPLS 3047" set for corner, said point being in the north line of said Lot 1, Block 4/6871, same point being the southwest corner of Lot 2, Block 2/6871, Highland Hills Drive Addition, an addition to the City of Dallas, according to the plat thereof recorded in Volume 73168, Page 023, Map Records, Dallas County, Texas;

THENCE North 86 degrees 44 minutes 50 seconds East, departing the east line of said Highland Hills Drive and along the common line of said Lot 1, City Block No.4/6871 and said Lot 2, Block 2/6871 , a distance of 573.20 feet to a 5/8" iron rod stamped "RPLS 2509" found for corner, said point being the northeast corner of said Lot 1, Block 4/6871, same being the southeast corner of said Lot 2, Block 2/6871, said point also being in the west line of that certain tract of land conveyed to Mandli Ghulam by deed as recorded in Instrument No. 200900006432 , Official Public Records, Dallas County, Texas, said point also being in the centerline of Simpson Branch ;

THENCE in a southerly direction along the meanderings of Simpson Branch the following calls:

South 01 degrees 36 minutes 00 seconds West, along the common line of said Lot 1, Block 4/6871 and said Mandli Ghulam tract, a distance of 45.33 feet to a point for corner (monumentation not set);

South 47 degrees 19 minutes 00 seconds West, along the common line of said Lot 1, Block. 4/6871 and said Mandli Ghulam tract, a distance of 111.89 feet to a point for corner (monumentation not set);

South 21 degrees 58 minutes 00 seconds East, along the common line of said Lot 1, Block 4/6871 and said Mandli Ghulam tract, a distance of 73.29 feet to a point for corner (monumentation not set);

South 31 degrees 56 minutes 00 seconds West, along the common line of said Lot 1, Block 4/6871 and said Mandli Ghulam tract, a distance of 54.15 feet to a point for corner (monumentation not set);

South 08 degrees 13 minutes 00 seconds East, along the common line of said Lot 1, Block 4/6871 and said Mandli Ghulam tract, a distance of 76.57 feet to a point for corner (monumentation not set);

South 07 degrees 04 minutes 00 seconds East, along the common line of said Lot 1, Block 4/6871 and said Mandli Ghulam tract, a distance of 155.68 feet to a point for corner (monumentation not set), said point being in the west line of that certain tract of land conveyed to City of Refuge Church of God in Christ, Inc. by deed as recorded in Volume 83047, Page 4560, Deed Records, Dallas County, Texas;

South 34 degrees 43 minutes 00 seconds West, along the common line of said Lot 1, Block 4/6871 and said City of Refuge tract, a distance of 55.29 feet to a point for corner (monumentation not set);

South 23 degrees 52 minutes 00 seconds East, along the common line of said Lot 1, Block 4/6871 and said City of Refuge tract, a distance of 73.07 feet to a point for corner (monumentation not set);

South 41 degrees 43 minutes 00 seconds West, along the common line of said Lot 1, Block. 4/6871 and said City of Refuge tract, a distance of 113.06 feet to a point for corner (monumentation not set);

South 30 degrees 25 minutes 00 seconds West, along the common line of said Lot 1, Block 4/6871 and said City of Refuge tract, a distance of 122.39 feet to a point for corner (monumentation not set);

South 04 degrees 00 minutes 00 seconds West, along the common line of said Lot 1, Block 4/6871 and said City of Refuge tract, a distance of 47.50 feet to a a 1/2" iron rod stamped " RPLS 3047" set for corner, said point being the southeast corner of said Lot 1, Block 4/6871, same point being in the northerly line of said Simpson Stuart Road ;

THENCE North 60 degrees 30 minutes 50 seconds East, along the northerly line of said Simpson Stuart Road, a distance of 1022.92 feet to the POINT OF BEGINNING, and containing 961,147 square feet or 22.065 acres of computed land.

Tract II:

NOTES:

1. IRF - Iron Rod Found
2. IRS - Iron Rod Set
3. C.M. - Controlling Monument
4. The basis of bearings for this survey is *Lot 1, City Block No. 4/6871 of Homes of Persimmons Addition, an addition to the City of Dallas, according to the plat thereof recorded in Volume 99227, Page 0023, Map Records, Dallas County, Texas.*
5. Subject property has access to and from a duly dedicated and accepted public street or highway (Simpson Stuart Road and Highland Hills) and all adjacent alleys, street, roads or highways and the width of the same are shown on the survey.
6. The Subject Property does not serve any adjoining property for drainage, utilities or ingress or egress.
7. Statement of encroachments: There are observable, above ground encroachments (a) by any improvements on the Property upon adjoining properties, streets or alleys, or (b) by the improvements on adjoining properties, streets or alleys upon the Property. Encroachments are noted on survey.
8. The subject property has no *observed evidence of current earth moving work, building construction or building additions* .
9. There are no *proposed changes in street right of way lines, if information is available from the controlling jurisdiction. There was no observed evidence of recent street or sidewalk construction or repairs.*
10. The subject property has no *observed evidence of site use as a solid waste dump, sump or sanitary landfill.*
11. The survey measurements have been made in with an actual on the ground survey in accordance with the Minimum Angle, Distance and Closure Requirements for Survey Measurements Which Control Land Boundaries for ALTA/ACSM Land Title Surveys, pursuant to the Accuracy Standards as adopted by ALTA, NSPS and ACSM and in effect as of the date of the certification.
12. The subject property forms a mathematically closed figure. Precision 1 : 2,970,853
13. There are no visible easements or rights of way of which we have been advised or observed while surveying the Property.
14. Zoned - *"MF-2" Multi-Family District*
15. Existing Parking Spaces: 	*358 Total Parking Spaces*
	Including 330 Standard
	& 27 Handicap Spaces (Per Survey)

FLOOD CERTIFICATE

As determined by the Flood Insurance Rate Maps for City of Dallas, Dallas County, Texas, the subject property Does Not lie within a Special Flood Hazard Area (100 Year Flood), Map date July, 07, 2014 Community Panel No. 48113C 0495 K subject lot is located in Zone X.

If this site is not within an identified flood hazard area, this Flood Statement does not imply that the property and/or structures thereon will be free from flooding or flood damage. On rare occasions, greater floods can and will occur and flood heights may be increased by man-made or natural causes. This Flood Statement shall not create liability on the part of the Surveyor.

This survey was performed in connection with the transaction described in GF No, 1915500392 of Fidelity National Title Insurance Company , with an effective date of January 1, 2015. USE OF THIS SURVEY FOR ANY OTHER PURPOSE OR BY OTHER PARTIES SHALL BE AT THEIR OWN RISK AND UNDERSIGNED IS NOT RESPONSIBLE TO OTHERS FOR ANY LOSS RESULTING THEREFROM.

f. The following easement(s) and matters for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat recorded in Volume 99227, Page 23, Map Records, Dallas County, Texas;

a.) 3.5 foot R.O.W. dedication easement along south property line; Affects subject property and plotted on survey.

b.) 40 foot dedicated floodway easement along east property line; Affects subject property and plotted on survey.

c.) Variable width water and wastewater easements over and across subject property; Affects subject property and plotted on survey.

d.) Variable width water easements over and across subject property; Affects subject property and plotted on survey.

e.) Variable width utility easements over and across subject property; Affects subject property and plotted on survey.

f.) 15 foot drainage and access easement over and across subject property; Affects subject property and plotted on survey.

g.) Variable width detention area easement in northwest property corner; Affects subject property and plotted on survey.

(Affects Tract II)

g. Easement(s) and rights incidental thereto, as granted in a document:

Granted to: 	Texas Power & Light Company
Purpose: 	As provided in said document
Recording Date: 	October 17, 1940
Recording No: 	Volume 2236, Page 165, Deed Records, Dallas County, Texas; shown on map recorded in Volume 99227, Page 23, Map Records, Dallas County, Texas.
Affects subject property and plotted on survey.

SURVEYOR'S CERTIFICATE:

I hereby certify to U.S. Department of Housing and Urban Development (HUD), Persimmon Townhomes, Ltd., Walker & Dunlop, LLC *Fidelity National Title insurance Company* and to their successors and assigns, that:

I made an on the ground survey per record description of the land shown on the Survey No. 3047, dated December 30, 2014 ("Survey"), located in *City of Dallas, Dallas County*, and that it was made in accordance with this HUD Survey Instructions and Surveyor's Report, and the requirements for an ALTA/ACSM Land Title Survey, as defined in the *2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys.*

To the best of my knowledge, belief and information, except as shown on the Survey: there are no encroachments across any property lines; title lines and lines of actual possession are the same; and the premises are *subject to* 100/500 year return frequency flood hazard, and such condition is shown on the Federal Flood Insurance Rate Map, Community Panel No. 48113C 0495 K.

Date of Plat or Map: January 9, 2015

WILIAM P. PRICE
Registered Professional Land Surveyor, No. 3047

ALTA/ACSM LAND TITLE SURVEY
22.065 ACRE TRACT
ALL OF
LOT 1, BLOCK4/6871
HOMES OF PERSIMMONS ADDITION
VOLUME 99227, PAGE 0023
MAP RECORDS, DALLAS COUNTY, TEXAS
SITUATED IN
JOHN B. RICHARD SURVEY, ABSTRACT NO. 1192
CITY OF DALLAS, DALLAS COUNTY, TEXAS

SHEET: 2 OF 2

PROJECT NAME:
HOMES OF PERSIMMONS
3245 SIMPSON STUART ROAD
DALLAS, DALLAS COUNTY, TEXAS

TBPS No. 101733-00

NO.	DATE	REVISION
1.		
2.		
3.		

LEGEND

GAS METER		FIRE HYDRANT		MONITORING WELL		SIGN
GAS VALVE		WATER METER		TRAFFIC SIGNAL POLE		LIGHT POLE
TELEPHONE PEDESTAL		FUEL PORT		TRAFFIC SIGNAL BOX		TYPICAL FENCE
POWER POLE		WATER VALVE		SWB MAN HOLE		CONCRETE
DOWN GUY		TRANSFORMER PAD		GAS MAN HOLE		TREE
S.S. MAN HOLE		ELECTRIC BOX		VAULT		ELECTRIC PLUG
CLEAN OUT		STORM DRAIN MAN HOLE		TELEPHONE MANHOLE		

1d

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action on awards for 2020 Community Services Block Grant discretionary funds for education and employment services to Native American and Migrant Seasonal Farmworker populations

RECOMMENDED ACTION

WHEREAS, Community Services Block Grant (CSBG) funds are awarded annually to the Texas Department of Housing and Community Affairs (the Department) by the U.S. Department of Health and Human Services (USHHS);

WHEREAS, the Department reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; up to 5% for state administration expenses; and the remaining amount for state discretionary use;

WHEREAS, at the Board meeting of July 25, 2019, the Department established a set aside of approximately $1,700,000 for CSBG discretionary projects, of which $300,000 was programmed for Native American and Migrant Seasonal Farmworker (MSFW) population education and employment initiatives;

WHEREAS, a Notice of Funding Availability (NOFA) was released on January 17, 2020, for education and employment services to Native American and MSFW populations;

WHEREAS, staff has reviewed and evaluated the applications received under the NOFA targeting education and employment services to Native American and MSFW populations and recommends Board approval of awards totaling $300,000 to three eligible applicants that applied and met the requirements for funding; and

WHEREAS, the Executive Award Review Advisory Committee (EARAC) met on March 16, 2020, and recommended the approval of three awards;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate the awards, as represented herein, of

$300,000 for education and employment services to Native American and MSFW populations.

BACKGROUND

The Department set aside $300,000 for education and employment services to Native American and MSFW populations as approved at the Board meeting of July 25, 2019.

On January 17, 2020, the Department released a NOFA to make available $300,000 for education and employment initiatives for Native American and MSFW populations. The NOFA encouraged applicant organizations to apply for either the Native American or MSFW award, or both; however, applicants applying for both categories were limited to receiving an award in only one category (unless no other eligible applications under either category were recommended). Only the two highest scoring applications for assistance to the MSFW population and the one highest scoring application for assistance to the Native American population would be funded.

In response to the NOFA, staff received five applications – four applications for the MSFW award and one application for the Native American award. The applicants for the MSFW award were Opportunity Center for the Homeless, Family Service Association of San Antonio, Alliance of Border Collaboratives, and Transcend STEM Education. The applicant for the Native American award was Adult and Youth Development Association (AYUDA). Staff has reviewed the applications and one of the five applications (i.e., Transcend STEM Education) was found to not satisfy the threshold requirements. Transcend STEM Education was given the opportunity to correct their threshold deficiency and was not able to do so according to the deadline given in the NOFA. Based on the scores of the remaining four applicants who satisfied the threshold requirements, staff is recommending three applications to be funded. Scoring notices were sent out on February 14, 2020, and all appeal periods have concluded. Please refer to Attachment A.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) includes a review of CSBG discretionary awards prior to contract execution. This award is subject to this review. The review has been performed and three applicants have been recommended by EARAC for award as listed in Attachment A.

Attachment A reflects all applicants and the funding recommendation amounts.

Attachment A

**Recommendations for 2020 CSBG Discretionary Funds for
Education and Employment Services to MSFW Populations
Contract Date: April 1, 2020-March 31, 2021**

#	Applicant	Application Score (Average)	Award Recommendation	Project
1	Opportunity Center for the Homeless	651.5	$100,000	Employment and education project and supportive services for 130 MSFWs in the El Paso area.
2	Family Service Association of San Antonio, Inc.	451	$100,000	Employment and education project and supportive services for 37 MSFWs in the San Antonio area.
3	Alliance of Border Collaboratives	444.5	Not recommended	NA
4	Transcend STEM Education	NA	NA	NA
	TOTAL		**$200,000**	

Note: In the event that any of these funds remain unexpended by April 1, 2021, the Department may reprogram the funds among the eligible activities previously approved by the Board.

**Recommendations for 2020 CSBG Discretionary Funds for
Education and Employment Services to Native American Populations
Contract Date: April 1, 2020-March 31, 2021**

#	Applicant	Application Score	Award Recommendation	Project
1	Adult and Youth Development Association	421.5	$100,000	Employment and education project and supportive services for 60 Native Americans in the El Paso area.
	TOTAL		**$100,000**	

Note: In the event that any of these funds remain unexpended by April 1, 2021, the Department may reprogram the funds among the eligible activities previously approved by the Board.

1e

Presentation, discussion, and possible action on the draft 2020-2024 State of Texas Consolidated Plan

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires the submission of a five-year Consolidated Plan in accordance with 24 CFR §91.520;

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) along with the Texas Department of Agriculture (TDA) and the Texas Department of State Health Services (DSHS) have developed the draft 2020-2024 State of Texas Consolidated Plan (Plan); and

WHEREAS, the Plan covers five HUD-funded programs: the HOME Investment Partnerships Program (HOME), the Emergency Solutions Grants Program (ESG), the National Housing Trust Fund Program (NHTF), the Community Development Block Grant Program (CDBG), and the Housing Opportunities for Persons with AIDS Program (HOPWA);

NOW, therefore, it is hereby

RESOLVED, that the draft 2020-2024 State of Texas Consolidated Plan, in the form presented to this meeting, is hereby approved for release for public comment; and

FURTHER RESOLVED, that the Executive Director and his designees are each hereby authorized, empowered, and directed, for and on behalf of the Department, to cause notice of the draft 2020-2024 State of Texas Consolidated Plan to be published in the *Texas Register* and, in connection therewith, to make such non-substantive grammatical and technical changes as they deem necessary or advisable.

BACKGROUND

The draft 2020-2024 State of Texas Consolidated Plan (Plan) covers five programs funded by HUD: TDHCA administers HOME, ESG, and NHTF; TDA administers CDBG; and DSHS administers HOPWA. TDHCA is the lead agency and coordinates the preparation of the Plan with TDA and DSHS along with extensive input from other state agencies, stakeholders, advocates, and community members.

If 2020 HUD funding levels remain consistent for 2020-2024, the amount governed by the Plan will be approximately $132,000,000 annually. These programs primarily serve extremely low-, low- and moderate-income households. This Plan determines which of HUD's eligible activities will best serve the needs of Texas.

HUD allows a broad range of activities for these programs. The **CDBG** Program provides resources for community development, which can include acquisition of real property; relocation and demolition; rehabilitation of residential and non-residential structures; construction of public facilities and improvements; public services; activities relating to energy conservation and renewable energy resources; and provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities. The **HOME** Program is used for single-family and multifamily housing activities, which can include providing home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; building or rehabilitating housing for rent or ownership; and tenant-based rental assistance to subsidize rent for low-income persons. The **ESG** Program funds activities that include providing supportive services to homeless individuals and households, emergency shelter/transitional housing, homelessness prevention assistance, and permanent housing to the homeless population. The **NHTF** Program is used for the financing of new construction and Rehabilitation of multifamily rental units for extremely low-income renters. The **HOPWA** Program is dedicated to the housing and supportive services needs of people living with HIV/AIDS and their families which can include the acquisition, rehabilitation, or new construction of housing units; facility operations; rental assistance; short-term payments to prevent homelessness; case management; substance abuse treatment; mental health treatment; nutritional services; job training and placement assistance; and assistance with daily living.

The Plan consists of five main chapters. The first main chapter is the **Process Chapter**, which describes the public input process. The second main chapter is the **Needs Assessment**, which outlines levels of relative need in the areas of affordable housing, homelessness, special needs, and community development. This information was gathered through consultation with local agencies, public outreach, and demographic and economic datasets. The third main chapter, **Market Analysis**, focuses on economic forces within Texas, as well as the current condition and availability of housing and community development resources in Texas. The Needs Assessment and Market Analysis are research-heavy chapters, which form the basis of the fourth main chapter: the **Strategic Plan**. The Strategic Plan details how the State will address its priority needs over a five-year period. The strategies must reflect the current condition of the market, expected availability of funds, and local capacity to administer the Plan. Finally, the Strategic Plan is used as a basis for the fifth main chapter: the **One-Year Action Plan** which will be updated once yearly for the next four years until the next Consolidated Plan is required. The State makes an effort to collaborate with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The State also collaborates with government bodies, non-profits, and community and faith-based groups.

Prior to the release of the Plan, multiple consultations were completed statewide, between April 2019 and October 2019, by TDHCA, DSHS, and TDA. The State conducted consultations in person at workshops, roundtables, planning meetings, and public hearings. The State also conducted consultations electronically, using listserv announcements, and emails.

During the consultation process, the State undertook consultations with a wide variety of public, private, and non-profit agencies that provide services including assisted housing, health services, and social and fair housing services, including those focusing on services to children, elderly persons, persons with disabilities, persons living with HIV and their families, homeless persons, and colonia residents.

There have been three primary changes between the 2015-2019 Consolidated Plan (including amendments) and the draft 2020-2024 Consolidated Plan.

1) The Homebuyer Assistance (HBA) program has been removed and will no longer be offered by TDHCA with HOME funding after the 2019 Program Year ends, August 31, 2020. This decision was made due to the lack of use of HOME funds set aside for the HBA activity over the course of the previous 2015-2019 Consolidated Plan.

2) HOME will remove the Rehabilitation portion of the Homeowner Rehabilitation Assistance (HRA) program. The program will be renamed the Homeowner Reconstruction Assistance (HRA) program and continue to provide funding for reconstruction activities.

3) NHTF will add multifamily Rehabilitation to its eligible program activities.

The draft 2020-2024 State of Texas Consolidated Plan to be approved by the Board for release for public comment can be found online at TDHCA's Board Meeting Information Center website at http://www.tdhca.state.tx.us/board/meetings.htm. Following release it will also be located on the TDHCA Public Comment Center at https://www.tdhca.state.tx.us/public-comment.htm. A 32-day public comment period will be open from April 6, 2020, through May 6, 2020. During this time, one public hearing is currently scheduled to be held via webinar. Due to the ongoing public health concern related to COVID-19 the Department will host a virtual public hearing in order to receive public comment orally from interested stakeholders and the public. Detailed information on the hearings may be found off TDHCA's Housing Resource Center page: https://www.tdhca.state.tx.us/housing-center/announcements.htm

A public hearing (which like the hearing noted above, may be a virtual public hearing) and 30-day public comment period will be held after the TDHCA Governing Board Meeting scheduled for April 23, 2020, to allow public comment on draft NHTF Rehabilitation Standards. Information on the Rehabilitation Standards in this draft Consolidated Plan are preliminary and will be adjusted to address any necessary public comment received during the official comment period for NHTF Rehabilitation Standards. If the Board does not approve draft NHTF Rehabilitation Standards in time for a 30-day public comment period/public hearing, than the final version of the 2020-2024 State of Texas Consolidated Plan will not have Rehabilitation as an eligible activity for NHTF.

More information on these hearings and their results will be included in the final version of the Plan. The final version of the Plan is expected to be presented to the TDHCA's Governing Board for approval in June and is due to HUD by July 18, 2020.

1f

BOARD ACTION REQUEST
LEGAL DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning related properties Park Meadows Villas (HTC 03140 / CMTS 3354) and Stone Hollow Village (HTC 04057 / CMTS 4112)

RECOMMENDED ACTION

WHEREAS, Park Meadows Villas, owned by LHA Park Meadows, LP (Park Meadows Owner), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, Stone Hollow Village, owned by LHA Stone Hollow, LP (Stone Hollow Owner), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, Park Meadows Owner and Stone Hollow Owner are related entities, ultimately controlled by THF Housing Development Corporation (collectively known as "Owner");

WHEREAS, all findings that had been referred for an administrative penalty were resolved informally before consideration by the Enforcement Committee;

WHEREAS, Owner's representatives have agreed, subject to Board approval, to enter into an Agreed Final Order stipulating that violations occurred and assessing no administrative penalty; and

WHEREAS, staff has based its recommendations for an Agreed Final Order on the Department's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order, assessing no administrative penalty, but stipulating that violations occurred at Park Meadows Villas (HTC 03140 / CMTS 3354) and Stone Hollow Village (HTC 04057 / CMTS 4112), as presented at this meeting, but authorizing staff to make any necessary non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

LHA Park Meadows, LP (Park Meadows Owner) is the owner of Park Meadows Villas, a low-income apartment complex composed of 112 units, located in Lubbock County. Park Meadows Villas is subject to a Land Use Restriction Agreement (LURA) signed by a prior owner in 2005 in consideration for a housing tax credit allocation in the annual amount of $737,372 to acquire, build, and operate the property.

LHA Stone Hollow, LP (Stone Hollow Owner) is the owner of Stone Hollow Village, a low-income apartment complex composed of 140 units, located in Lubbock County. Stone Hollow Village is subject to a Land Use Restriction Agreement (LURA) signed by a prior owner in 2006 in consideration for a housing tax credit allocation in the annual amount of $845,849 to acquire, build, and operate the property.

Both properties were formerly owned by City of Lubbock Housing Initiatives, after which the Texas Housing Development Foundation (THF) assumed the special limited partner and general partner interests in 2017, with permission by TDHCA. The LURAs remain in effect per Section 2 of the LURAs, which stipulate that its restrictions run with the land. CMTS lists Mark Mayfield as the primary contact for both owners. Both properties are managed by Young Management Corporation, with Amy Cook listed as the primary contact in CMTS. Records of the Texas Secretary of State list the following members and officers for THF: Mark Mayfield (President), Johnny White (Secretary and Director), Marie Herbort (Director), and Susan Hamm (Director).

Ultimately, all violations that were referred for an administrative penalty were resolved for both properties by 1/31/2020, after a deadline set by the Enforcement Committee. It is not appropriate to close the current administrative penalty referrals with a warning letter because of the missed Committee deadline and because the ownership group has previously received a warning letter for another property that was referred for a penalty in 2019. However, full resolution was achieved before the informal conference date and no orders have previously been signed for the ownership group. Owner has agreed to sign an Agreed Final Order assessing no administrative penalty for noncompliance at Park Meadows Villas and Stone Hollow Village, but stipulating that violations occurred and were not timely corrected.

The following compliance violations were identified during 2019. They were referred for an administrative penalty and have now been resolved. Both properties have market-rate units, so full annual recertifications are required for all units. All violations listed below relate to failure to collect those required annual recertifications.
1. Park Meadows Villas:
    a. Failure to provide Tenant Income Certification and documentation for units 3207, 5104, 5108, 7104, 7202, 7207, and 8203.
2. Stone Hollow Village:
    a. Failure to provide Tenant Income Certification and documentation for units 222, 616, 718, 824.

Consistent with direction from the Department's Enforcement Committee, an Agreed Final Order stipulating that violations occurred is recommended, with no administrative penalty. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST LHA	§	BEFORE THE
PARK MEADOWS, LP AND LHA STONE	§	
	§	TEXAS DEPARTMENT OF
HOLLOW, LP WITH RESPECT TO	§	
	§	HOUSING AND COMMUNITY
PARK MEADOWS VILLAS	§	AFFAIRS
	§	
(HTC FILE # 03140 / CMTS # 3354) AND	§	
	§	
STONE HOLLOW VILLAGE	§	
	§	
(HTC FILE # 04057 / CMTS 4112)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 26th day of March, 2020, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **LHA PARK MEADOWS, LP,** a Texas limited partnership, and **LHA Stone Hollow, LP,** as Texas limited partnership (collectively, Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2005, LHA Park Meadows, LP (Park Meadows Prior Owner) was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of $737,372 to build and operate Park Meadows Villas (Park Meadows) (HTC file No. 03140 / CMTS No. 3354 / LDLD No. 908).

2. During 2006, LHA Stone Hollow, LP (Stone Hollow Prior Owner) was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of $845,849 to build and operate Stone Hollow Village (Stone Hollow) (HTC file No. 04057 / CMTS No. 4112 / LDLD No. 909).

3. Park Meadows Prior Owner signed a land use restriction agreement (Park Meadows LURA) regarding the Property. The LURA was effective November 18, 2005, and filed of record at Volume 10299, Page 105 of the Official Public Records of Real Property of Lubbock County, Texas (Records). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the Property and binding on all successors and assigns for the full term of the LURA.

4. Stone Hollow Prior Owner signed a land use restriction agreement (Stone Hollow LURA) regarding the Property. The LURA was effective July 1, 2006, and filed of record at Document Number 2006044142 of the Records. In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the Property and binding on all successors and assigns for the full term of the LURA.

5. THF Park Meadows GP, LLC and THF Stone Hollow GP, LLC, solely owned by THF Housing Development Corporation, assumed the general partnership interests in 2017 and Respondent remains bound to the terms of the LURAs in accordance with Section 2 thereof.

6. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

7. On June 17, 2019, TDHCA sent notice of findings of noncompliance identified from Part A of the 2018 Annual Owner's Compliance Report for Park Meadows Villas, for failure to provide Tenant Income Certifications and documentation for units 5104, 5108, 7104, 7202, and 8203, a violation of 10 TAC §10.612 (Tenant File Requirements), which

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[1] Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

requires mixed income Housing Tax Credit projects to annually recertify each low-income household. The final violation was resolved on January 31, 2020.

8. On June 17, TDHCA sent notice of findings of noncompliance identified from Part A of the 2018 Annual Owner's Compliance Report for Stone Hollow Village, for failure to provide Tenant Income Certifications and documentation for units 222, 616, 718, 824, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires mixed income Housing Tax Credit projects to annually recertify each low-income household. The final violation was resolved on January 31, 2020.

9. An on-site monitoring review of Park Meadows Villas was conducted on May 24, 2019, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a September 23, 2019, corrective action deadline was set, however, the following violations were not resolved before the corrective action deadline:

   a. Respondent failed to provide Tenant Income Certifications and documentation for units 3207 and 7207, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires mixed income Housing Tax Credit projects to annually recertify each low-income household. The final violation was resolved on January 9, 2020.

10. All violations listed above are considered resolved at the time of this Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TAC §2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.

4. Respondent violated 10 TAC §10.612, Section 4 of the Park Meadows LURA, and Section 4 of the Stone Hollow LURA, in 2019, by failing to provide Tenant Income Certifications and associated documentation for eleven total units.

5. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

6. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

7. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

8. It is appropriate to assess no administrative penalty in accordance with the policies situated at 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent not be assessed an administrative penalty.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 1, and obtain approval from the Department prior to consummating a sale of either property, if contemplated.

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____ March 26 _____, 2020.

By: _____

Name: Leslie Bingham _____

Title: Vice-Chair of the Board of TDHCA _____

By: _____

Name: James "Beau" Eccles _____

Title: Secretary of the Board of TDHCA _____

THE STATE OF TEXAS §

                        §

COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this <u>26th</u> day of March, 2020, personally appeared <u>Leslie Bingham</u>, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____

Notary Public, State of Texas

THE STATE OF TEXAS §

                        §

COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this <u>26th</u> day of March, 2020, personally appeared <u>James "Beau" Eccles</u>, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____

Notary Public, State of Texas

STATE OF TEXAS   §
                                        §
COUNTY OF _____   §

BEFORE ME, _____ *(notary name)*, a notary public in and for the State of _____, on this day personally appeared Mark Mayfield *(person signing document),* known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is Mark Mayfield, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.

2. I hold the office of President for THF Housing Development Corporation, the managing member for the general partner of Respondent. I am an authorized representative and I am duly authorized to execute this document.

3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

<div align="center">

RESPONDENT:

LHA PARK MEADOWS, LP, a Texas limited partnership

</div>

        THF Park Meadows GP, LLC, a Texas limited liability company, its general partner

                THF Housing Development Corporation, a Texas nonprofit corporation, its managing member

By: _____

Name: Mark Mayfield_____

Title: President_____

Given under my hand and seal of office this _____ day of _____, 2020.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____
My Commission Expires:_____

STATE OF TEXAS   §
                                        §
COUNTY OF _____ §

BEFORE ME, _____ *(notary name)*, a notary public in and for the State of _____, on this day personally appeared Mark Mayfield *(person signing document),* known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is <u>Mark Mayfield</u>, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.

2. I hold the office of <u>President</u> for THF Housing Development Corporation, the managing member for the general partner of Respondent. I am an authorized representative and I am duly authorized to execute this document.

3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

LHA Stone Hollow, LP, a Texas limited partnership

THF Stone Hollow GP, LLC, a Texas limited liability company, its general partner

THF Housing Development Corporation, a Texas nonprofit corporation, its managing member

By: _____

Name: <u>Mark Mayfield</u>

Title: <u>President</u>

Given under my hand and seal of office this _____ day of _____, 2020.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires:_____

Texas Administrative Code

TITLE 10   COMMUNITY DEVELOPMENT
PART 1   TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10   UNIFORM MULTIFAMILY RULES
SUBCHAPTER E   POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
RULE §10.406   Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The following exceptions to the ownership transfer process outlined herein apply:

  (1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

  (2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

  (3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

  (4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

  (1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

  (2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter.

  (3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

  (4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff may make a recommendation to the Board for the

debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

 (1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

 (2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA.

 (3) Exceptions to the above may be made on a case by case basis if the Development is past its Compliance Period/Federal Affordability Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this chapter (relating to LURA Amendments that require Board Approval). The Board must find that:

   (A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

   (B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

   (C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of 8609's, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the procedure described in §10.405(b)(1) of this chapter (relating to Non-Material LURA Amendments) has been followed and approved.

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

 (1) A written explanation outlining the reason for the request;

 (2) Ownership transfer information, including but not limited to the type of sale, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

 (3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(A) of Subchapter C;

 (4) A list of the names and contact information for transferees and Related Parties;

 (5) Previous Participation information for any new Principal as described in §11.204(13)(B) of Subchapter C;

 (6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired;

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of Subchapter C (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) 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

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties or fees imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PCA, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer.

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this chapter (relating to Fee Schedule, Appeals, and other Provisions).

Source Note: The provisions of this §10.406 adopted to be effective January 5, 2017, 41 TexReg 10569; amended to be effective January 4, 2018, 42 TexReg 7610; amended to be effective December 30, 2018, 43 TexReg 8297

1g

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Santa Fe Trails (HTC 70028 / CMTS 895)

RECOMMENDED ACTION

WHEREAS, Santa Fe Trails, owned by SFT Dallas, LLC (Owner), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, all findings that had been referred for an administrative penalty were resolved informally before consideration by the Enforcement Committee;

WHEREAS, Owner's representatives have agreed, subject to Board approval, to enter into an Agreed Final Order stipulating that violations occurred and assessing no administrative penalty; and

WHEREAS, staff has based its recommendations for an Agreed Final Order on the Department's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order, assessing no administrative penalty, but stipulating that violations occurred at Santa Fe Trails (HTC 70028 / CMTS 895), as presented at this meeting, but authorizing staff to make any necessary non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

SFT Dallas, LLC (Owner) is the owner of Santa Fe Trails (Property), a low-income apartment complex composed of 88 units, located in Dallas County. Records of the Texas Secretary of State list the following members and/or officers: Azam Khan. CMTS lists Azam Khan as the primary contact for Owner. The property is managed by Lumina Group, Inc, with the CMTS primary contact listed as Monica Nemtzeanu. The onsite manager is Zulema Granados.

The Property is subject to a Land Use Restriction Agreement (LURA) signed by a prior owner in 1992 in consideration for a housing tax credit allocation totaling $419,400, to acquire, rehabilitate and operate the Property. The Owner acquired the property in 2007 and the LURA remains in effect per Section 2 of the LURA which stipulates that its restrictions run with the land.

Owner was previously referred for an administrative penalty in 2012 for Uniform Physical Condition Standards (UPCS) violations, and again in 2017 for failure to have a compliant Affirmative Marketing Plan. Informal resolution was allowed in 2017 because many owners were having difficulties with Affirmative Marketing Plans. Corrections resolving both referrals were submitted after an administrative penalty informal conference notice was issued by the Legal division, and a warning letter was issued in 2017. It is not appropriate to close the current 2019 administrative penalty referral informally because of the property's referral history; however, complete corrective documentation was received to address all violations before the informal conference. Owner has agreed to sign an Agreed Final Order assessing no administrative penalty for noncompliance, but stipulating that violations had occurred and were not timely corrected.

The following new compliance violations were identified during 2019. They were then referred for an administrative penalty, but were resolved before an informal conference notice was issued relating to the administrative penalty referral:

1. Gross rent violations relating to four units.

The following new compliance violations were identified during 2019. They were then referred for an administrative penalty and were resolved in response to an informal conference notice that was issued relating to the administrative penalty referral:

1. Failure to maintain written policies and procedures; and
2. Failure to maintain complete affirmative marketing plan and evidence of outreach marketing efforts.

Consistent with direction from the Department's Enforcement Committee, an Agreed Final Order stipulating that violations occurred is recommended, with no administrative penalty. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
	§	
SFT DALLAS, LLC WITH RESPECT TO	§	TEXAS DEPARTMENT OF
	§	
SANTA FE TRAILS	§	HOUSING AND COMMUNITY
	§	
(HTC FILE # 70038 / CMTS # 895)	§	AFFAIRS
	§	
	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 26th day of March, 2020, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **SFT DALLAS, LLC,** a Delaware limited liability company (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 1992, Eastbrook Holdings, Inc. (Prior Owner) was awarded an allocation of Low Income Housing Tax Credits by the Board, in the total amount of $410,400 to acquire, rehabilitate, and operate Santa Fe Trails (Property) (HTC file No. 70038 / CMTS No. 895 / LDLD No. 348).

2. Prior Owner signed a land use restriction agreement (LURA) regarding the Property. The LURA was effective December 7, 1992, and filed of record at Volume 92240, Page 85 of the Official Public Records of Real Property of Dallas County, Texas (Records). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the Property and binding on all successors and assigns for the full term of the LURA.

3. Respondent took ownership of the Property on March 21, 2007 and is bound to the terms of the LURA in accordance with Section 2 thereof.

4. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

5. An on-site monitoring review was conducted on May 14, 2019, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a September 4, 2019, corrective action deadline was set, however, the following violations were not resolved before the corrective action deadline:

    a. Respondent collected gross rents that exceeded income limits as a result of its failure to implement an updated Dallas Housing Authority utility allowance schedule by January 1, 2019, resulting in overcharged rents for units 6-104, 6-204, 6-238, and 6-245. Utility allowance schedules are updated at least annually, and owners must implement the new amounts timely, ensuring that the maximum rents that they charge include the amount of rent paid by the household, plus an allowance for utilities, plus any mandatory fees. Rent limits were exceeded for these four units and overcharged amounts were not timely reimbursed before the corrective action deadline set by the Compliance Division because the households had moved out. The final finding was resolved on November 21, 2019, before an informal conference notice was issued by the Department regarding the administrative penalty referral. Exceeding the maximum rent is a violation of 10 TAC §10.622 (Special Rules Regarding Rents and Rent Limit Violations).

    b. Respondent failed to maintain written policies and procedures, including tenant selection criteria, a violation of 10 TAC §10.610 (Written Policies and Procedures), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements. The finding was resolved on December 20, 2019, after an informal conference notice was issued by the Department regarding the administrative penalty referral.

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[1] Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

c. Respondent failed to provide a compliant affirmative marketing plan, a violation of 10 TAC §10.617 (Affirmative Marketing), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled. An affirmative marketing plan was received in response to the monitoring review, but the plan was incomplete. It did not identify Persons with Disabilities as a group that is least likely to apply, organizations listed in the outreach section were general marketing organizations that did not target the least likely to apply groups that were selected, and the submission omitted the required marketing materials to prove that the development was carrying out marketing. The finding was resolved on December 20, 2019, after an informal conference notice was issued by the Department regarding the administrative penalty referral.

6. All violations listed above are considered resolved at the time of this Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TAC §2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.

4. Respondent violated 10 TAC § 60.118 in 2019 by charging rents that exceeded income limits as a result of its failure to timely implement an updated utility allowance;

5. Respondent violated 10 TAC §10.610 in 2019, by not maintaining written policies and procedures, including tenant selection criteria;

6. Respondent violated 10 TAC §10.617 in 2019, by failing to provide a complete affirmative marketing plan;

7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

9.   Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

10.   It is appropriate to assess no administrative penalty in accordance with the policies situated at 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent not be assessed an administrative penalty.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 1, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on March 26, 2020.

By: _____

Name: Leslie Bingham _____

Title: Vice-Chair of the Board of TDHCA _____

By: _____

Name: James "Beau" Eccles _____

Title: Secretary of the Board of TDHCA _____

THE STATE OF TEXAS §

§

COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this <u>26th</u> day of <u>March</u>, 2020, personally appeared <u>Leslie Bingham</u>, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____

Notary Public, State of Texas

THE STATE OF TEXAS §

§

COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this <u>26th</u> day of <u>March</u>, 2020, personally appeared <u>James "Beau" Eccles</u>, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME,_____ *(notary name)*, a notary public in and for the State of _____, on this day personally appeared _Azam Khan *(person signing document)*, known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is Azam Khan, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.

2. I hold the office of Director and Managing Member for Respondent. I am the authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.

3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

SFT DALLAS, LLC, a Delaware limited liability company

By: _____

Name: Azam Khan_____

Title: Director and Managing Member_____

Given under my hand and seal of office this _____ day of _____, 2020.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____
My Commission Expires:_____

<u>Exhibit 1:</u>

<u>Texas Administrative Code</u>

TITLE 10   COMMUNITY DEVELOPMENT
PART 1   TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10   UNIFORM MULTIFAMILY RULES
SUBCHAPTER E   POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
RULE §10.406   Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The following exceptions to the ownership transfer process outlined herein apply:

 (1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

 (2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

 (3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

 (4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

 (1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

 (2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter.

 (3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

 (4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff may make a recommendation to the Board for the

debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

 (1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

 (2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA.

 (3) Exceptions to the above may be made on a case by case basis if the Development is past its Compliance Period/Federal Affordability Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this chapter (relating to LURA Amendments that require Board Approval). The Board must find that:

   (A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

   (B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

   (C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of 8609's, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the procedure described in §10.405(b)(1) of this chapter (relating to Non-Material LURA Amendments) has been followed and approved.

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

 (1) A written explanation outlining the reason for the request;

 (2) Ownership transfer information, including but not limited to the type of sale, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

 (3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(A) of Subchapter C;

 (4) A list of the names and contact information for transferees and Related Parties;

 (5) Previous Participation information for any new Principal as described in §11.204(13)(B) of Subchapter C;

 (6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted further described in the Post Award Activities Manual;

  (8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

  (9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired;

  (10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of Subchapter C (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

  (1) 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

  (2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties or fees imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PCA, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer.

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this chapter (relating to Fee Schedule, Appeals, and other Provisions).

Source Note: The provisions of this §10.406 adopted to be effective January 5, 2017, 41 TexReg 10569; amended to be effective January 4, 2018, 42 TexReg 7610; amended to be effective December 30, 2018, 43 TexReg 8297

1h

BOARD ACTION REQUEST
SPECIAL INITIATIVES DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action on an order adopting new 10 TAC Chapter 90, Migrant Labor Housing Facilities, §90.9 and directing publication in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, staff recommends to the Board that there is a continuing need for this rule to exist, which is to ensure compliance with Tex. Gov't Code Chapter 2306, Subchapter LL, for which these rules establish the administrative procedures and substantive requirements, as required by statute;

WHEREAS, at the Board meeting of October 5, 2019, the Board approved the publication of the repeal and proposed new 10 TAC Chapter 90, Migrant Labor Housing Facilities, and the proposed rule was published for public comment in the *Texas Register* on January 31, 2020; and

WHEREAS, public comment was accepted from January 30, 2020, through February 27, 2020, and no public comment was received and such rule is now being presented for adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the adoption of new 10 TAC Chapter 90, Migrant Labor Housing Facilities §90.9; in the form presented to this meeting, to be published in the *Texas Register* and in connection therewith, make such non-substantive technical corrections, or preamble-related corrections, as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles.

BACKGROUND

Tex. Gov't Code Chapter 2306, Subchapter LL (§§2306.921-2306.930), provides for the Department to serve as the agency that provides Licenses to any person or entity that establishes, maintains or operates a Migrant Labor Housing Facility, and outlines requirements relating to license applications, inspections, failing to meet standards, re-inspection, License issuance and term, License posting, fees, and suspension or revocation of License.

While Tex. Gov't Code Chapter 2306, Subchapter LL, provides for the direction and authority of the licensing activity of Migrant Labor Housing Facilities, it does not provide the administrative specificity to fully implement this activity. As such, these rules set Department policy only so far as they provide the administrative implementation of the statutory activity.

Staff recommended at the Board meeting of January 16, 2020, that these rules be retained, but that this be accomplished through repeal of the existing rule and the adoption of a new rule with modifications. The Original rule that was repealed resided in 10 TAC §§90.1-90.8; however, due to the insertion of new sections and removal of others, the new rule contained 10 TAC §§90.1-90.9. While the whole new rule was presented to the Board in October for consideration and publication in the *Texas Register*, the final section of the new rule was inadvertently left out of the initial publication. This error was discovered after the original public comment period had ended and therefore 10 TAC §90.9 was published as a proposed new section for public comment in the *Texas Register* edition of January 31, 2020. This section of the rule pertains to Dispute Resolution, Appeals, and Hearings.   The public comment period ended on February 27, 2020. No comment was received during the public comment period regarding this section. Prior to the adoption of the new rule in January this new section of the rule occupied 10 TAC §90.7 and the new rule in 10 TAC §90.9 is identical to the old rule, with the exception of some capitalization and technical corrections.

Attachment 1: Preamble, including required analysis, for the adoption of 10 TAC Chapter 90, Migrant Labor Housing Facilities §90.9

The Texas Department of Housing and Community Affairs (the Department) adopts new §90.9, relating to Dispute Resolution, Appeals, and Hearings, in 10 TAC Chapter 90, Migrant Labor Housing Facilities. In accordance with Tex. Gov't Code Chapter 2306, Subchapter LL, a person may not establish, maintain, or operate a Migrant Labor Housing Facility without obtaining a License from the Department, and Subchapter LL further outlines requirements relating to the application, inspection, fees, and suspension of Licenses. The proposed new rule had been part of the rules in 10 TAC Chapter 90 that were recently repealed and replaced and had been approved by the Board on October 5, 2019, as a proposed rule for publication in the *Texas Register* for public comment; but this one section of Chapter 90 was inadvertently not included in the replacement rules that were published in the *Texas Register* (44 TexReg 6126) on October 25, 2019, received public comment, and were adopted by the Board on January 16, 2020.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it is exempt under both §2001(0045(c)(6) which exempts rule changes necessary to protect the health, safety, and welfare of the residents of this state, and §2001.0045(c)(9), which exempts rule changes necessary to implement legislation.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed rulemaking would be in effect:

1. The proposed rule does not create or eliminate a government program, but relates to the readoption of this rule, which makes changes to an existing activity: the licensing and oversight of certain Migrant Labor Housing Facilities.

2. The proposed rule does not require a change in work that would require the creation of new employee positions. While some additional work by the Department may be required associated with the acceptance of additional license applications and fees, added inspections, and follow-up of compliance with possible inspections findings and resultant potential for more contested cases, the Department anticipates handling this additional work with existing staff resources. The rule change does not reduce work load such that any existing employee positions could be eliminated.

3. The proposed rule does not require additional future legislative appropriations.

4. The proposed rule does not address fees or revenue in any way.

5. The proposed rule is not creating a new regulation, except that it is replacing a rule which was repealed to provide for review, public comment and possible revisions.

6. The proposed rule will not limit or repeal an existing regulation. This additional section clarifies the process under which the prospective license may challenge or appeal a decision made by the Department.

7. The proposed rule does not impact the number of individuals subject to the rule's applicability.

8. The rule is not expected to have any measurable effect on the state's economy since it merely clarifies the procedural provisions of appealing a staff determination.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIESAND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated the proposed new section and determined that it will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.
The proposed rule does not contemplate or authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the proposed new section as to its possible effects on local economies and has determined that for the first five years the proposed new section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5).
Mr. Wilkinson has determined that, for each year of the first five years the proposed new section is in effect, the public benefit anticipated as a result of the new sections would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4).
Mr. Wilkinson also has determined that for each year of the first five years the proposed new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

PUBLIC COMMENT AND REASONED RESPONSE. The public comment period was held from January 30, 2020, to February 27, 2020, to receive input on the new rule. No public comment was received on this rule during this period.

STATUTORY AUTHORITY. The new rule is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described, herein the adopted new rule affects no other code, article, or statute. The agency certifies that legal counsel has reviewed the new rule and found it to be within the state agency's legal authority to adopt.

§90.9.Dispute Resolution, Appeals, and Hearings.

(a) A licensee is entitled to appeal any order issued by the Director, including any order as a result of an inspection or a complaint and any order denying a license or issuing a license subject to specified conditions.

(b) In lieu of or during the pendency of any appeal, a licensee may request to meet with the Director or, at his or her option, his or her designee to resolve disputes. Any such meeting may be by telephone or in person. Meetings in person shall be in the county where the migrant labor housing facility affected is located, unless the licensee agrees otherwise.

(c) A licensee may request alternative dispute resolution in accordance with the Department's rules regarding such resolution set forth at §1.17 of this title (relating to Alternative Dispute Resolution).

(d) All appeals are contested cases subject to and to be handled in accordance with Chapter 2001, Tex. Gov't Code.

li

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Talavera Lofts (HTC #19239)

RECOMMENDED ACTION

WHEREAS, Talavera Lofts (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2019 for the new construction of 92 Units of multifamily housing in Austin, Travis County;

WHEREAS, Saltillo DMA Housing, LLC (the Development Owner or Owner) requests approval to increase the number of Low-Income Units from 90 to 91, thereby increasing the total number of Units from 92 to 93 and the residential density by 1.1%;

WHEREAS, Board approval is required for a modification of the number of units or bedroom mix of units and a significant modification of the architectural design, as directed in Tex. Gov't Code §2306.6712 and 10 TAC §10.405(a)(4)(B) and (E), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not affect the Development in a negative manner and would not have adversely affected the selection of the application in the application round;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment of the Talavera Lofts Application is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Talavera Lofts received a 2019 9% HTC award as a new construction, 92-unit, general population development of a single building on a 0.817 acre development site in Austin. The five-story building will have structured parking on the ground level, below four stories of dwelling units, Common Area, and administrative and maintenance space.

On October 20, 2019, Janine Sisak, a member of the Development Owner and Developer, and Senior Vice President/General Counsel of DMA Development Company, LLC, identified in the Application as a Developer and Guarantor, submitted a material amendment request. The request stated that the proposed changes were not foreseen at the time of application and resulted from continued design development. The changes are further described below:

Modification of the Number of Units or Bedroom Mix of Units, Significant Modification of the Architectural Design, Changes in Building Plans, Common Area, and Amenities
The amendment proposes changing the number of units, from 92 units composed of 90 low-income units and two market rate units, to 93 units composed of 91 low-income units and two market rate units. The sole change in the units will be the addition of a 587 square foot low-income efficiency unit restricted to rent to tenants with incomes at or below 50% of Average Median Family Income. Net Rentable Area will increase by 1.1% from 66,222 square feet to 66,958 square feet. This will increase the density of the development by 1.1%, from 112.6 units per acre to 113.8 units per acre. The additional unit will be on the fifth floor of the building in a space that was originally proposed to be open to the roof of the floor below. Although this will constitute a significant change in the architectural design, the amendment affords an increase in the number of low-income units without negatively affecting the common area or amenities. Parking spaces will increase from 63 to 64. The revised unit mix continues to meet accessibility requirements. The change is presented as causing no increase in cost of construction. No additional tax credits are involved. There is no effect on the Application's scoring or Threshold status.

Application							As Amended						
Unit Mix			Rent Target % & % of Total				Unit Mix			Rent Target % & % of Total			
Units	No. of Units	% of Total	Rent Target	No. of Units	% of LI Units	% of Total	Units	No. of Units	% of Total	Rent Target	No. of Units	% of LI Units	% of Total
Eff	52	57%	30%	15	17%	16%	Eff	53	57%	30%	15	16%	16%
1	20	22%	50%	46	51%	50%	1	20	22%	50%	47	52%	51%
2	12	13%	60%	29	32%	32%	2	12	13%	60%	29	32%	31%
3	8	9%	MR	2	0	2%	3	8	9%	MR	2	0	2%
TOTAL	92	100%	TOTAL	92	100%	100%	TOTAL	93	100%	TOTAL	93	100%	100%

Changes in Development Costs & Financing
Three revised financial statements were submitted in the amendment request, a Rent Schedule, Annual Operating Expenses statement, and 15-Year Operating Pro Forma. The Real Estate Analysis (REA) Division re-evaluated the transaction pursuant to Tex. Gov't Code §2306.6712(b) and concluded that the Development remains feasible. The REA Addendum is attached.

Staff reviewed the original application against this amendment request and concluded that none of the changes caused selection or threshold criteria issues that affected the selection of the application for an award in the competitive round.

Staff recommends approval of the proposed material amendment.

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications

RECOMMENDED ACTION

WHEREAS, six applications, as further detailed below, were submitted to the Department for consideration of a Determination Notice of 4% Housing Tax Credits;

WHEREAS, the Executive Award and Review Advisory Committee (EARAC) considered the program requirements, underwriting requirements and compliance history associated with each application listed herein; and

WHEREAS, EARAC recommends each of the six applications for an award of 4% Housing Tax Credits, in the specific amounts noted herein, and subject to any underwriting conditions as noted in the Real Estate Analysis Report and any compliance conditions as reflected in Exhibit A, as applicable;

NOW, therefore, it is hereby

RESOLVED, that the issuance of Determination Notices in the respective amounts for each of the applications listed herein, subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website, and subject to any EARAC conditions as reflected in Exhibit A, is hereby approved in the form presented at this meeting.

BACKGROUND

The 4% Housing Tax Credit (HTC) program is considered a non-competitive program in that there is not a specific ceiling amount of HTCs that can be issued each year. Rather, the ceiling amount of HTCs to be issued is limited by the amount of Private Activity Bond volume cap available. The Texas Bond Review Board (BRB) administers the Private Activity Bond program for the State of Texas, and for the 2020 calendar year, the state received approximately $3 billion in Private Activity Bond authority, of which approximately $800 million is reserved for multifamily housing until August 15th of each year. After such date, there may be more Private Activity Bond volume cap that goes towards multifamily housing.

Individual projects receive a Certification of Reservation (Reservation) from the BRB that allows for a statutory 180-day closing timeline. For those projects seeking 4% HTCs (as the majority of them do), they must complete the Department's review process, the bond issuer's process, and the Attorney

General's process in order to close within the prescribed timeframe. The Department accepts applications on a monthly basis throughout the year. The year from which the Reservation is issued is what determines the QAP to which the application must adhere. Included in this Board presentation as Exhibit B is a list of the 4% HTC applications staff has processed thus far for 2020. The list reflects all applications received and includes a column that denotes the applications' status, specifically, those that have already closed, have been approved by the Board, are active and currently under review and those that are pre-applications that will utilize the Department as the bond issuer and an HTC application will be forthcoming. Worth noting is that the majority of the applications noted as active are those applications that participated in the 2020 Private Activity Bond Lottery which illustrates the demand for Private Activity Bond volume cap so early in the program year.

The Reservation from the BRB for the developments described herein was issued under the Priority 3 designation unless noted otherwise, which does not have a prescribed restriction on the percentage of Area Median Family Income (AMFI) that must be served (beyond the federal requirement). The AMFI levels proposed to be served for each of the projects are indicated in their respective summaries, below.

20414 The Arbor at Wayforest

The Arbor at Wayforest proposes the new construction of 192 units located on the southeast corner of Wayforest Drive and Richcrest Drive in the extraterritorial jurisdiction of Houston, Harris County. Hurricane Harvey is reported to have severely impacted the area. The general population will be served, however, 15 of the units will have a preference for residents referred by the Supportive Housing System of Harris County and is a condition of the CDBG-DR loan from the Harris County Community Services Department. The Reservation from the BRB was issued under the Priority 1b designation, which requires that 15% of the units must be rent and income restricted at 30% AMFI and 85% of the units must be rent and income restricted at 60% AMFI (or less pursuant to guidance received from BRB). The project meets the requirements of the designation as 29 of the units will be rent and income restricted at 30% of AMFI, nine of the units will be rent and income restricted at 50% of AMFI, and 154 of the units will be rent and income restricted at 60% of AMFI. The Harris County Housing Authority Public Facility Corporation is serving as the bond issuer.

Recommended HTC Amount: $1,262,807

20421 Richcrest Apartments

Richcrest Apartments, proposed to be located at the southeast corner of Imperial Valley Drive and Richcrest Drive in the extraterritorial jurisdiction of Houston, Harris County, involves the new construction of 288 units that will serve the general population. The application was initially submitted on October 16, 2019, however, the applicant was unable to obtain a 2019 Certificate of Reservation because the Private Activity Bond volume cap for 2019 had been exhausted. A 2020 Reservation from the BRB was issued on January 13, 2020. The Reservation was issued under the Priority 1b designation, which requires that 15% of the units must be capped at 30% of AMFI and 85% of the units must be capped at 60% of AMFI (or less pursuant to guidance received from BRB). The requirements of the designation are satisfied as 44 of the units will be rent and income restricted at 30% of AMFI, 127 units

will be rent and income restricted at 50% of AMFI, and 115 units will be rent and income restricted at 60% of AMFI. The remaining two units will be employee-occupied. Victory Street Public Facility Corporation is serving as the bond issuer.

Recommended HTC Amount: $1,974,441

20404 Tampico Apartments

The development proposes the new construction of 200 units located at 200 Tampico Street in San Antonio, Bexar County. Tampico Apartments will be a mixed-income development and will serve the general population. The Certificate of Reservation from the BRB for the development described herein was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of AMFI that must be served (beyond the federal requirement). The applicant has elected to utilize the income averaging minimum set-aside, as the project will provide nine units rent and income restricted at 30% of AMFI, 10 units rent and income restricted at 40% of AMFI, 18 units rent and income restricted at 50% of AMFI, 70 units rent and income restricted at 60% of AMFI, 20 units rent and income restricted at 70% of AMFI, nine units rent and income restricted at 80% of AMFI, and 64 market rate units. Las Varas Public Facility Corporation is serving as the bond issuer. There are three Neighborhood Risk Factors and an Undesirable Site Feature associated with the development relating to the crime rate, poverty rate, school performance, and proximity to railroad tracks. Pursuant to the rule, if staff has determined that sufficient mitigation under the rule was provided such that staff can find the site eligible despite the presence of such factors, then a separate finding by the Board of eligibility is not required. However, staff still believes the Board should be aware of these factors as it considers an award and a description of each is included herein.

Crime: The census tract in which Tampico Apartments will be located is reported as having a Part I violent crime rate of 46.02 per 1,000 persons annually as of November 4, 2019, according to Neighborhood Scout, which exceeds the threshold requirement of 18 per 1,000 persons annually. The Part I violent crime rate was reported as being 34.85 per 1,000 persons as of January 8, 2020. The applicant provided a letter from James Glass, the Deputy Director for the San Antonio Police Department, which provided crime statistics for the Tampico Apartments Neighborhood from 2014 to 2019. The Part I violent crime rate per 1,000 persons was calculated by the Deputy Director based on actual police beat data and reflected in the table below which are below the threshold allowed under the rule.

2014	2015	2016	2017	2018	2019
7.5	11.2	16.3	12.2	10.8	11.5

Poverty: The development is located in a census tract (105.00) that has a poverty rate of 65.7% which exceeds the threshold of 40% allowed under 10 TAC §11.101(a)(3). The 2020 QAP allows for a resolution from the Governing Body of the appropriate municipality or county that acknowledges the high poverty rate and authorizes the development to move forward, to serve as acceptable mitigation for a poverty rate that exceeds the threshold. A resolution from the City of San Antonio has been provided that meets the requirements of 10 TAC §11.101(a)(3)(D)(i).

School: The development is located in the attendance zone of J.T. Brackenridge Elementary (Brackenridge) and the school received a rating of "F" for 2019 based on the TEA Accountability Ratings. A letter was provided from Marco Morales, Principal for Brackenridge, which explained that the unacceptable rating could be the result of instructional capacity not being at the level needed when the 6th grade was added last year. It is noteworthy that Brackenridge has achieved the Met Standard rating since 2014. Principal Morales shared that a Targeted Improvement Plan has been implemented and the first 90-Day milestones have been met. The plan includes weekly leadership team meetings to monitor progress, allowing exceptional 5th grade teachers to teach the next grade level for the benefit of the students, and hiring two new instructional coaches to observe teachers in their classrooms to provide support. The Principal has indicated progress is being made in restoring the elementary school's TEA rating to an acceptable level.

Undesirable Site Feature - Railroad Track: The development site is located within 500 feet of an active railroad track. The 2020 QAP includes several exceptions for this Undesirable Site Feature that allow for the development site to be considered eligible. An excerpt of §11.101(a)(2)(E)(ii) of the QAP reads as follows:

> *"…Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site, unless: the Applicant has engaged a qualified Third Party to perform a noise assessment and the Applicant commits to perform sound mitigation in accordance with HUD standards as if they were directly applicable to the Development."*

The applicant states that they have engaged a Third Party to conduct a noise study and will commit to perform any noise mitigation in accordance with HUD standards.

Recommended HTC Amount: $739,760

20418 Park at 38Thirty

The Park at 38Thirty is a new construction development proposed to serve the general population located at 3830 Parkdale Street in San Antonio, Bexar County. The subject property was formerly the site of an event center that burned down and was subsequently demolished. The development site is now part of a Neighborhood Improvement Plan and the City of San Antonio will provide funds from General Obligation Bonds as part of its Urban Renewal Plan. The Certificate of Reservation was issued under the Priority 1c designation, which requires that 100% of the units be rent and income restricted at 60% of AMFI for developments located in a census tract with median income that is higher than the median income of the county, MSA, or PMSA in which the qualified census tract is located. The San Antonio Housing Trust Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: $1,027,837

20446 – St. John's Square Apartments

St. John's Square is proposed to be located at the southeast corner of St. Mary's Street and East Nueva Street in San Antonio, Bexar County, and involves the new construction of 252 units serving the general population. The project is a mixed-income development, and is in partnership with the San Antonio Housing Authority. The development will lease 198 of its units at market rate and 54 units will be rent and income restricted at 50% of AMFI, with the applicant selecting the 20% at 50% of AMFI set-aside. The San Antonio Housing Authority will also provide an annual rental assistance subsidy for 50 of the 54 affordable units for those clients participating in the Moving-to-Work program. The eight-story building will include approximately 5,117 square feet of retail or restaurant space. Las Varas Public Facility Corporation is serving as the bond issuer.

Recommended HTC Amount: $449,524

20409 McKinney Flats

McKinney Flats is proposed to be located along the west side of Collin McKinney Parkway at Test Drive in McKinney, Collin County, and involves the new construction of 205 units serving the general population. The applicant has elected to utilize the income averaging minimum set-aside, with 32 of the units rent and income restricted at 50% of AMFI, 161 units rent and income restricted at 60% AMFI, and the remaining 12 units rent and income restricted at 70% AMFI. The McKinney Housing Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: $1,393,849

EXHIBIT A
Previous Participation Results

Application Number	Development Name	Category	PPR Conditions
20414	Arbor at Wayforest	2	N/A
20421	Richcrest Apartments	2	The Project Owner of 2100 Memorial Drive will provide a letter updating EARAC on the status of the Project and its proposed redevelopment, including the pending tenant litigation, every three (3) months, **beginning April 17, 2020 through December 17, 2020**.
20404	Tampico Apartments	2	N/A
20418	Park at 38Thirty	2	N/A
20446	St. John's Square Apartments	2	N/A
20409	McKinney Flats	2	N/A

TDHCA #	Previous TDHCA #	Development Name	Development City	Board Meeting Date (MM/DD/YYYY)	Application Status	Total Units	Total Low-Income Units	Bond Reservation Amount	Requested HTC Amount	Recommend HTC Amount
20451	19440	Ventura at Parmer Lane	Austin ETJ	10/10/2019	Closed	216	216	$ 34,000,000	$ 2,189,841	$ 2,189,841
20460	18423; 19400	Villas del San Xavier	San Marcos	12/12/2019	Approved	156	156	$ 25,000,000	$ 1,059,750	$ 1,059,750
TBD	19428	Riverstone	San Marcos	11/7/2019	Approved	336	336	$ 50,000,000	$ 2,349,942	$ 2,349,942
TBD	19438	Legacy Senior	Round Rock	11/7/2019	Approved	157	157	$ 20,000,000	$ 732,029	$ 732,029
TBD	18456; 19470	Jackie Robinson Apartments	El Paso	12/12/2019	Approved	186	186	$ 30,000,000	$ 1,290,195	$ 1,290,195
20429	19452	Las Palmas	La Feria	1/16/2020	Approved	36	35	$39,120,000 (portfolio)	$ 87,983	$ 87,983
20422	19445	Brush Country Cottages	Dilley	1/16/2020	Approved	28	28	-	$ 89,069	$ 89,069
20423	19446	Chula Vista	San Diego	1/16/2020	Approved	44	44	-	$ 149,982	$ 149,982
20424	19447	Cielo Lindo	Edcouch	1/16/2020	Approved	34	34	-	$ 101,022	$ 101,022
20425	19448	La Estancia	Sebastian	1/16/2020	Approved	32	32	-	$ 101,210	$ 101,210
20426	19449	La Posada I & II	Ela	1/16/2020	Approved	74	74	-	$ 208,076	$ 208,076
20427	19450	La Reina	La Villa	1/16/2020	Approved	30	30	-	$ 65,586	$ 65,586
20428	19451	La Sombra	Donna	1/16/2020	Approved	50	50	-	$ 118,354	$ 118,354
20430	19453	Leuty Avenue	Justin	1/16/2020	Approved	24	24	-	$ 80,261	$ 80,261
20431	19454	Los Laureles	Edcouch	1/16/2020	Approved	23	23	-	$ 88,153	$ 88,153
20432	19455	Los Naranjos	Alton	1/16/2020	Approved	30	30	-	$ 67,810	$ 67,810
20433	19456	Oak Haven	Donna	1/16/2020	Approved	24	24	-	$ 63,090	$ 63,090
20434	19457	Raintree	Alamo	1/16/2020	Approved	32	32	-	$ 82,925	$ 82,925
20435	19458	Seagraves Gardens	Seagraves	1/16/2020	Approved	32	32	-	$ 91,709	$ 91,709
20436	19459	Silver Trail	Menard	1/16/2020	Approved	24	24	-	$ 67,091	$ 67,091
20437	19460	The Village	Tomball	1/16/2020	Approved	64	64	-	$ 172,768	$ 172,768
20438	19461	Valley View	Valley View	1/16/2020	Approved	24	24	-	$ 78,834	$ 78,834
20439	19462	Villa Vallarta	Rio Grande City	1/16/2020	Approved	40	40	-	$ 122,529	$ 122,529
20440	19463	Vista Verde	Cotulla	1/16/2020	Approved	24	24	-	$ 82,514	$ 82,514
20441	19464	Willowick	Gainesville	1/16/2020	Approved	60	60	-	$ 171,018	$ 171,018
20442	19465	Windmill	Giddings	1/16/2020	Approved	28	28	-	$ 77,926	$ 77,926
20443	19466	Windwood I & II	Kingsland	1/16/2020	Approved	68	68	-	$ 151,618	$ 151,618
20407		New Hope Housing Avenue J	Houston	2/20/2020	Approved	100	100	$ 23,000,000	$ 1,290,647	$ 1,290,467
20448	18458; 19431	Scharbauer Flats	Midland	2/20/2020	Approved	300	300	$ 40,000,000	$ 2,895,615	$ 2,895,615
20421	19442	Richcrest Apartments	Houston	3/26/2020	Approved	288	286	$ 30,000,000	$ 1,974,441	$ 1,974,441
20414		The Arbor at Wayforest	Houston	3/26/2020	Approved	192	192	$ 20,000,000	$ 1,262,807	$ 1,262,807
20404		Tampico Apartments	San Antonio	3/26/2020	Approved	200	136	$ 23,000,000	$ 739,670	$ 739,760
20409		Mckinney Flats	McKinney	3/26/2020	Approved	205	205	$ 32,000,000	$ 1,393,849	$ 1,393,849
20418		Park at 38 Thirty	San Antonio	3/26/2020	Approved	196	196	$ 25,000,000	$ 1,027,837	$ 1,027,837
20605	19608	Reserve at San Marcos	San Marcos	3/26/2020	Approved	376	320	$ 41,000,000	$ 1,857,733	$ 1,857,733
20446	19432	St. Johns Square	San Antonio	3/26/2020	Approved	252	54	$ 50,000,000	$ 473,449	$ 449,524
						3,985	**3,664**	**$ 443,000,000**	**$ 22,857,333**	**$ 22,833,318**
20401		Palladium Port Aransas	Port Aransas	4/23/2020	Active	183	165	$ 19,000,000	$ 1,241,287	$ -
20402		333 Holly	The Woodlands	4/23/2020	Active	332	332	$ 50,000,000	$ 2,513,320	$ -
20403		The Pines	The Woodlands	4/23/2020	Active	152	152	$ 30,000,000	$ 1,465,042	$ -
20600		Oaks on Clark	San Antonio	4/23/2020	Active	80	80	$ 12,000,000	$ 592,136	$ -
20601	19611	Granada Terrace Apartments	Houston	4/23/2020	Active	156	156	$ 12,000,000	$ 908,195	$ -
20449	19469	EMLI at Pecan Creek	Aubrey	4/23/2020	Active	254	254	$ 20,000,000	$ 1,484,333	$ -
20408		Vi Collina	Austin	4/23/2020	Active	170	170	$ 24,000,000	$ 1,340,220	$ -
20415		Avenue on 34th Apartments	Houston	4/23/2020	Active	70	56	$ 8,000,000	$ 324,609	$ -
20413		Residences at Merritt Hill	Rowlett	4/23/2020	Active	260	260	$ 33,000,000	$ 1,888,671	$ -
20603	19612	Scott Street Lofts	Houston	4/23/2020	Active	123	98	$ 18,000,000	$ 678,924	$ -
20420		Pan American	San Antonio	4/23/2020	Active	100	100	$ 15,000,000	$ 679,160	$ -
20447	19472	Franklin Park	Austin	4/23/2020	Active	163	163	$ 15,000,000	$ 749,966	$ -
20410		Traders Flats	San Antonio	5/21/2020	Active	324	324	$ 38,000,000	$ 1,846,377	$ -
20400		Palladium West Francis	Midland	5/21/2020	Active	240	188	$ 25,000,000	$ 1,499,588	$ -
20412		1604 Lofts Apartments	San Antonio	5/21/2020	Active	324	324	$ 38,000,000	$ 1,899,524	$ -
20406		Gala at Central Park Apartments	Hurst	5/21/2020	Active	94	94	$ 15,000,000	$ 486,783	$ -
20416		The Estates at Owen Tech	Austin	5/21/2020	Active	174	174	$ 20,000,000	$ 1,239,589	$ -
20411		Kitty Hawk Flats Apartments	San Antonio	5/21/2020	Active	239	239	$ 28,000,000	$ 1,482,838	$ -
20606	19610	Fish Pond at Corpus Christi	Corpus Christi	5/21/2020	Active	112	111	$ 10,000,000	$ 675,744	$ -
20405		Gala at Fate	Fate	5/21/2020	Active	185	185	$ 25,000,000	$ 1,173,150	$ -
20444		Plano Kathryn Senior Living	Plano	5/21/2020	Active	252	252	$ 30,000,000	$ 1,835,157	$ -
20604	19468	The Walzem	San Antonio	5/21/2020	Active	200	200	$ 20,000,000	$ 1,326,147	$ -
20452		Enclave at Lake Pointe	Houston	6/25/2020	Active	132	132	$ 14,200,000	$ 723,460	$ -
20450		Mira Vista	San Antonio	6/25/2020	Active	312	312	$ 28,000,000	$ 1,783,385	$ -
20419		Woodway Village	Austin	6/25/2020	Active	160	160	$ 30,000,000	$ 1,196,513	$ -
20454		South Terrace	Waco	6/25/2020	Active	250	250	$ 25,000,000	$ 1,452,219	$ -
20455		Redwood	San Marcos	6/25/2020	Active	296	296	$ 50,000,000	$ 2,107,712	$ -
20457		Pinewood Apartments	Houston	6/25/2020	Active	240	240	$ 30,000,000	$ 1,174,359	$ -
20458		Kinwood Apartments	McKinney	6/25/2020	Active	200	200	$ 30,000,000	$ 1,245,289	$ -
20459		Spring Villas	Austin	6/25/2020	Active	304	302	$ 45,000,000	$ 2,295,642	$ -
20461		Cascade at Onion Creek	Austin	6/25/2020	Active	264	264	$ 35,000,000	$ 1,427,509	$ -
						6,345	**6,233**	**$ 792,200,000**	**$ 40,736,848**	**$ -**
20602	03438	The Vermillion	Houston	2/20/2020	Pre-Application	260	260	$ 29,000,000	$ 1,372,549	$ -

						260	260	$	29,000,000	$	1,372,549	$	-
20417	St. Joe Apartments	Houston	3/19/2020	Withdrawn	307	307	$	51,757,648	$	4,596,000	$	-
					307	307	$	51,757,648	$	4,596,000	$	-
				TOTAL*	10,590	10,157	$	1,264,200,000	$	64,966,730	$	22,833,318

*Totals include Approved, Active and Pre-Application Status

20414 The Arbor at Wayforest - Application Summary

PROPERTY IDENTIFICATION

Application #	20414
Development	The Arbor at Wayforest
City / County	Houston / Harris
Region/Area	6 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$1,262,807	$1,262,807	$6,577/Unit	$1.00

KEY PRINCIPAL / SPONSOR

HCHA Redevelopment Authority
Atlanta Pacific Communities - Howard Cohen
Dan Wilson
Horace Allison

Related Parties	Contractor - Yes	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	-	0%
2	78	41%
3	114	59%
4	-	0%
TOTAL	192	100%

INCOME DISTRIBUTION

Income	# Units	% Total
30%	29	15%
40%	-	0%
50%	9	5%
60%	153	80%
EO	1	1%
TOTAL	192	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	Expense Ratio	40.0%
Breakeven Occ.	84.3%	Breakeven Rent	$860
Average Rent	$945	B/E Rent Margin	$86
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,289/unit	Controllable	$2,612/unit
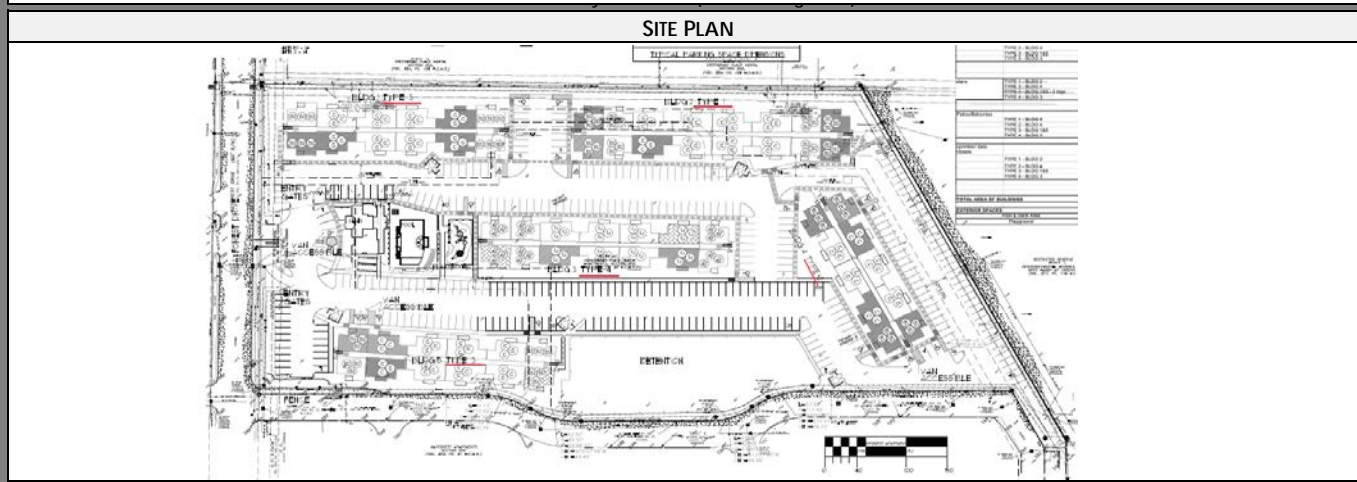
MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.8%
Highest Unit Capture Rate	17%	2 BR/60%	62
Dominant Unit Cap. Rate	16%	3 BR/60%	91
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	99	52% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,039 SF	Density	23.4/acre
Acquisition		$06K/unit	$1,159K
Building Cost	$83.59/SF	$87K/unit	$16,679K
Hard Cost		$105K/unit	$20,176K
Total Cost		$179K/unit	$34,273K
Developer Fee	$3,965K	(13% Deferred)	Paid Year: 3
Contractor Fee	$2,825K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Citibank Tranche A	15/35	4.32%	$11,600,000	1.92						Wells Fargo	$12,626,807
Harris County	20/30	1.75%	$9,520,000	1.17						The Arbor at Wayforest Development, LLC	$526,410
										TOTAL EQUITY SOURCES	$13,153,217
										TOTAL DEBT SOURCES	$21,120,000
TOTAL DEBT (Must Pay)			$21,120,000		CASH FLOW DEBT / GRANTS			$0		TOTAL CAPITALIZATION	$34,273,217

CONDITIONS

- Receipt and acceptance by Cost Certification:

    a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

    b: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.

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

BOND RESERVATION / ISSUER

Issuer	Harris County Housing Authority PFC
Expiration Date	6/30/2020
Bond Amount	$20,000,000
BRB Priority	Priority 1b
Bond Structure	Private Placement - Tax Exempt Loan
% Financed with Tax-Exempt Bonds	60.2%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

▫ Low expense-to-income ratio due to property tax exemption
▫ Developer experience
▫ feasibility indicators

WEAKNESSES/RISKS

▫ feasibility dependent on 100% tax-exemption
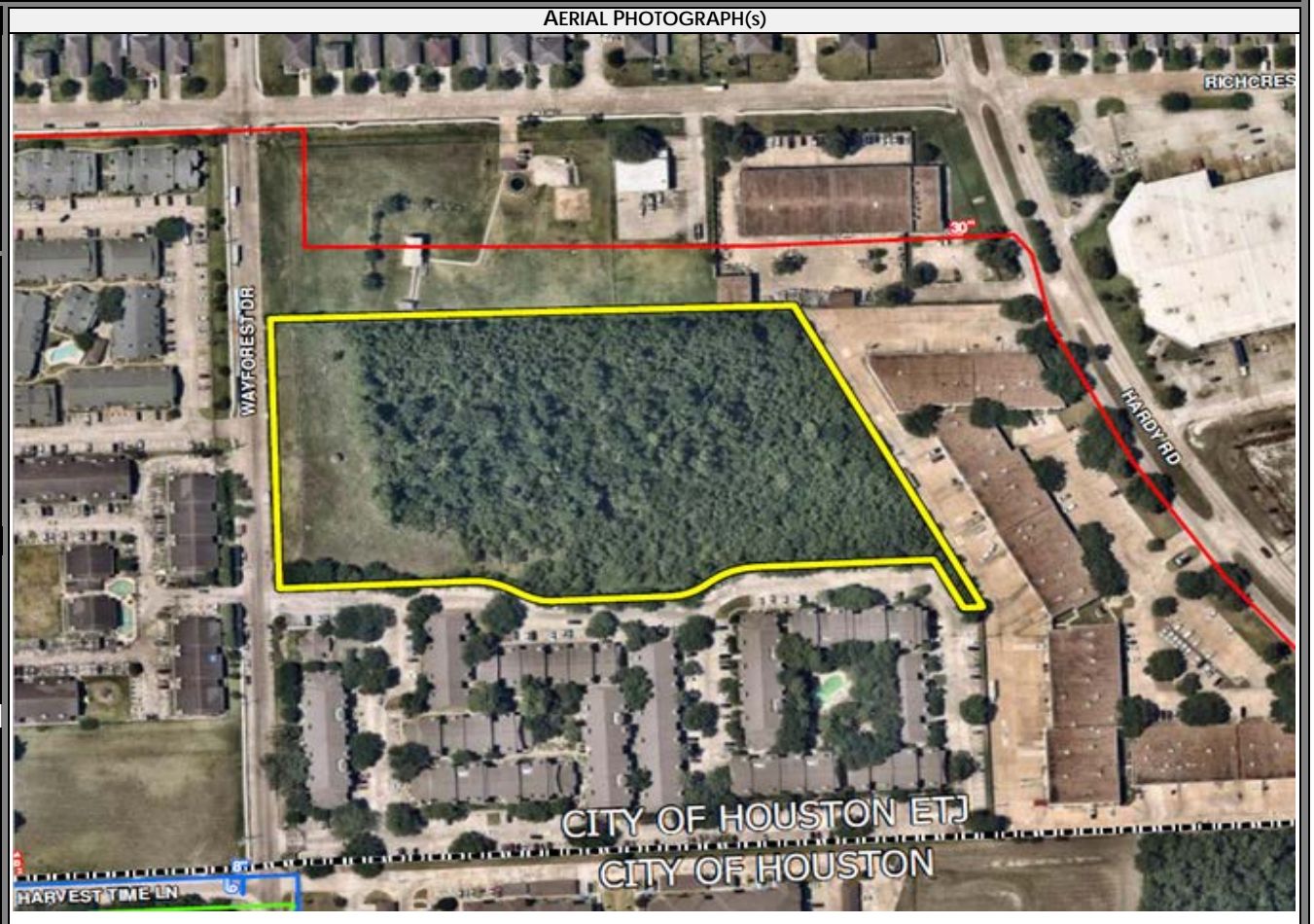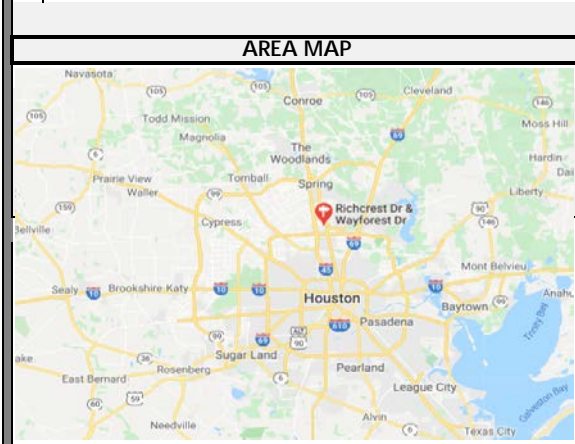
AREA MAP

AERIAL PHOTOGRAPH(s)

20421 Richcrest Apartments - Application Summary

PROPERTY IDENTIFICATION

Application #	**20421**
Development	**Richcrest Apartments**
City / County	**Houston / Harris**
Region/Area	**6 / Urban**
Population	**General**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$1,974,441	**$1,974,441**	**$6,856/Unit**	**$0.92**

KEY PRINCIPAL / SPONSOR

AMTEX Development, LLC
Arjun Nagarkatti
David Yarden

APV Redevelopment
Tory Gunsolley

Related Parties	Contractor -	Yes	Seller -	0

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	30	10%
2	144	50%
3	114	40%
4	-	0%
TOTAL	**288**	**100%**

INCOME DISTRIBUTION

Income	# Units	% Total
30%	44	15%
40%	-	0%
50%	127	44%
60%	115	40%
MR	2	1%
TOTAL	**288**	**100%**

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	**Expense Ratio**	48.5%
Breakeven Occ.	85.5%	**Breakeven Rent**	$728
Average Rent	$789	**B/E Rent Margin**	$60
Property Taxes	Exempt	**Exemption/PILOT**	100%
Total Expense	$4,310/unit	**Controllable**	$2,991/unit
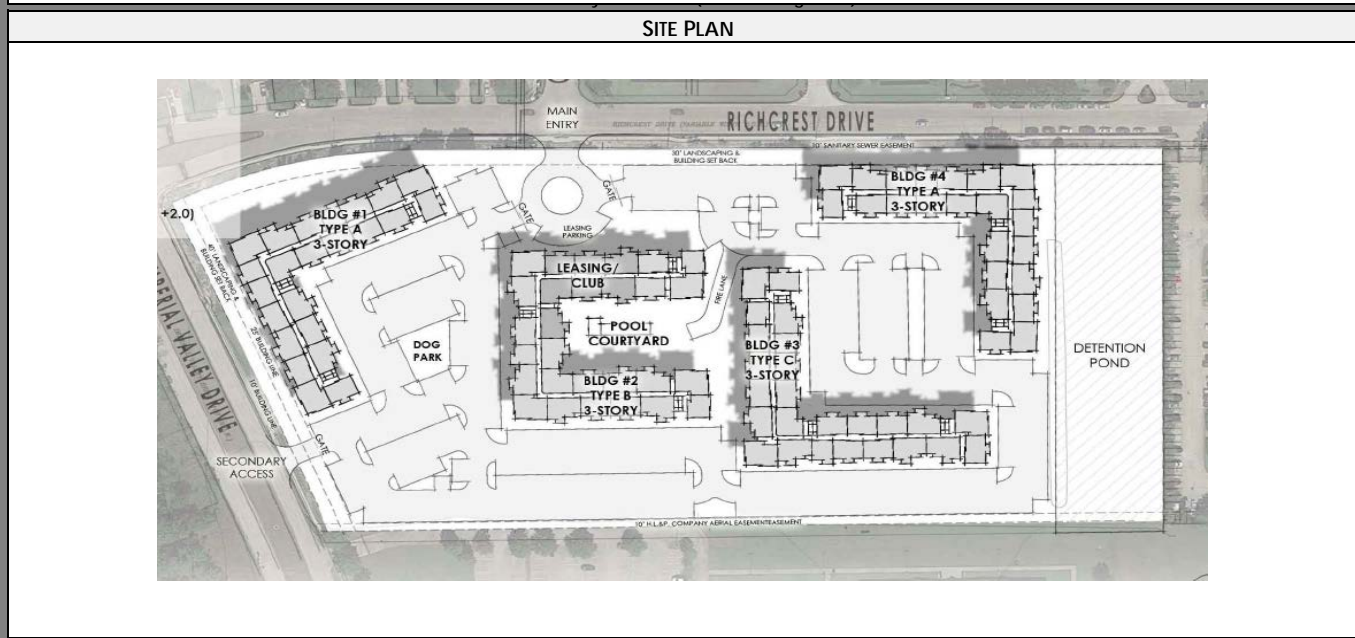
MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			4.0%
Highest Unit Capture Rate	19%	3 BR/60%	46
Dominant Unit Cap. Rate	8%	2 BR/50%	63
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		
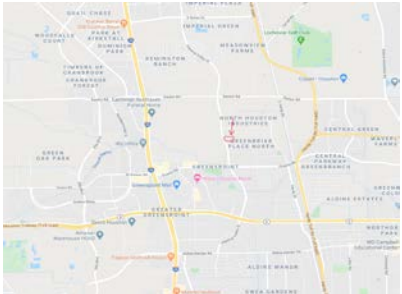
DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	949 SF	**Density**	21.8/acre
Acquisition		$14K/unit	$4,082K
Building Cost	$87.57/SF	$83K/unit	$23,929K
Hard Cost		$105K/unit	$30,098K
Total Cost		$193K/unit	$55,499K
Developer Fee	$6,010K	(29% Deferred)	Paid Year: 8
Contractor Fee	$3,882K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Citibank Tax Exempt - Tranche A	15/35	4.52%	$19,771,519	1.17
TOTAL DEBT (Must Pay)			$35,571,519	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Harris County CDBG-DR Funds	20/0	1.00%	$15,800,000	1.17
CASH FLOW DEBT / GRANTS			$15,800,000	

EQUITY / DEFERRED FEES	
Source	Amount
Husdon Housing Capital	$18,164,857
AMTEX Development LLC	$1,762,599
TOTAL EQUITY SOURCES	$19,927,456
TOTAL DEBT SOURCES	$51,371,519
TOTAL CAPITALIZATION	$71,298,975

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Architect certification that an expanded HUD Noise Study was performed for this development and all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: CPA prepared schedule allocating the CDBG funds to costs that are tax credit basis eligible and non-tax credit basis eligible. If any CDBG funds are used for tax credit basis eligible costs, indicate how those funds are being treated with respect to eligible basis. If any funds are being treated as bona fide debt and not deducted from eligible basis, provide an attorney opinion confirming that the debt is determined to be bona fide debt with a reasonable expectation that it will be repaid in full.

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

BOND RESERVATION / ISSUER

Issuer	tory Street Public Facility Corporation
Expiration Date	6/10/2020
Bond Amount	$30,000,000
BRB Priority	Priority 3
Close Date	4/15/2020
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	64.9%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

▫ Experienced Developer
▫ Has built similar product in the area
▫ HTC rents below market rents

WEAKNESSES/RISKS

AREA MAP

AERIAL PHOTOGRAPH(s)

20404 Tampico Apartments - Application Summary

PROPERTY IDENTIFICATION

Application #	20404
Development	Tampico Apartments
City / County	San Antonio / Bexar
Region/Area	9 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$739,670	$739,670	$3,698/Unit	$0.91

KEY PRINCIPAL / SPONSOR

Mission DG-Developer (75%), SLP
Victor Miramontes
Henry Cisneros

San Antonio Housing Authority (SAHA)-Developer (25%), GP

Related Parties	Contractor -	No	Seller -	Yes

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN
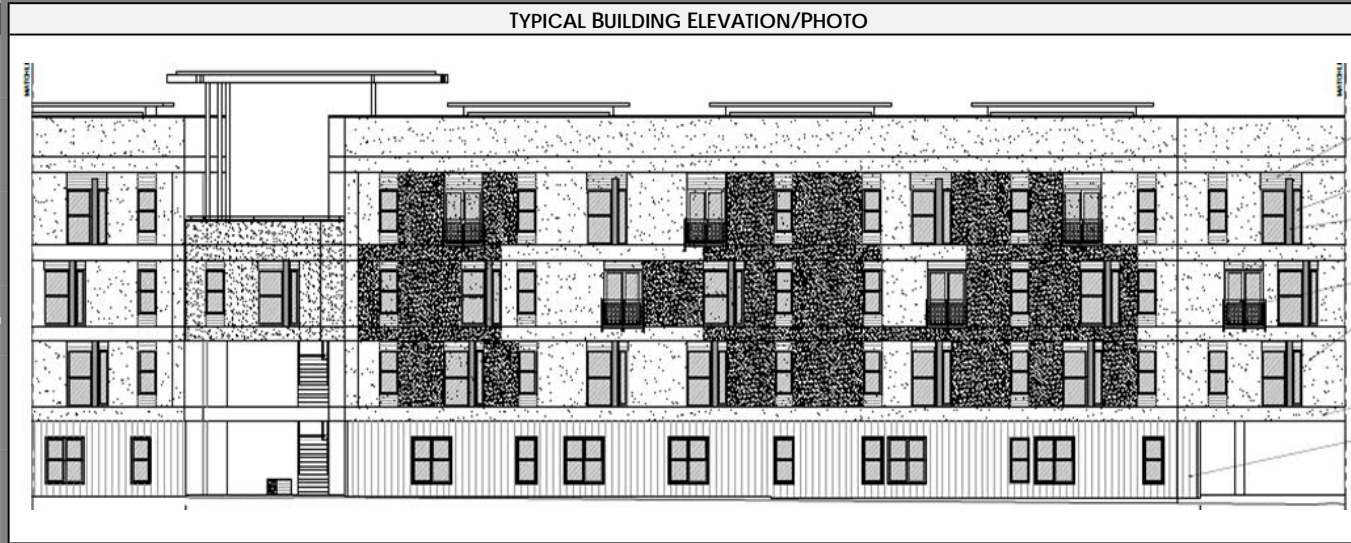
UNIT DISTRIBUTION   INCOME AVERAGING

# Beds	# Units	% Total	Income	# Units	% Total
Eff	58	29%	30%	9	5%
1	72	36%	40%	10	5%
2	70	35%	50%	18	9%
3	-	0%	60%	70	35%
4	-	0%	70%	20	10%
5	-	0%	80%	9	5%
6	-	0%	MR	64	32%
TOTAL	200	100%	TOTAL	200	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	Expense Ratio	40.0%
Breakeven Occ.	84.6%	Breakeven Rent	$849
Average Rent	$930	B/E Rent Margin	$82
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,215/unit	Controllable	$3,031/unit
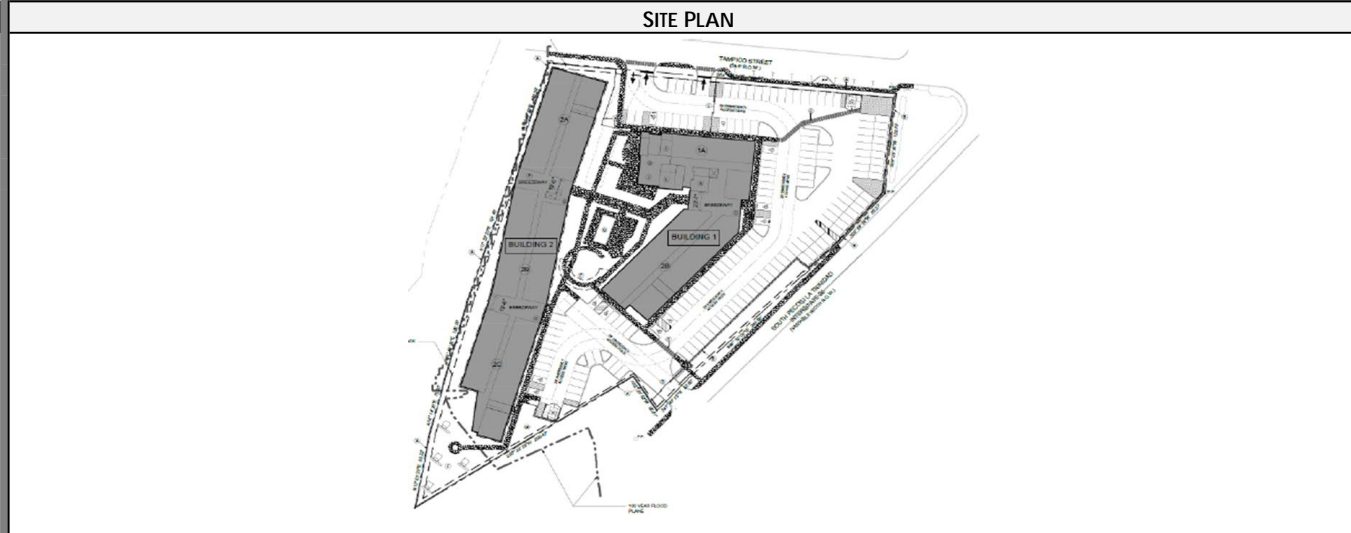
MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			2.5%
Highest Unit Capture Rate	49%	0 BR/60%	28
Dominant Unit Cap. Rate	16%	1 BR/60%	33
Premiums (↑60% Rents)	Yes		$510/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	750 SF	Density	53.1/acre
Acquisition		$04K/unit	$800K
Building Cost	$100.62/SF	$76K/unit	$15,103K
Hard Cost		$92K/unit	$18,314K
Total Cost		$149K/unit	$29,835K
Developer Fee	$3,615K	(74% Deferred)	Paid Year: 11
Contractor Fee	$2,350K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Bellwether / Freddie Mac TEL	15/35	4.00%	$20,426,903	1.17
TOTAL DEBT (Must Pay)			$20,426,903	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
CASH FLOW DEBT / GRANTS			$0	

EQUITY / DEFERRED FEES	
Source	Amount
42 Equity Partners	$6,739,677
Tampico Redevelopment LP	$2,668,918
TOTAL EQUITY SOURCES	$9,408,595
TOTAL DEBT SOURCES	$20,426,903
TOTAL CAPITALIZATION	$29,835,498

CONDITIONS

1 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:

a: Architect certification that all recommendations from the noise study are incorporated into the development plans.

b: Certification that testing for asbestos and lead-based paint was performed on the existing structure prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

2 Receipt and acceptance by Cost Certification:

- Executed ground lease with City of San Antonio or its affiliate clearly specifying all terms and conditions, including who will retain ownership of land and improvements at the end of the lease.

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

BOND RESERVATION / ISSUER	
Issuer	**Las Varas Public Facility Corp**
Expiration Date	7/1/2020
Bond Amount	$23,000,000
BRB Priority	Priority 3
Bond Structure	**Freddie TEL**
% Financed with Tax-Exempt Bonds	91.9%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Support of City of San Antonio
▫ Near areas of re-development
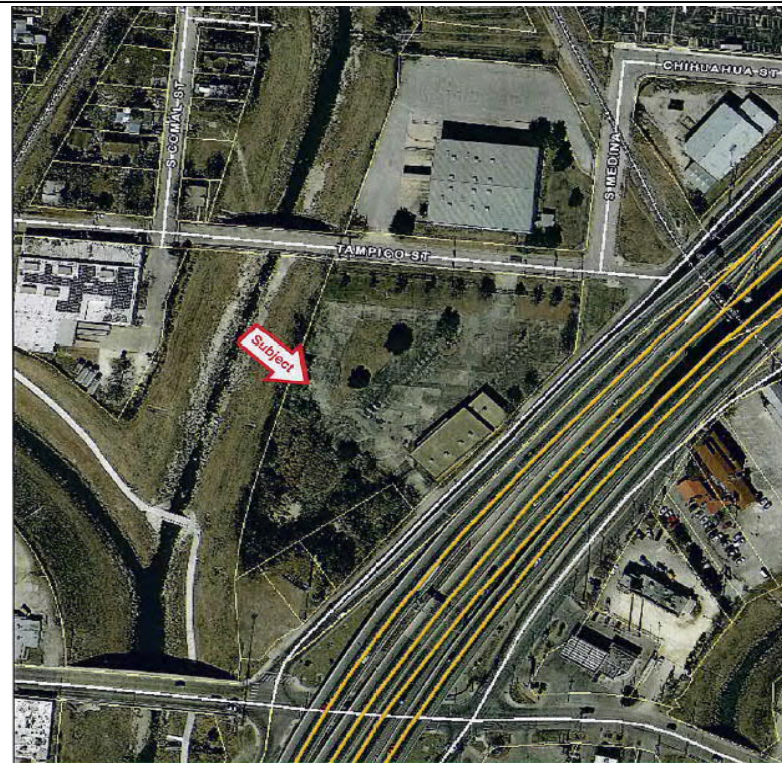▫ Hike/Bike system adjacent

WEAKNESSES/RISKS
▫ Feasibility reliant on tax exemption
▫ Parking less than 1 space per unit/inefficient layout
▫ Site access/railroad/creeks/I-35
▫ Industrial area
▫ Adjacent to flood plain

AREA MAP
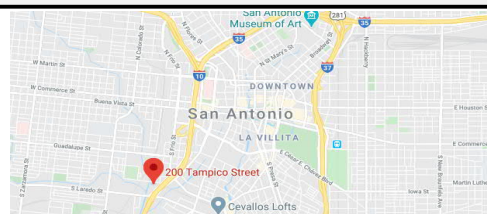
AERIAL PHOTOGRAPH(s)

20418 Park at 38Thirty - Application Summary

PROPERTY IDENTIFICATION

Application #	20418
Development	Park at 38Thirty
City / County	San Antonio / Bexar
Region/Area	9 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$1,027,837	$1,027,837	$5,244/Unit	$0.95

KEY PRINCIPAL / SPONSOR

City of San Antonio (Seller)

San Antonio Housing Trust

Franklin Development
Ryan Wilson

Related Parties	Contractor - Yes	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	-	0%	40%	-	0%
2	101	52%	50%	-	0%
3	95	48%	60%	196	100%
4	-	0%	MR	-	
TOTAL	196	100%	TOTAL	196	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	39.0%
Breakeven Occ.	85.1%	Breakeven Rent	$884
Average Rent	$962	B/E Rent Margin	$78
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,254/unit	Controllable	$3,027/unit

SITE PLAN
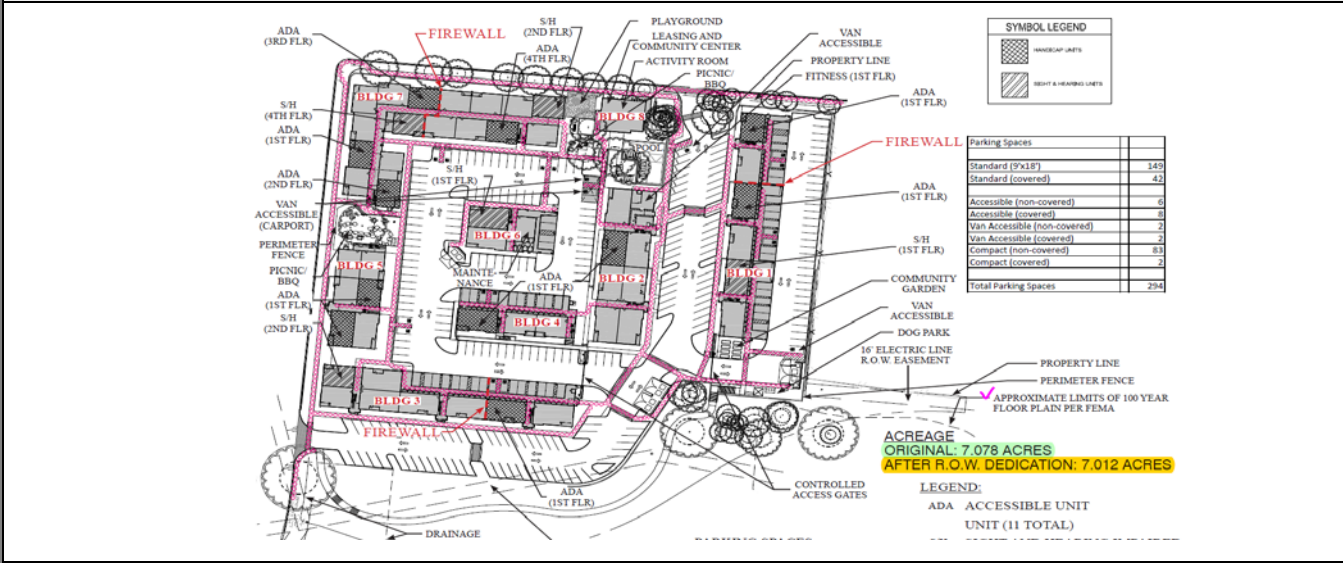
MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			2.2%
Highest Unit Capture Rate	13%	3 BR/60%	95
Dominant Unit Cap. Rate	10%	2 BR/60%	101
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	970 SF	Density	28.0/acre
Acquisition		$01K/unit	$105K
Building Cost	$86.59/SF	$84K/unit	$16,461K
Hard Cost		$105K/unit	$20,674K
Total Cost		$180K/unit	$35,297K
Developer Fee	$4,133K	(21% Deferred)	Paid Year: 5
Contractor Fee	$2,924K	30% Boost	No

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
JLL/Freddie Mac	15/35	4.25%	$20,600,000	1.13						Bank of America	$9,762,494
										SAHT PFC and Franklin Development	$855,528
										TOTAL EQUITY SOURCES	$10,618,022
										TOTAL DEBT SOURCES	$24,650,000
TOTAL DEBT (Must Pay)			$20,250,000		CASH FLOW DEBT / GRANTS			$4,400,000		TOTAL CAPITALIZATION	$35,268,022

CONDITIONS
- Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:
a: Documentation that a noise study has been completed, and Architect certification that all recommendations from the noise study are incorporated into the development plans.
b: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	San Antonio Housing Trust Finance Corp
Expiration Date	7/4/2020
Bond Amount	$25,000,000
BRB Priority	Priority 1c
Close Date	TBD
Bond Structure	Freddie Mac Tax-Exempt Loan
% Financed with Tax-Exempt Bonds	93.7%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
- ▫ Expense-to-income ratio
- ▫ Gross Capture Rate
- ▫ Experienced Developer

WEAKNESSES/RISKS
- ▫ Financial feasibility reliant on property tax-exempt
- ▫ Lack of one-bedroom units
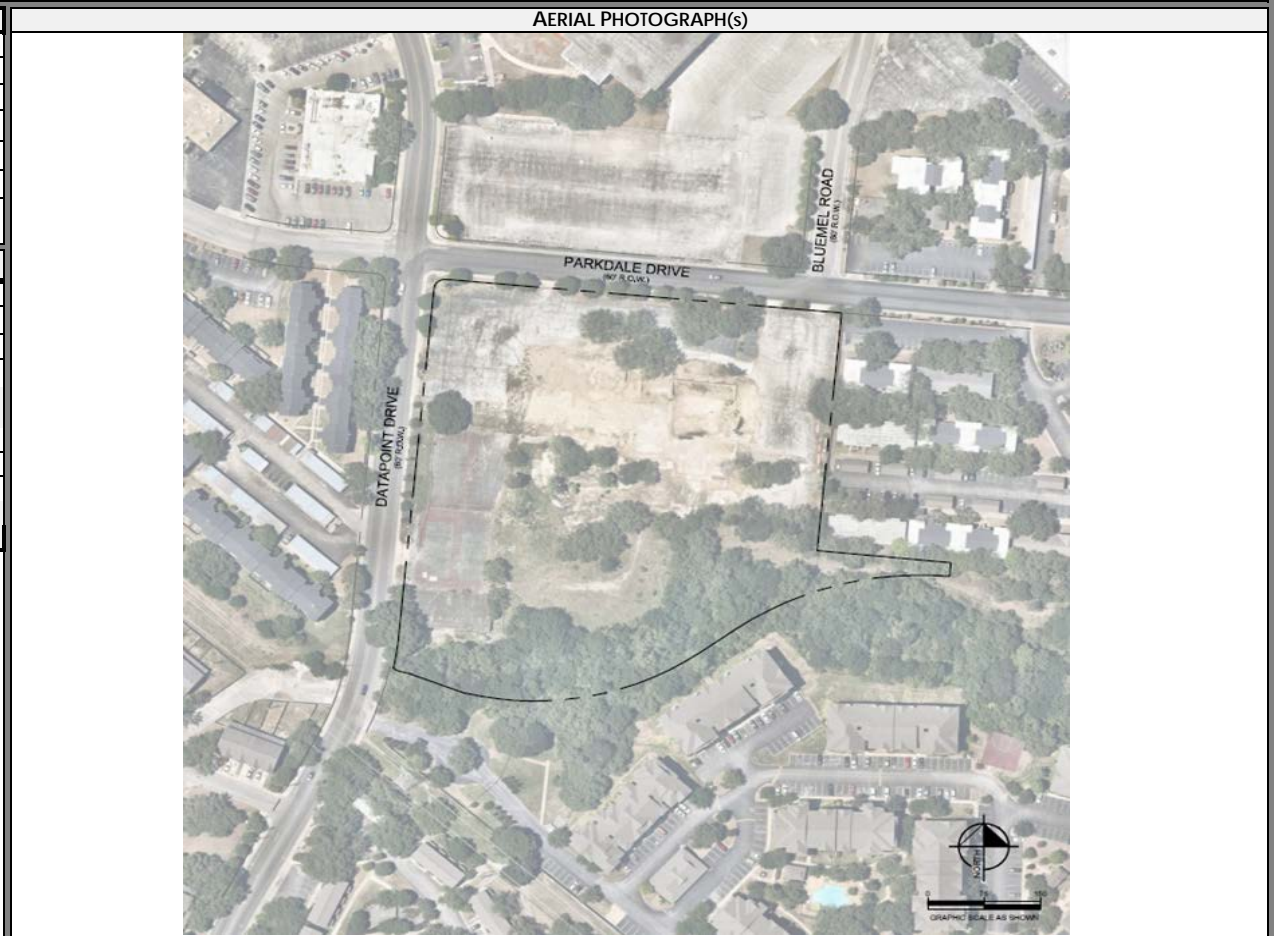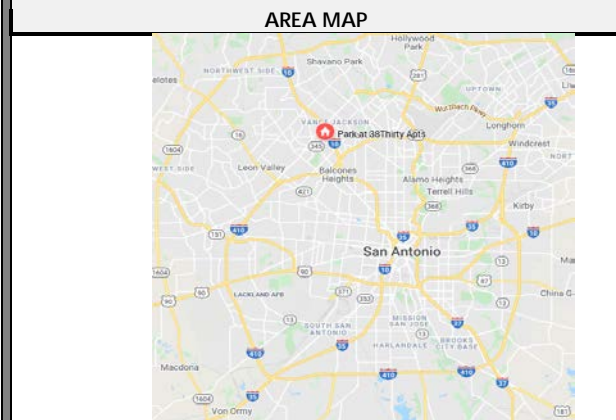
AREA MAP

AERIAL PHOTOGRAPH(s)

20446 St. John's Square Apartments - Application Summary

PROPERTY IDENTIFICATION

Application #	20446
Development	St. John's Square Apartments
City / County	San Antonio / Bexar
Region/Area	9 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$473,449	$449,524	$1,784/Unit	$0.92

KEY PRINCIPAL / SPONSOR

Dennis McDaniel / Weal Development LLC
&
San Antonio Housing Authority

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	69	27%
1	147	58%
2	36	14%
3	-	0%
4	-	0%
TOTAL	252	100%

INCOME DISTRIBUTION

Income	# Units	% Total
30%	-	0%
40%	-	0%
50%	54	21%
60%	-	0%
MR	198	79%
TOTAL	252	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.19	Expense Ratio	24.1%
Breakeven Occ.	83.2%	Breakeven Rent	$1,297
Average Rent	$1,464	B/E Rent Margin	$167
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,532/unit	Controllable	$3,050/unit

SITE PLAN
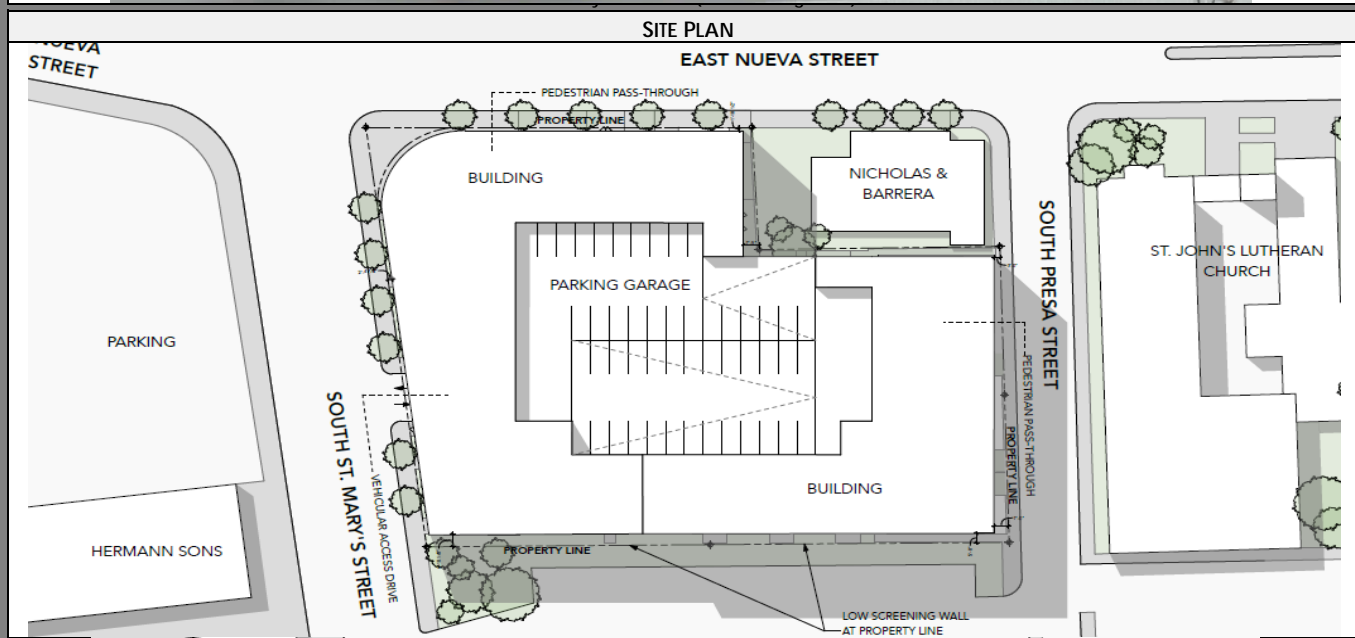
MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.5%
Highest Unit Capture Rate	1%	1 BR/50%	4
Dominant Unit Cap. Rate	1%	1 BR/50%	4
Premiums (↑60% Rents)	Yes ✗		$1279/Avg.
Rent Assisted Units	50	20% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	754 SF	Density	192.4/acre
Acquisition		$4K/unit	$1,025K
Building Cost	$215.10/SF	$162K/unit	$40,864K
Hard Cost		$183K/unit	$46,065K
Total Cost		$284K/unit	$71,637K
Developer Fee	$8,720K	(93% Deferred)	Paid Year: 10
Contractor Fee	$6,203K	30% Boost	No

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Bellweather/Freddie TEL Product	15/35	3.98%	$50,000,000	1.36	Chapter 380 Econ Dev Loan	0/0	0.00%	$300,000	1.19	Affordable Housing Partners, Inc.	$4,134,794
Bellweather - Bridge/Taxable Tail	15/35	4.43%	$6,690,000	1.19	City / SAWS Impact Fee waivers	0/0	0.00%	$624,305	1.19	Weal Development, LLC (Equity)	$1,782,601
										Weal Development, LLC (DDF)	$8,105,531
										TOTAL EQUITY SOURCES	$14,022,925
										TOTAL DEBT SOURCES	$57,614,305
TOTAL DEBT (Must Pay)			$56,690,000		CASH FLOW DEBT / GRANTS			$924,305		TOTAL CAPITALIZATION	$71,637,230

CONDITIONS

1 Receipt and acceptance before Determination Notice:

   a: Documentation of HUD approved Moving to Work ("MTW") Subsidies totaling a minimum of $375,000 for each of the first 20 years, and confirmation that the vouchers can be used on incomes of less than 50% AMI.

   b: Executed 2020 Uniform Multifamily Application Certifications which include the following:
- 2020 Multifamily Uniform Application Certification
- 2020 Development Owner Certification
- 2020 Applicant Eligibility Certifications
- 2020 Architect Certification

2 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:

   a: Certification that all underground storage tanks were properly removed from the site.

   b: Completed soil and groundwater boring report assessing the extent of petroleum hydrocarbon contamination, or contamination from the adjacent dry clearners, and certification that any recommended mitigation measures have been fully implemented.

   c: Completed soils boring report addressing whether or not the buried post-fire rubble is unstable or in need of remediation prior to foundation work for the development, and certification that any recommended mitigation measures have been fully implemented.

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

BOND RESERVATION / ISSUER

Issuer	Las Varas PFC
Expiration Date	7/22/2020
Bond Amount	$50,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Freddie Mac Tax-Exempt Loan Program
% Financed with Tax-Exempt Bonds	81.9%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
- Experienced developer of multiple product types.
- One block from San Antonio River Walk.
- Increasing Market Rents
- Strong feasibility indicators
- Site is within the city-initiated Reinvestment Zone.

WEAKNESSES/RISKS
- Developer does not have HTC experience.
- 50 of 54 restricted units are efficiency.
- Ground Lease potentially obligates the Applicant to develop up to 35,000 sqft for The Church.

AREA MAP

AERIAL PHOTOGRAPH(s)

20409 McKinney Flats - Application Summary

PROPERTY IDENTIFICATION

Application #	20409
Development	McKinney Flats
City / County	McKinney / Collin
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request		Recommended	
LIHTC (4% Credit)	$1,393,849	$1,393,849	$6,799/Unit	$0.92

KEY PRINCIPAL / SPONSOR

McKinney Housing Finance Corporation
Cristel Todd

The NRP Group
Ana Padilla - Project Manager

Consultant - Sarah Andre

Related Parties	Contractor - Yes	Seller - 0

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN

UNIT DISTRIBUTION / INCOME AVERAGING

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	6	3%	40%	-	0%
2	86	42%	50%	32	16%
3	89	43%	60%	161	79%
4	24	12%	70%	12	6%
TOTAL	205	100%	TOTAL	205	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.19	Expense Ratio	34.5%
Breakeven Occ.	83.0%	Breakeven Rent	$970
Average Rent	$1,084	B/E Rent Margin	$114
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,234/unit	Controllable	$3,000/unit

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			3.4%
Highest Unit Capture Rate	51%	3 BR/60%	70
Dominant Unit Cap. Rate	51%	3 BR/60%	70
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,009 SF	Density	17.4/acre
Acquisition		$15K/unit	$3,154K
Building Cost	$74.78/SF	$75K/unit	$15,473K
Hard Cost		$104K/unit	$21,290K
Total Cost		$207K/unit	$42,453K
Developer Fee	$4,411K	(55% Deferred)	Paid Year: 8
Contractor Fee	$2,981K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Key Bank	15/35	3.98%	$26,150,000	1.19	Cash Flow During Lease Up	0/0	0.00%	$305,083	1.19	Boston Financial	$12,822,129
					Interest during Construction	0/0	0.00%	$732,200	1.19	Developer	$2,443,436
										TOTAL EQUITY SOURCES	$15,265,565
										TOTAL DEBT SOURCES	$27,187,283
TOTAL DEBT (Must Pay)			$26,150,000		CASH FLOW DEBT / GRANTS			$1,037,283		TOTAL CAPITALIZATION	$42,452,848

CONDITIONS
1 Receipt and acceptance by 10% test:
a: Documentation that a noise study has been completed, and Architect certification that all recommendations from the noise study are incorporated into the development plans.
2 Receipt and acceptance by Cost Certification:
a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	McKinney Housing Finance Corp (HFC)
Expiration Date	7/1/2020
Bond Amount	$32,000,000
BRB Priority	Priority 3
Bond Structure	Freddie Mac Tax-Exempt Loan
% Financed with Tax-Exempt Bonds	76.8%

RISK PROFILE
STRENGTHS/MITIGATING FACTORS
▫ Expense-to-income ratio
▫ Experienced Developers
▫ Market Occupancy
▫ Feasibility Indicators
▫ Amenities enhance leasibility
WEAKNESSES/RISKS
▫ Feasibility reliant on property tax-exempt status
▫ 3 and 4 Bedroom Units

AERIAL PHOTOGRAPH(s)

AREA MAP
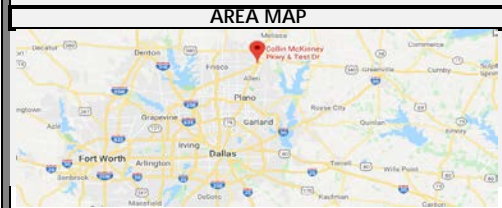
2a

TDHCA Outreach Activities, February-March

A compilation of outreach and educational activities designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public.

Activity	Event	Date	Location	Division
Press event	Texas Bootstrap Loan Program 20th Anniversary	Feb. 20	Harlingen	Executive, External Affairs
Public hearing	Scott Street Lofts Apartments	Feb. 20	Houston	Multifamily Finance Division
Public hearing	Granada Terrace Apartments	Feb. 24	Houston	Multifamily Finance Division
Public hearing	Fish Pond at Corpus Christi Apartments	Feb. 25	Corpus Christi	Multifamily Finance Division
Public hearing	Oaks on Clark Apartments	March 5	San Antonio	Multifamily Finance Division
Public hearing	Draft 2020 DOE Plan	March 18	Austin	Community Affairs

Internet Postings of Note
A list of new or noteworthy postings to the Department's website.

Asset Management
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement (#02120, Humble Memorial Gardens)
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application (19009, Churchill at Golden Triangle Community; 98170, Homes of Persimmons)
- Posted updated information related HOME, NSP, NHTF, and TCAP-RF Rent Approval Requests and Construction Status Reports timeline

Bond Finance
- Posted updated Bond Outstanding Summary (as of August 31, 2019)

Communications:
- Updated TDHCA homepage slideshow and social media cover photos
- Posted homepage article, "TDHCA salutes HCCSA for innovation with mobile response unit," and added new Showcase article with same content
- Posted information related to the Novel Coronavirus (COVID-19) with related links to Tx. Department of Health and CDC
- Posted homepage article, "Texas Bootstrap Loan Program celebrates 20 years"
- Added Novogradac Journal of Tax Credits: HFA Funding Strategies to Preserve Affordability, Maintain Financial Feasibility of LIHTC Properties Post-Year 15 to News Releases

Community Affairs
- Added DOE 2020 State Plan webinar and presentation slides
- Added County Code List for Community Affairs Households Database
- Posted updated 2020 CAP-CIS form
- Added CA Performance Measures User Guide, FAQs, and Common Upload Errors
- Added CEAP/LIHEAP/DOE Program File Layout and CSBG Program File Layout
- Posted updated CEAP Production Schedule Tool
- Posted updated CEAP Client File Checklist
- Posted updated US Citizenship/US National and SAVE FAQs
- Posted updated Master List of Community Affairs Subrecipients

Compliance
- Added 2019 Final Construction Inspection Request checklist and Mid Construction Inspection Request checklist
- Posted updated 2019 Project Income and Rent Tool

Fair Housing
- Added new approved Fair Housing trainer to online list
- Posted updated Sample Disability Verification Form, HUD Affirmative Fair Housing Marketing Plan (Multifamily and Single family)

HOME and Homeless:
- Posted updated HOME Homeownership Value Limits (as of April 2019) and HOME Homeownership Value Limitations

Housing Resource Center
- Added the 2020 State of Texas Low Income Housing Plan and Annual Report
- Posted 2018 Housing Sponsor Report

Multifamily:
- Posted 2020-B Application Cycle Information; replaced 2020-2 Multifamily Direct Loan NOFA Application Log with 2020-2B Multifamily Direct Loan NOFA Application Log
- Added 2020 9% Individually Imaged Full Applications
- Added 9% HTC Award Limits and Estimated Regional Allocation spreadsheet
- Added 2020 9% Housing Tax Credit Full Application Log
- Added materials under 2020 9% Competitive Housing Tax Credit (Appraisals, Environmental Site Assessments, Property Condition Assessments, Site Design Feasibility Reports)
- Posted 2019 9% HTC documents to Multifamily Archive page (Pre-Application Log, Individually Imaged Pre-Applications)
- Posted updated 2021 and 2022 Qualified Allocation Plans Project Plan
- Posted updated 2020 9% Housing Tax Credit Pre-Application Log
- Posted Uniform Application 2020 form
- Posted 2020-1 Multifamily Direct Loan NOFA Application Log
- Posted updated list Public Hearing Schedule for Comment on the 2020 Competitive Housing Tax Credit Applications

NOFA
- Multifamily 2020-4 Notice of Funding Availability: Special Purpose
- First Amended 2020-1 Multifamily Direct Loan Annual Notice of Funding Availability
- 2020-2B Multifamily Direct Loan Special Purpose Notice of Funding Availability

- Amended 2019 STATEWIDE Allocation Notice of Funding Availability for the Amy Young Barrier Removal Program

Program Services
- Posted updated TDHCA Relocation Handbook (as of Feb. 26, 2020)

Public Comment
- Public comment period open for Draft of the 2020 DOE WAP State Plan
- Public comment period open for Opportunity for Public Review and Comment on Needs Assessment and Proposed Allocation Table for Community Services Block Grant Disaster Relief Supplemental Funds
- Public comment period open for Proposed repeal and new 10 TAC, Chapter 7, Subchapter A, General Policies and Procedures
- Public comment period open for Proposed repeal and new 10 TAC, Chapter 7, Subchapter B, Homeless Housing and Services Program (HHSP)
- Public comment period open for Proposed repeal and new 10 TAC Section 7.31, Purpose; 10 TAC Section 7.34, Local Competition for Funds; 10 TAC Section 7.36, General Threshold Criteria under a Department NOFA; 10 TAC Section 7.41, Contract Term, Expenditure Benchmarks, and Return of Funds; 10 TAC Section 7.42, General Administrative Requirements; 10 TAC Section 7.43, Program Income; and 10 TAC Section 7.44, Program Participant Eligibility and Program Participant Files
- Public comment period open for Proposed repeal and new 10 TAC, Chapter 7 Homelessness Programs, Subchapter D, Ending Homelessness Fund, 10 TAC Section 7.62, Ending Homelessness Fund Subrecipient Application and Selection, and 10 TAC Section 7.65, Contract Term and Limitations

Purchasing
- Updated list of No-Bid contracts as required by state

Real Estate Analysis
- Posted updated 2020 Regional Operating Expense Database, 2020 Statewide Operating Expense Database
- Posted updated 2020 Real Estate Analysis Rules and Guidelines

Section 811 PRA Program
- Added Referral Agent FAQs: Applications and Occupancy document
- Posted updated HUD Model Lease
- Added Section 811 PRA Application Uploading Guidelines

Frequently Used Acronyms

AMFI	Area Median Family Income	LURA	Land Use Restriction Agreement
AYBR	Amy Young Barrier Removal Program	MF	Multifamily
CEAP	Comprehensive Energy Assistance Program	MFTH	My First Texas Home Program
		MRB	Mortgage Revenue Bond Program
CFD	Contract for Deed Program	NHTF	National Housing Trust Fund
CFDC	Contract for Deed Conversion Assistance Grants	NOFA	Notice of Funding Availability
		NSP	Neighborhood Stabilization Program
CHDO	Community Housing Development Organization	OIG	Office of Inspector General
		QAP	Qualified Allocation Plan
CMTS	Compliance Monitoring and Tracking	QCP	Quantifiable Community Participation

	System	REA	Real Estate Analysis
CSBG	Community Services Block Grant Program	RFA	Request for Applications
		RFO	Request for Offer
ESG	Emergency Solutions Grants Program	RFP	Request for Proposals
EHF	Ending Homelessness Fund	RFQ	Request for Qualifications
FAQ	Frequently Asked Questions	ROFR	Right of First Refusal
HBA	Homebuyer Assistance Program	SLIHP	State of Texas Low Income Housing Plan
HHSCC	Housing and Health Services Coordination Council	TA	Technical Assistance
HHSP	Homeless Housing and Services Program	TBRA	Tenant Based Rental Assistance Program
HRA	Homeowner Rehabilitation Assistance Program	TICH	Texas Interagency Council for the Homeless
HRC	Housing Resource Center	TSHEP	Texas Statewide Homebuyer Education Program
HTC	Housing Tax Credit		
HTF	Housing Trust Fund	TXMCC	Texas Mortgage Credit Certificate
HUD	U.S. Department of Housing and Urban Development	VAWA	Violence Against Women Act
		WAP	Weatherization Assistance Program
IFB	Invitation for Bid		

ACTION ITEMS

3a

Presentation, discussion, and possible action regarding the Texas State Auditor's Office audit report #20-016 "A Report of the Audit of the Texas Department of Housing and Community Affairs' Fiscal year 2019 Financial Statements".

RECOMMENDED ACTION

WHEREAS, the Department is required to undergo an annual audit of its books and accounts, an annual audit of the Housing Trust Fund, and to obtain audited financial statements for the Housing Finance Division and the Supplemental Bond Schedules,

NOW, therefore, it is hereby

RESOLVED, the annual financial audit, audit of the Housing Trust Fund and the audit of the Housing Finance Division and the Supplemental Bond Schedules are hereby accepted.

BACKGROUND

Audit requirements:

1) The Department's governing statute, Tex. Gov't Code §2306.074, requires an annual audit of the Department's books and accounts.

2) Tex. Gov't Code §2306.204 requires an annual audit of the Housing Trust Fund to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund.

3) The Department's bond indentures required audited financial statements of the Housing Finance Division and the Supplemental Bond Schedules.

Results of the audits conducted by the State Auditor's Office:

SAO Report on the "The Audit of the Department of Housing and Community Affairs Fiscal Year 2019 Financial Statements" Report # 20-016 available at:

https://www.sao.texas.gov/Reports/Main/20-016.pdf

a) FY 2019 Basic Financial Statements (SAO Report # 20-308)

b) FY 2019 Revenue Bond Program Audit (SAO Report # 20-310)

c) FY 2019 Computation of Unencumbered Fund Balances (SAO Report # 20-311)

d) FY 2019 Report on Compliance with the Public Funds Investment Act (SAO Report # 20-312)

e) FY 2019 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters (SAO Report # 20-309)

The basic financial statements will be available in their entirety at: http://www.tdhca.state.tx.us/pdf/19-BasicFinancials.pdf

3b

BOARD REPORT ITEM
INTERNAL AUDIT DIVISION
MARCH 26, 2020

Report on the meeting of the Audit and Finance Committee

VERBAL REPORT

4a

BOARD ACTION REQUEST
SINGLE FAMILY AND HOMELESS PROGRAMS DIVISION
MARCH 26, 2020

Presentation, discussion, and possible action on a proposed amendment to a Colonia Self-Help Center Program Contract with El Paso County in accordance with 10 TAC Chapter 25, the Colonia Self-Help Center Program Rule

RECOMMENDED ACTION

WHEREAS, the Department is required to establish Colonia Self-Help Centers (CSHCs) in Cameron/Willacy, El Paso, Hidalgo, Starr, and Webb counties;

WHEREAS, in 2001 the Department opened two additional CSHCs in Maverick and Val Verde counties, as authorized by Tex. Gov't Code §2306.582, to address the needs of colonias in those counties;

WHEREAS, in accordance with Tex. Gov't Code §2306.585(b) the Department is required to meet with the Colonia Resident Advisory Committee (C-RAC) at least 30 days prior to the Board's consideration of any amendments to a CSHC contract;

WHEREAS, on October 3, 2019, the Department met with the C-RAC to discuss proposed amendments to the El Paso County CSHC Contract 7218003, and the C-RAC recommended approval of the proposed amendments;

WHEREAS, El Paso County is current with their CSHC Contract 7218003 benchmarks; and

WHEREAS, this amendment will make an additional $350,000 in CDBG funding available to serve colonias in El Paso county with the CSHC Program;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director is hereby authorized to amend El Paso County's CSHC Program Contract 7217803 by increasing their award by $350,000 of CDBG funding from Program Years 2011, 2012, 2013, and 2014, as further described in Attachment A.

BACKGROUND

Colonia Self-Help Center Program
In 1995, the 74th Texas Legislature created the CSHC Program. The purpose of a CSHC is to assist individuals and families of low-income and very low-income to finance, refinance, construct, improve or maintain a safe, suitable home in the designated colonia service area or in another area that the Department has determined is suitable. Pursuant to Tex. Gov't Code Chapter 2306 Subchapter Z, the Department established CSHCs in Cameron/Willacy, El Paso, Hidalgo, Starr, and Webb counties. Statute allows for CSHCs to be established in any other county if TDHCA deems it necessary and appropriate, and if the county is designated as an economically distressed area under Chapter 17 of the Water Code. In 2001, TDHCA established additional centers in Maverick and Val Verde counties.

The CSHCs are funded through a 2.5% set-aside (approximately $1.5 million per year) of the annual Texas Community Development Block Grant (TxCDBG) non-entitlement allocation to the State of Texas. The Texas Department of Agriculture (TDA) receives the allocation from the U.S. Department of Housing and Urban Development (HUD), and TDA and TDHCA together manage TxCDBG funds and implement the CSHC Program through a Memorandum of Understanding.

TDHCA's Colonia Resident Advisory Committee (C-RAC) reviews proposals from all seven participating counties that include a Performance Statement and Budget for the activities to be implemented in the five designated colonias in each county service area. The CSHC contracts have a term of four years per Tex. Gov't Code §2306.587 and a limit of $1,000,000 in accordance with 10 TAC §25.5.

On October 3, 2019, the C-RAC convened at the Webb County CSHC for proposal presentations, including El Paso County's proposed contract amendment. The C-RAC recommends to the Board that it award the County's proposal in full. Subsequent to this recommendation, the County asked the Department for permission to use the newly adopted rehabilitation and reconstruction limits for activities started on or after November 28, 2019, and staff has granted that request.

On March 16, 2020, EARAC recommended approval of this award with no conditions.

COLONIA SELF-HELP CENTER PROGRAM AMENDMENT DESCRIPTION

Subrecipient: El Paso County
Contact: The Honorable Ricardo A. Samaniego, El Paso County Judge
Colonias: Agua Dulce Unit 1, Agua Dulce Unit 4, Horizon View Estates Unit 17, Westway Unit 1, Westway Unit 3

El Paso County proposes the following changes to their housing and community development activities based on the amendment increase. There is no change to the length of the four-year contract period. In total the contract will benefit an estimated 4,574 persons, of which 4,345 or 95% are of low- to moderate-income:

Performance Activity	Original	Proposed Amended	Budget Increase	Amended Budget
Public Service (10%)	$70,000		$35,000	**$105,000**
Tool Library	400 checkouts	no change		
Technology Access	400 visits	no change		
Solid Waste Removal	4 events	no change		
Model Home Plans	2 plans	no change		
Title Services	4 activities	no change		
Rehabilitation*	4 homes $175,000	3 homes	$17,500	**$192,500**
Reconstruction (Not feasible for rehab)**	7 homes $350,000	7 homes	$245,000	**$595,000**
Administration (15%)	$105,000		$52,500	**$157,500**
TOTAL	$700,000		$350,000	**$1,050,000**

*Rehabilitation activities commenced before November 28, 2019, are limited to $45,000 in program funds per unit. Rehabilitation activities commenced on or after November 28, 2019, are limited to $60,000 in program funds per unit.

**Reconstruction activities commenced before November 28, 2019, are limited to $45,000 in program funds per unit. Reconstruction activities commenced on or after November 28, 2019, are limited to $75,000 in program funds per unit.

5a

Presentation, discussion, and possible action regarding the Issuance of a Multifamily Note (The Reserves at San Marcos Apartments) Resolution No. 20-012 and a Determination Notice of Housing Tax Credits

RECOMMENDED ACTION

WHEREAS, the Board adopted an inducement resolution for The Reserves at San Marcos at the Board meeting of July 25, 2019;

WHEREAS, a 4% Housing Tax Credit application for The Reserves at San Marcos, sponsored by 92110 Monterrey Oak, LLC, which includes Khairunissa Jooma and Noorallah Jooma as principals, was submitted to the Department on September 20, 2019;

WHEREAS, a Certification of Reservation was issued in the amount of $41,000,000 on February 25, 2020, with a bond delivery deadline of August 23, 2020; and

WHEREAS, EARAC recommends the issuance of a Multifamily Note for The Reserves at San Marcos Apartments and the issuance of a Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the issuance of an unrated Multifamily Note (The Reserves at San Marcos Apartments) for $41,000,000, Resolution No. 20-012 is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of $1,857,733 in 4% Housing Tax Credits for The Reserves at San Marcos Apartments, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website, is hereby approved in the form presented to this meeting; and

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

BACKGROUND

General Information: The Bonds will be issued in accordance with Tex. Gov't Code §2306.352 *et seq.* which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. Tex. Gov't Code §2306.472 provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt or liability of the State of Texas or a pledge or loan of faith, credit or taxing power of the State of Texas.

Development Information: The Reserves at San Marcos Apartments is proposed to be located at the southwest corner of Highway 123 and Monterrey Oak in San Marcos, Hays County, and involves new construction to serve the general population. A total of 376 units is proposed, of which 320 will be rent and income restricted at 60% of the Area Median Family Income and the remaining 56 units will be rented at market rate.

Organizational Structure and Previous Participation: The Borrower is 786 Cottonwood Creek, LLC and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 1 and the previous participation was deemed acceptable by EARAC without further review and discussion.

Public Hearing/Public Comment: A public hearing for the proposed development was conducted by staff on November 4, 2019, and there were no attendees. A copy of the hearing transcript is included herein. There have been no letters of support or opposition submitted to the Department.

Summary of Financial Structure

Under the proposed structure, the Department will issue an unrated tax-exempt fixed rate multifamily note (similar to fixed rate bond in other structures) in the amount of $41,000,000 that will be initially purchased by KeyBank Real Estate Capital, who will be serving as construction and permanent lender. KeyBank Real Estate Capital will acquire the loan and the Department's related multifamily note at closing which will be used to fund an interim construction loan that will carry an approximate interest rate of 3.52%, as more appropriately described in the bond resolution attached hereto.

Once the conditions to conversion to the permanent loan have been met, KeyBank (on the permanent side) will purchase the loan under Freddie Mac's Delegated Underwriting for Targeted Affordable Housing program. Shortly thereafter Freddie Mac will acquire the loan and the Department's related multifamily note from KeyBank where it is expected to be securitized with other loans. KeyBank Real Estate Capital will remain as the servicer of the loan for Freddie Mac, who will be the permanent lender and bondholder. The multifamily note will have an interest rate of approximately 3.53% (as more appropriately described in the bond resolution attached hereto), with a 15-year term, 35-year amortization and maturity date of May 1, 2038.

A copy of the Exhibits recommended to be approved by the Board as referenced in Resolution No. 20-012 can be found online at TDHCA's Board Meeting Information Center website at http://www.tdhca.state.tx.us/board/meetings.htm.

Exhibit A

786 Cottonwood Creek, LLC

Owner – EIN # 38-4117439

92110 Monterrey Oak, LLC
General Partner
(Managing Member Entity)
.01% Owner
EIN 83-4542726

Equity Limited Partner
99.99% Owner

Khairunissa Jooma 100%

Noorallah Jooma **0%**
Manager
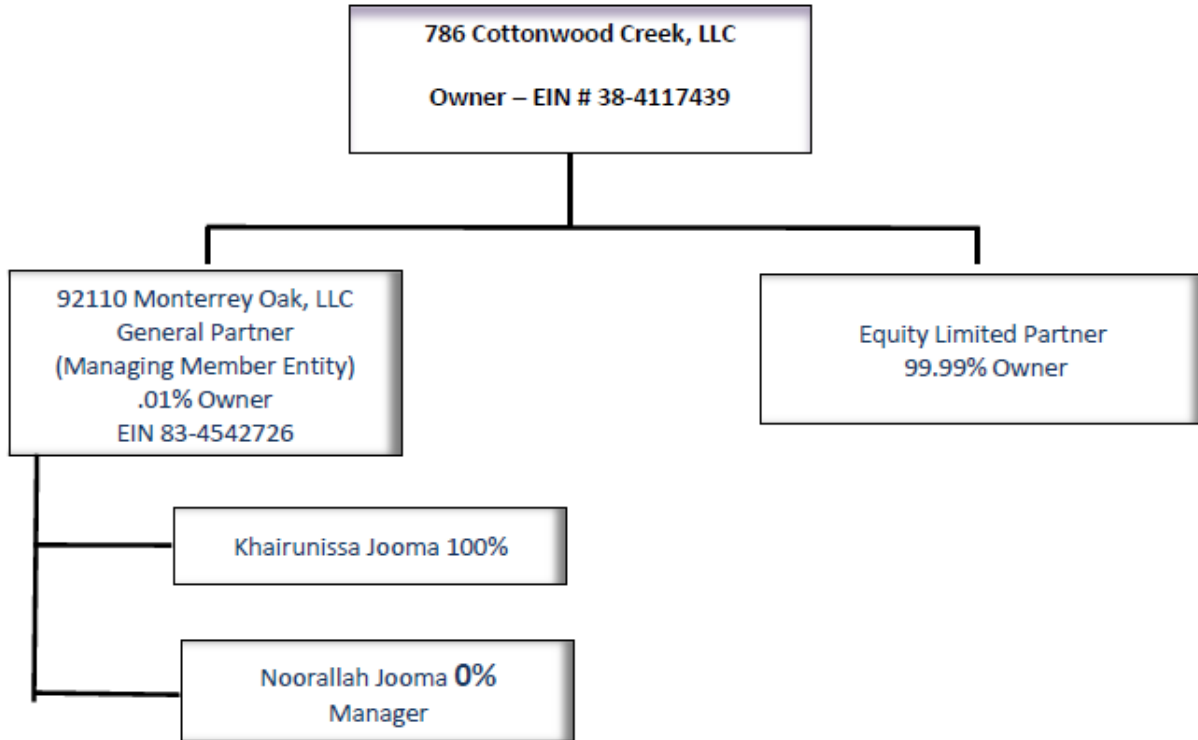
RESOLUTION NO. 20-012

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY NOTE (THE RESERVES AT SAN MARCOS APARTMENTS), SERIES 2020; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Board has determined to authorize the issuance of its Multifamily Note designated Texas Department of Housing and Community Affairs Multifamily Note (The Reserves at San Marcos Apartments), Series 2020 (the "Governmental Note") pursuant to and in accordance with the terms of a Funding Loan Agreement (the "Funding Loan Agreement") among the Department, Wilmington Trust, National Association, as fiscal agent (the "Fiscal Agent"), and KeyBank National Association, a national banking association, as initial funding lender (the "Initial Funding Lender"), 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 Governmental Note to fund a mortgage loan to 786 Cottonwood Creek, LLC, a Texas limited liability company (the

"Borrower") in order to finance the cost of acquisition, construction and equipping of a qualified residential rental development described in Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on July 25, 2019, declared its intent to issue its revenue bonds to provide financing for the Development; and

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

WHEREAS, it is anticipated that the Department, the Borrower and the Fiscal Agent will execute and deliver a Project Loan Agreement (the "Project Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Governmental Note (the "Project Loan") to the Borrower to enable the Borrower to finance the cost of acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a multifamily note (the "Project Note") in an original principal amount equal to the original aggregate principal amount of the Governmental Note, and providing for payment of interest on such principal amount equal to the interest on the Governmental Note and to pay other costs described in the Project Loan Agreement; and

WHEREAS, it is anticipated that the Project Note will be secured by a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing (the "Security Instrument") from the Borrower for the benefit of the Department and assigned to the Fiscal Agent; and

WHEREAS, the Department's rights (except for certain unassigned rights) under the Project Loan Agreement, the Project Note and the Security Instrument will be assigned to the Fiscal Agent pursuant to an Assignment of Security Instrument (the "Assignment") from the Department to the Fiscal Agent; and

WHEREAS, in order to assure compliance with Section 103 and 141 through 150 of the Code, the Board has determined that the Department, the Fiscal Agent and the Borrower will execute a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement"), in connection with the Governmental Note, pursuant to which the Department and the Borrower will make certifications, representations and covenants relating to the treatment of the interest on the Governmental Note as exempt from gross income for federal income tax purposes; and

WHEREAS, the Board has determined that the Department, the Fiscal Agent 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 Hays County, Texas; and

WHEREAS, the Board has further determined that the Initial Funding Lender will purchase the Governmental Note from the Department; and

WHEREAS, upon completion of certain conditions it is expected that the Federal Home Loan Mortgage Corporation ("Freddie Mac") and its seller/servicer will facilitate the financing of the Development in the permanent phase by acquiring the Governmental Note and in connection with the conversion to the permanent phase the Borrower will execute and deliver the Amended and Restated Project Note (the "Amended Project Note"); and

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

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

ARTICLE 1

ISSUANCE OF GOVERNMENTAL NOTE; APPROVAL OF DOCUMENTS

Section 1.1   Issuance, Execution and Delivery of the Governmental Note.   That the issuance of the Governmental Note is hereby authorized pursuant to the Act, including particularly Section 2306.353 thereof, all under and in accordance with the conditions set forth herein and in the Funding Loan Agreement, and that, upon execution and delivery of the Funding Loan Agreement, 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 Governmental Note and to deliver the Governmental Note to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State for registration and the Fiscal Agent for authentication (to the extent required in the Funding Loan Agreement), and thereafter to deliver the Governmental Note to or upon the order of the Initial Funding Lender.

Section 1.2   Interest Rate, Principal Amount, Maturity and Price.   That (i) the Governmental Lender Note shall bear interest during the Construction Phase at the Construction Phase Interest Rate (each term as defined in the Funding Loan Agreement), to be determined periodically and subject to adjustment as provided in the Funding Loan Agreement, and during the Permanent Phase at a Permanent Phase Interest Rate (each term as defined in the Funding Loan Agreement) of a fixed rate per annum, which rate shall be determined at least

five (5) business days prior to the delivery of the Governmental Note, and shall be equal to the sum of (i) 2.17% and (ii) the greater of (a) the 10-year US Treasury Security on the date of determination, or (b) 1.36%, subject to adjustment as provided in the Funding Loan Agreement; provided that, in no event shall the interest rate (including any default rate) on the Governmental Lender Note exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Governmental Lender Note shall be $41,000,000; (iii) the final maturity of the Governmental Lender Note shall occur on May 1, 2038; and (d) the price at which the Governmental Lender Note is sold to the Purchaser shall be the principal amount thereof.

Section 1.3   Approval, Execution and Delivery of the Funding Loan Agreement. That the form and substance of the Funding Loan Agreement are hereby approved, and that the Authorized Representatives are each hereby authorized to execute the Funding Loan Agreement, and to deliver the Funding Loan Agreement to the Fiscal Agent and the Initial Funding Lender.

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

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

Section 1.6   Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute, attest and affix the Department's seal to the Regulatory Agreement, and to deliver the Regulatory Agreement to the Borrower and the Fiscal Agent and to cause the Regulatory Agreement to be filed of record in the real property records of Hays County, Texas.

Section 1.7   [Reserved].

Section 1.8   Sale of the Governmental Note. That the sale of the Governmental Note to the Initial Funding Lender is hereby authorized and approved.

Section 1.9   Acceptance of the Project Note, the Amended Project Note, and the Security Instrument. That the form and substance of the Project Note, the Amended Project Note, and the Security Instrument are hereby accepted by the Department and that the Authorized Representatives each are hereby authorized to endorse and deliver the Project Note to the order of the Fiscal Agent without recourse.

Section 1.10   Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Assignment, and to deliver the Assignment to the Fiscal Agent.

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

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

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

Exhibit B	-	Funding Loan Agreement
Exhibit C	-	Project Loan Agreement
Exhibit D	-	Regulatory Agreement
Exhibit E	-	Project Note
Exhibit F	-	Security Instrument
Exhibit G	-	Amended Project Note
Exhibit H	-	Assignment
Exhibit I	-	Tax Exemption Agreement

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

Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

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

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

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

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

Section 2.5   Engagement of Other Professionals. 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 requirements of Bond Counsel, provided such engagement is done in accordance with applicable law of the State.

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

ARTICLE 3

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1   Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the

Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a)   <u>Need for Housing Development</u>.

(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 Project Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement, will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii)   that the Borrower is financially responsible, and

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

(c)   <u>Public Purpose and Benefits</u>.

(i)   that the Borrower has agreed to operate the Development in accordance with the Project Loan Agreement, the Regulatory Agreement and the Tax Exemption 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 Governmental Note to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid

public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

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

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

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

ARTICLE 4

GENERAL PROVISIONS

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

Section 4.2   Non-Governmental Obligations.   That the Governmental Note shall not be and does 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. The Governmental Note shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

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

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

[Execution page follows]

PASSED AND APPROVED this 26th day of March, 2020.

[SEAL]

                                                          _____

                                                          Vice Chair, Governing Board

ATTEST:

_____
Secretary to the Governing Board

EXHIBIT A

Description of Development

Borrower: 786 Cottonwood Creek, LLC, a Texas limited liability company

Development: The Development is a 376-unit affordable multifamily community to be known as The Reserves at San Marcos, to be located at the SWC of Hwy 123 & Monterrey Oak, Hays County, San Marcos, TX 78666. It consists of eighteen (18) residential apartment buildings with approximately 337,952 net rentable square feet. The unit mix will consist of:

124	one-bedroom/one-bath units
180	two-bedroom/two-bath units
52	three-bedroom/two bath units
20	four-bedroom/two-and-a-half bath units
376	Total Units

Unit sizes will range from approximately 656 square feet to approximately 1,452 square feet.

20605 The Reserves at San Marcos - Application Summary

PROPERTY IDENTIFICATION

Application #	20605
Development	The Reserves at San Marcos
City / County	San Marcos / Hays
Region/Area	7 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$1,857,733	$1,857,733	$4,941/Unit	$0.87
Private Activity Bonds	$41,000,000	3.63%	35	15	1st

KEY PRINCIPAL / SPONSOR

Noor Jooma / Accent Development, LLC

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

Multifamily Subdivision (colored Pegasus)

SITE PLAN

Site Area: 20.941 Acres

Skylark Ln.

Monterey Oak

Guadalupe St. (State Hwy. 123)

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	124	33%
2	180	48%
3	52	14%
4	20	5%
TOTAL	376	100%

INCOME DISTRIBUTION

Income	# Units	% Total
30%	-	0%
40%	-	0%
50%	-	0%
60%	320	85%
MR	56	15%
TOTAL	376	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.16	Expense Ratio	49.0%
Breakeven Occ.	86.1%	Breakeven Rent	$1,054
Average Rent	$1,134	B/E Rent Margin	$79
Property Taxes	$1,729/unit	Exemption/PILOT	0%
Total Expense	$6,253/unit	Controllable	$3,302/unit
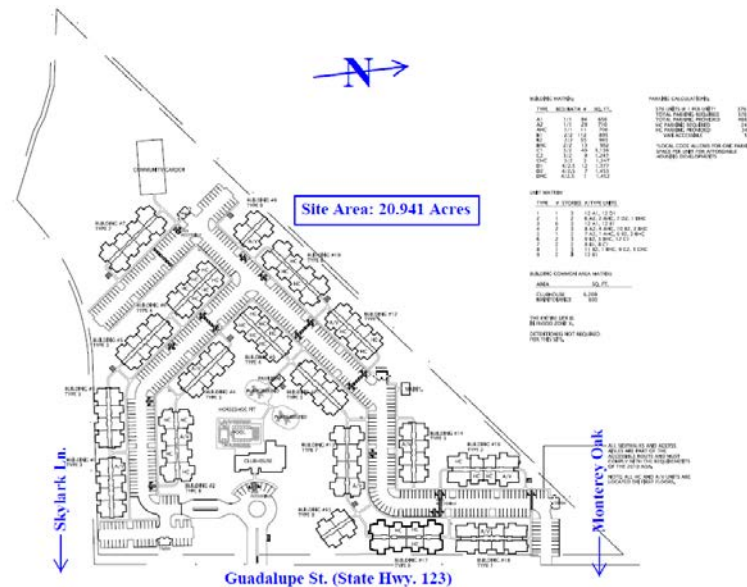
MARKET FEASIBILITY INDICATORS

Gross Capture Rate (15% Maximum)		12.6%
Highest Unit Capture Rate	48%	4 BR/60%	18
Dominant Unit Cap. Rate	27%	2 BR/60%	154
Premiums (↑60% Rents)	Yes	$63/Avg.
Rent Assisted Units	376	100% Total Units

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	899 SF	Density	18.0/acre
Acquisition		$07K/unit	$2,747K
Building Cost	$82.83/SF	$74K/unit	$27,992K
Hard Cost		$92K/unit	$34,442K
Total Cost		$157K/unit	$59,137K
Developer Fee	$6,562K	(29% Deferred)	Paid Year: 5
Contractor Fee	$3,839K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
KeyBank - Freddie Mac TEL	15/35	3.63%	$41,000,000	1.16						CREA	$16,207,100
										TOTAL EQUITY SOURCES	$18,136,999
										TOTAL DEBT SOURCES	$41,000,000
TOTAL DEBT (Must Pay)			$41,000,000		CASH FLOW DEBT / GRANTS			$0		TOTAL CAPITALIZATION	$59,136,999

CONDITIONS
1 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:
• Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER

Issuer	TDHCA
Expiration Date	8/23/2020
Bond Amount	$41,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Freddie Mac TEL
% Financed with Tax-Exempt Bonds	87.3%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Affordable properties within a 20 minute drive time average 95% occupancy, with waiting lists reported at every HTC property in the PMA
- Overall Feasibility Indicators
- New construction & attractive design should enhance leasing
- Developer/Owner's construction and management experience

WEAKNESSES/RISKS

- 12.6% gross capture rate, with high unit capture rates (15% max gross capture rate allowed for large MSA with high physical occupancy)
- Program rents based on Hays County's high AMI of $96K while 71% of renter households in PMA have an annual income of less than $40K
- Parking ratio at only 1.2/unit

AREA MAP

AERIAL PHOTOGRAPH(s)
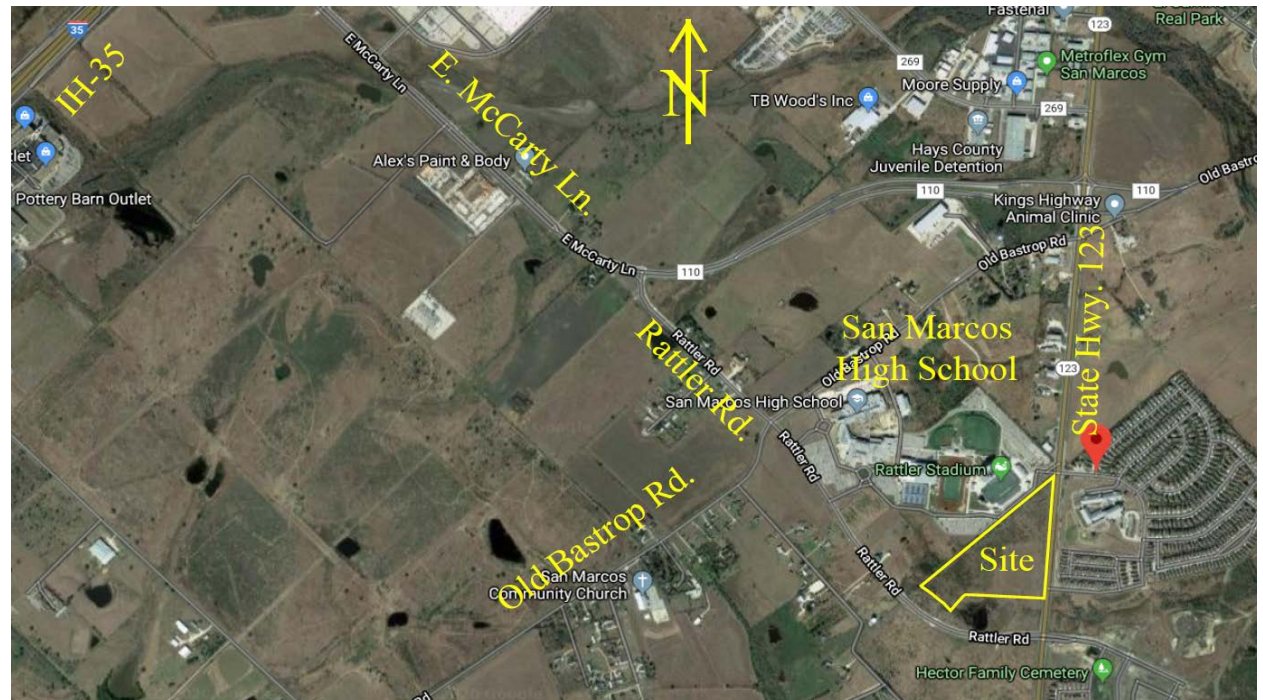
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TEFRA HEARING

RESERVES AT SAN MARCOS

City of San Marcos Public Library
Meeting Room
625 East Hopkins Street
San Marcos, Texas

Monday,
November 4, 2019
6:06 p.m.

BEFORE:

TERESA MORALES, Hearing Officer

1   P R O C E E D I N G S

2   MS. MORALES: Good evening. My name is Teresa

3   Morales, and I would like to proceed with the public

4   hearing.

5   Let the record show that it is 6:06 p.m.,

6   Monday, November 4, 2019, and we are at the City of San

7   Marcos Public Library located at 625 East Hopkins Street,

8   San Marcos, Texas 78666.

9   I'm here to conduct a public hearing on behalf

10   of the Texas Department of Housing and Community Affairs

11   with respect to an issue of tax-exempt multifamily bonds

12   for a residential rental community.

13   This hearing is required by the Internal

14   Revenue Code. The sole purpose of this hearing is to

15   provide a reasonable opportunity for interested

16   individuals to express their views regarding the

17   development and the proposed bond issue.

18   No decisions regarding the development will be

19   made at this hearing. The Department's Board is

20   scheduled to meet to consider the transaction on December

21   12, 2019. In addition to providing your comments at this

22   hearing, the public is also invited to provide comment

23   directly to the Board at any of their meetings.

24   The bonds will be issued as tax-exempt

25   multifamily revenue bonds in the aggregate principal

1 amount not to exceed $41 million, and taxable bonds, if

2 necessary, in an amount to be determined and issued in

3 one or more series by the Texas Department of Housing and

4 Community Affairs, the "Issuer."

5 The proceeds of the bonds will be loaned to

6 786 Cottonwood Creek, LLC, or a related person or

7 affiliate entity thereof, to finance a portion of the

8 costs of acquiring, constructing and equipping a

9 multifamily rental housing community described as

10 follows: a 376-unit multifamily residential rental

11 development to be constructed on approximately 20.941

12 acres of land located at the southwest corner of Highway

13 123 and Monterrey Oak in San Marcos, Hays County, Texas

14 78666.

15 The proposed multifamily rental housing

16 community will be initially owned and operated by the

17 borrower, or a related person or affiliate thereof.

18 Let the record show that there are no

19 attendees, and therefore the meeting is now adjourned.

20 The time is now 6:09 p.m.

21 (Whereupon, at 6:09 p.m., the hearing was

22 adjourned.)

1   C E R T I F I C A T E
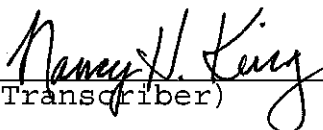
2

3   IN RE: Reserves at San Marcos

4   LOCATION: San Marcos, Texas

5   DATE: November 4, 2019

6   I do hereby certify that the foregoing pages,

7   numbers 1 through 4, inclusive, are the true, accurate,

8   and complete transcript prepared from the verbal

9   recording made by electronic recording by Nancy H. King

10   before the Texas Department of Housing and Community

11   Affairs.

12   DATE: November 6, 2019

13
14
15
16
17
18
19   (Transcriber)

20
21   On the Record Reporting &
22   Transcription, Inc.
23   7703 N. Lamar Blvd., Ste 515
24   Austin, Texas 78752
25
26

ба

Presentation, discussion and possible action authorizing the Executive Director to extend certain deadlines under 10 TAC Chapter 11, the Qualified Allocation Plan (QAP), 10 TAC Chapter 12, the Multifamily Housing Revenue Bond Rules (Bond Rule), 10 TAC Chapter 13, the Multifamily Direct Loan (MFDL) Rule, and related Notices of Funding Availability (NOFA)

RECOMMENDED ACTION

WHEREAS, on March 13, 2020, the Governor of the State of Texas issued a disaster declaration and certified that the novel coronavirus (COVID-19) poses an imminent threat of disaster;

WHEREAS, responding to the needs of Texans impacted by COVID-19 will demand that the Department take extraordinary measures necessary to ensure that its resources are deployed as effectively and fully as possible;

WHEREAS, the Department is committed to using its resources to aid Texans economically affected by COVID-19, while continuing to operate its ongoing programs within the federal and state parameters of the funds;

WHEREAS, the challenges presented may require prompt action without the ability to employ typical processes;

WHEREAS, the Department manages its multifamily programs through multiple rules; 10 TAC Chapter 11, the Qualified Allocation Plan (QAP), 10 TAC Chapter 12, the Multifamily Housing Revenue Bond Rules (Bond Rule), and 10 TAC Chapter 13, the Multifamily Direct Loan (MFDL) Rule and related Notices of Funding Availability (NOFA), all of which include certain deadlines that are not statutory;

WHEREAS, there may be occasions in the coming months that extension of those deadlines is necessary due to the COVID-19 response, without time to bring a decision regarding those extensions to the Board; and

WHEREAS, staff recommends that the Executive Director be granted authority to extend deadlines in 10 TAC Chapter 11, the Qualified Allocation Plan (QAP), 10 TAC Chapter 12, the Multifamily Housing Revenue Bond Rules (Bond Rule), 10 TAC Chapter 13, the Multifamily Direct Loan (MFDL) Rule, and related Notices of Funding Availability (NOFA) that are not required by State statute or federal law, unless also waived by the Governor of the state of Texas or applicable federal authority;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director is hereby granted authority to extend deadlines in 10 TAC Chapter 11, the Qualified Allocation Plan (QAP), 10 TAC Chapter 12, the Multifamily Housing Revenue Bond Rules (Bond Rule), 10 TAC Chapter 13, the Multifamily Direct Loan (MFDL) Rule, related Notices of Funding Availability (NOFA) that are not required by state statute, or federal law or regulation, unless also waived by the Governor of the state of Texas or applicable federal authority.

BACKGROUND

On March 13, 2020, Governor Abbott issued a statewide disaster declaration due to COVID-19, authorizing the use of all available resources to cope with the spread of the virus. The nature of this disaster is such that many persons will be impacted, including both those served by Department programs, as well as those who apply for funds from the Department (Applicants or Developers).

10 TAC Chapter 11, the Qualified Allocation Plan (QAP), 10 TAC Chapter 12, the Multifamily Housing Revenue Bond Rules (Bond Rule), 10 TAC Chapter 13, the Multifamily Direct Loan (MFDL) Rule, and related Notices of Funding Availability (NOFA) all include deadlines that are not required by state statute, or federal law or regulation. These are the types of deadlines that staff would typically ask the Board to make a decision regarding extension.

Due to the unpredictable and fast-moving nature of the COVID-19 pandemic, staff believes there may be circumstances in the future where extension of a deadline is appropriate but there is not sufficient time to present the decision to the Board. In these cases, authority is requested such that the Executive Director may decide to extend a deadline without Board action. Any action taken to extend a deadline will be applied equitably to all Applicants, unless the circumstances are unique to a single proposed Development. All extensions will be supported by evidence of the impact of COVID-19 on the specific deadline.

Extensions for state statutory deadlines that are also reflected in the rules will only be extended by the Executive Director to the extent that such deadlines have been waived by the Governor of the State of Texas. Extensions for federal deadlines or timeframes that are also reflected in the rules will only be extended by the Executive Director to the extent that such deadlines or timeframes have been waived by the applicable federal agency.

Nothing in this action allows the extension of a NOFA that is already closed or a deadline that has already passed. Applicants should request an extension of a deadline before the deadline passes.

All actions taken under this authority will be reported to the Board at the next available meeting, and none will be considered an amendment to the rule or NOFA, or as establishing precedent.

6b

Presentation, discussion, and possible action on waivers to certain provisions of Texas Administrative Code for state and federal funds administered by the Single Family and Homeless Programs Division for disaster response for qualified persons and households most impacted by COVID-19, and authorization to submit a minor amendment to the State of Texas 2019 Action Plan

RECOMMENDED ACTION

WHEREAS, on March 13, 2020, the Governor of the State of Texas issued a disaster declaration and certified that the novel coronavirus (COVID-19) poses an imminent threat of disaster;

WHEREAS, responding to the needs of Texas impacted by loss of income due to COVID-19 will demand that the Department take extraordinary measures necessary to ensure that its resources are deployed as effectively and fully as possible;

WHEREAS, the Department is committed to using its resources to aid Texans affected by COVID-19, while continuing to operate its ongoing programs within the federal and state parameters of the funds;

WHEREAS, the challenges presented may require prompt action without the ability to go through the processes typically employed;

WHEREAS, the Department may seek waivers to federal regulations related to the HOME Program, funded by the U.S. Department of Housing and Urban Affairs (HUD), in order to effectively administer short-term Tenant-Based Rental Assistance (TBRA) under the Disaster Set-Aside;

WHEREAS, there is an existing balance of $239,884 in deobligated funding in the Homeless Housing and Services Program (HHSP) and authority to reprogram these funds has been confirmed by the Comptroller;

WHEREAS, there is an existing balance of $7,189,269 in deobligated HOME funds that may be reprogrammed into the Disaster Set-Aside, and an additional $4,100,807 in HOME funds for TBRA that may be reprogrammed into the Disaster Set-Aside upon closure of the 2019 HOME Program Single Family General Set-Aside NOFA; and

WHEREAS, staff recommends waiver of certain provisions of 10 TAC Chapter 23, the Single Family HOME Program Rules (pending HUD and Governor approval, as applicable) and 10

TAC Chapter 7, the Homelessness Programs Rules in order to more rapidly distribute HOME TBRA and HHSP funds for the benefit of those qualified Texans economically impacted by COVID-19, and better serve the policies and purposes articulated in Tex. Gov't Code ch. 2306;

NOW, therefore, it is hereby

RESOLVED, that the Department has permission to waive 10 TAC §7.22(b) and (d)(1); 10 TAC §7.23, 10 TAC 23.27(b); 10 TAC §23.28(13); 10 TAC §23.60(a)(3); and 10 TAC §23.61(a), (c), and (g) as described herein for entities providing assistance to those low income Texans economically impacted by COVID-19 under HHSP Homelessness Prevention or HOME TBRA under the Disaster Set-Aside; and

FURTHER RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered and directed for and on behalf of the Department to program or reprogram and direct state and federal, funds that may be lawfully used to meet the emergency needs of Texans affected directly or indirectly by COVID-19 including but not limited to deobligated HHSP and HOME funds.

BACKGROUND

On March 13, 2020, Governor Abbott issued a statewide disaster declaration due to COVID-19, authorizing the use of all available resources to cope with the impact of the virus. The nature of this disaster is such that many persons will be financially impacted due to closure of their places of employment, or due to actually contracting the virus and being unable to work. Unlike previous disasters, the imminent threat of the spread of COVID-19 impacts all areas of the state, and is not restricted by geography.

The Department is committed to assisting in responding to this disaster. Typically, in response to disasters (hurricanes, forest fires, tornadoes, etc.), disaster responsiveness via the Department progresses through several phases and accesses various programs at different points. The COVID-19 disaster is unlike other disasters, and the focus at this point is reducing displacement as Texans experience a reduction in regular monthly income directly related to the disaster, or providing immediate shelter for the homeless persons because the Center for Disease Control has determined this population is at higher-risk for developing more serious complications of COVID-19 illness. As such, the Department is anticipating requesting several waivers from HUD and the Governor's Office. If such waivers are not granted some aspects of this plan may be modified by the Executive Director.

In the immediate response period, the Department has identified a balance of $7,189,269 in deobligated HOME funds that may be reprogrammed into the Disaster Set-Aside and utilized to provide Tenant-Based Rental Assistance (TBRA) to impacted households for an anticipated initial period not to exceed three months (with the possible extension of another three months). An additional balance of $4,100,807 in HOME funds for TBRA is currently held in the 2019 HOME Program Single Family General Set-Aside NOFA, which expires on June 16, 2020. The amount of funding included in the Disaster Set-

Aside will be managed so as to ensure availability, but not remain locked in the set-aside if demand for it fails to materialize. Should the balance in the Disaster Set-Aside begin to fall short of the anticipated demand, staff may amend or close the Single Family General Set-Aside NOFA so that additional funds may be reprogrammed in the Disaster Set-Aside.   The funds would be made available through the Disaster Set-Aside within the HOME Reservation System, and could immediately be utilized by our existing network of subrecipients; however, the existing network does not include a provider in every area of the state. Staff will review the balance in the Disaster Set-Aside and ensure that when the balance falls below $1,000,000, additional funding is added to the Disaster Set-Aside until all available funding is exhausted.

The Department is also proposing to submit a minor amendment of its 2019 Action Plan to HUD. This amendment would clarify that the Department may adopt or HOME administrators may request that the Department approve a preference for those impacted by a state or federal declared disaster, independent of receiving funding under the Disaster Set-Aside. This is the same language that is proposed for the 2020-2024 Action Plan.

In addition to other necessary authorities, approval of this item would grant the Executive Director the authority to implement other service delivery models for HOME TBRA under the Disaster Set-Aside, which may include, but is not limited to, procurement of vendors to provide administrative support, or direct delivery of all or part of the TBRA Program by Department staff.

In order to more rapidly deploy HOME TBRA under the set-aside for COVID-19 economically impacted households, staff is recommending waivers of five provisions of 10 TAC Chapter 23.

10 TAC §23.27(b) limits the number of reservations for TBRA to 30 for each Administrator. Staff recommends that this limitation be waived for those administrators providing short-term (three or fewer months) rental assistance (with the option for renewal for one period of three months or fewer).

10 TAC §23.60(a)(3) requires that Applicants must show evidence that their Service Area includes the entire rural or urban area of a county, excluding Participating Jurisdictions. Staff recommends waiving the language "entire rural or urban area" and the language "excluding Participating Jurisdictions" (this last being subject to written Governor approval), and so that Administrators would commit to serving at least an entire county.

10 TAC §23.61(a) requires participation in a self-sufficiency plan. The persons anticipated to be served with the TBRA Disaster funds would be assisted for a short period of time until they are able to return to regular employment, so the Department does not feel this requirement is needed.

10 TAC §23.61(c) requires that Households certifying to zero income must also complete a questionnaire which includes a series of questions regarding how basic hygiene, dietary, transportation, and other living needs are met. Those assisted under this disaster may be temporarily unemployed or underemployed due to COVID-19, and it is assumed that they were able to meet these needs through employment prior to being assisted.

10 TAC §23.61(g) sets forth a limitation on administrative funds of either 4% or 8% of Direct Activity Costs. Since Administrators will assist households for a short period of time, the Direct Activity Costs are expected to be less than $5,000 per assisted household. Staff recommends waiving this provision and

anticipates having a requirement in the Reservation Agreement that administrative funds for short-term assistance may be provided at 10% of Direct Activity Costs or a fixed fee not to exceed 10% of anticipated Direct Activity Costs.

The Department has also received guidance from the Comptroller's office related to an unexpended balance of $239,884 in Homeless Housing and Services Program general set-aside funds which may be reallocated, at the discretion of the Executive Director, to provide HHSP eligible activities per 10 TAC §7.27 to homeless persons or persons at-risk of homelessness economically impacted by COVID-19. This impact includes but is not limited to lost wages, increased childcare costs because of school closures, or higher utility bills because of longer hours in the home. Another eligible activity would include paying for shelter at a motel to a household that would otherwise be homeless. The Department administers HHSP in accordance with Tex. Gov't Code §2306.2585 in areas with population greater than 285,500, which is currently Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio. Per 10 TAC §7.27, allowable activities include case management for households experiencing or at-risk of homelessness; construction, conversion, or rehabilitation of structures targeted to serving Homeless persons or persons at-risk of homelessness; essential services for Homeless persons or persons at risk of homelessness; provision of direct services; operation of emergency shelters or administrative facilities; and other Homeless-related activity, as approved by the Department in writing. The allocation formula in 10 TAC §7.23(c) and (d) will be used to distribute the funding as proposed in Attachment B.

Staff is requesting authorization of HHSP general set-aside awards to existing HHSP Subrecipients to provide to homeless persons or persons at-risk of homelessness that have been economically impacted by COVID-19, contingent upon a positive EARAC recommendation and subject to any EARAC Conditions, so that contracts can be executed as quickly as possible. If the entity disagrees with an EARAC condition or recommendation, it should follow the Dispute process in 10 TAC §1.303.

Upon notice of HHSP potential award of reallocated funds, the HHSP entities have 10 days to submit a previous participation review form and an application for funds, as outlined in 10 TAC §7.22(c). After receipt of an HHSP Contract for execution, entities will have an additional 30 days to return the signed Contract to the Department. The Executive Director may extend the Contract execution 30 day deadline for good cause. If the entity refuses the funds in writing, does not submit a previous participation form, application, or enter into a Contract timely, the funds are subject to reallocation to other HHSP entities using the allocation formula in 10 TAC §7.23(c) and (d). At the discretion of the Department, the Contract will reflect 2018 HHSP funds, 2019 HHSP funds, or the entity may be given two Contracts; however, all Contracts will require full expenditure of the funds by August 31, 2020, and will reflect 2020 HHSP rules, except as modified herein.

Staff requests permission to use the existing governing body action from 2020 HHSP funds instead requiring a new governing body action to provide authorization to enter into a Contract per 10 TAC §7.22(d). Staff also requests a waiver of 10 TAC §7.22(b)(1), requiring governing body action to designate another entity to administer the funds on behalf of the municipality for those municipalities that provided the Department such a designation for the 2020 HHSP general set-aside award, so that we may allow the municipality to designate an entity based on notification from the authorized signatory rather than requiring action by the governing body.

In the longer term, should any additional federal or state resources be appropriated for programs assigned to the Department, staff will develop and present future plans for the use of such funds for longer term recovery activities. Even if additional resources are not provided, the staff will continue to assess current sources of available funding for additional possible use in disaster recovery.

Attachment A 2019 Action Plan Minor Amendment

HOME Serves Special Needs

TDHCA has determined that TDHCA may have and TDHCA administrators may request to establish a preference to serve the following special needs populations: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

Attachment B, Homeless Housing and Services Program (HHSP) proposed general set-aside reallocation

HHSP City	2018 HHSP general set-aside estimated reallocated funds	2019 HHSP general set-aside estimated reallocated funds	Total estimated reallocated HHSP general set-aside Funds
Arlington	$ 3,612.00	$ 6,174.00	$ 9,786.00
Austin	$ 9,171.00	$ 15,674.00	$ 24,845.00
Corpus Christi (designated to Mother Teresa Shelter)	$ 2,774.00	$ 4,741.00	$ 7,515.00
Dallas	$ 15,241.00	$ 26,049.00	$ 41,290.00
El Paso	$ 6,693.00	$ 11,439.00	$ 18,132.00
Fort Worth	$ 8,279.00	$ 14,149.00	$ 22,428.00
Houston	$ 24,499.00	$ 41,874.00	$ 66,373.00
Plano	$ 2,418.00	$ 4,132.00	$ 6,550.00
San Antonio (designated to Haven for Hope)	$ 15,860.00	$ 27,107.00	$ 42,967.00
Total	$ 88,547.00	$ 151,339.00	$ 239,886.00

The estimates above are based on the 2020 HHSP allocation formula per 10 TAC §7.23(c) and (d).

6c

Presentation, discussion, and possible action on the reprogramming of Program Year 2019 and programming of 2020 Community Services Block Grant Administrative and Discretionary funds for response to COVID-19

RECOMMENDED ACTION

WHEREAS, Community Services Block Grant (CSBG) funds are awarded annually to the State of Texas by the U.S. Department of Health and Human Services (HHS);

WHEREAS, upon the Texas Department of Housing and Community Affairs (the Department) receipt of the State's annual award of CSBG funds, it reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; 5% for state administration expenses; and the remaining 5% for state discretionary use;

WHEREAS, on June 29, 2017, the Board approved the usage of 2019 CSBG discretionary (CSBG-D) funds for historically based uses and other focus areas designed to support eligible entities in the administration and implementation of the CSBG;

WHEREAS, on July 25, 2019, the Board approved the usage of 2020 CSBG-D funds in the amount of $150,000 for disaster relief;

WHEREAS, the funding activities identified on June 29, 2017, have not resulted in the full utilization of CSBG-D funds, and there is also an unused balance of Department administrative funds;

WHEREAS, the Department has determined that there remains $646,297 in unexpended 2019 CSBG-D funds and $626,000 in Department administrative funds for a total to be reallocated of $1,272,297 of 2019 CSBG funding;

WHEREAS, the Department has determined that there are $150,000 of 2020 disaster relief funds and $55,696 of unprogrammed 2020 CSBG-D funds for a total to be reallocated of $205,696 of 2020 CSBG-D funding;

WHEREAS, on March 13, 2020, the Governor of the State of Texas issued a disaster declaration and certified that COVID-19 poses an imminent threat of disaster;

WHEREAS, responding to the needs of Texans impacted by loss of income or increased household expenses due to COVID-19 will demand that the Department

take measures necessary to ensure that its resources are deployed as effectively and fully as possible;

WHEREAS, the Department is committed to using its resources to aid Texans affected by COVID-19;

WHEREAS, the Department wishes to expend the funds prior to the expenditure deadline of September 30, 2020, and therefore the funds warrant prompt reprogramming, and staff is recommending that the funds be utilized statewide to provide direct client assistance to eligible persons economically impacted by COVID-19; and

WHEREAS, there are 40 CSBG eligible entities within the CSBG network that are potentially eligible to receive these additional funds and are being recommended for an award of these reallocated funds subject to a positive recommendation from EARAC and subject to any EARAC conditions;

NOW, therefore, it is hereby

RESOLVED, that the Board approves of the reprogramming of remaining 2019 CSBG-D and administrative funds totaling $1,272,297, and 2020 CSBG-D funds totaling $205,696 for a total of $1,477,993 to be provided to the CSBG Eligible Entity network enumerated in this action for the provision of direct client assistance to low income households economically impacted by COVID-19;

FURTHER RESOLVED, that the Executive Director and his designees each of them be and they hereby are, authorized, empowered, and directed, for and on behalf of the Department, to issue contracts for these funds, only upon confirmation of previous participation review by the Compliance Division and subject to a positive recommendation from EARAC and subject to any EARAC conditions, consistent with the policy noted herein; and

FURTHER RESOLVED, that should any funds designated for these or other 2019 CSBG-D activities remain unused after August 31, 2020, those funds, along with any additional unused CSBG-D or CSBG administrative funds from 2019 or prior years, may also be redistributed to entities that fully expended these funds by August 31, 2020, or may be used for the Department's administrative activities, at the discretion of the Executive Director or designee.

BACKGROUND

At the Board meeting of June 29, 2017, the Board approved utilizing approximately $1,600,000 in 2019 CSBG-D funds for the activities listed in the table below. The table reflects the adjusted allocated amount ($1,720,290), the amounts that have been contracted or committed, and the amount of CSBG-D available for reobligation. In addition to the funds reflected in the table below, $626,000 in Department 2019 administrative funds is also available for reprogramming. Although not reprogrammed nor reflected in the table below, $205,696 in Department 2020 CSBG-D

disaster relief and unprogrammed funds are also available for direct client assistance to eligible persons impacted by COVID-19.

Use of PY 2019 CSBG-D Funds	Original Plan 2019	Contracted/ Committed	Available for Reobligation
Direct Client Assistance/Network Operational Investments	$590,000	$446,174	$143,826
Intensive CAA Support Assessments	$100,000	$90,094	$9,906
Network Transitions Fund	$130,000	$0	$130,000
Network Training and Technical Assistance	$150,000	$67,725	$82,275
Migrant Seasonal Farmworker & Native American Employment and Educational Funds	$300,000	$300,000	$0
Housing Voucher Program Support	$130,000	$20,000	$110,000
Disaster Recovery	$150,000	$0	$150,000
Balance of State Continuum of Care	$50,000	$50,000	$0
Unprogrammed	$120,290	$100,000	$20,290
Subtotal	**$1,720,290**	**$1,073,993**	**$646,297**
Total Balance of 2019 CSBG-D funds for Reprogramming:			**$646,297**

*The table above does not include the $626,000 in Department 2019 administrative funds available for reprogramming, nor the $205,696 in Department 2020 CSBG-D funds

Proposed Use of Unexpended Funds

Because COVID-19 is a global pandemic, has been declared a state disaster, and is expected to affect all regions of Texas, staff recommends reprogramming the $1,477,993 to entities within the CSBG network. Funds must be utilized to provide direct client assistance to low income households economically impacted by COVID-19. This impact includes but is not limited to lost wages, increased childcare costs because of school closures, or higher utility bills because of longer hours in the home. Eligible activities could also include grocery or meal delivery for those who are unable to leave their homes. The list of the 40 entities potentially eligible to receive the reprogrammed funds is in the table below. The Executive Director will determine the allocation amount per EARAC recommended entity. At the discretion of the Department, the contracts will reflect 2019 Discretionary Funds, 2020 Discretionary Funds, or 2019 Administrative Funds, or may constitute two or more contracts with multiple sources; however, all contracts will require full expenditure of the funds by August 31, 2020.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of CSBG-D awards prior to contract execution. At the time of Board Book posting, all awards are still in the Previous Participation Review process. Staff is requesting authorization of awards contingent upon a positive EARAC recommendation and subject to any EARAC conditions. This is so that contracts can be executed as quickly as possible. If the entity disagrees with an EARAC condition or recommendation, it should follow the Dispute process in 10 TAC §1.303.

Potential COVID-19 Response Discretionary Awardees

	ELIGIBLE ENTITY*
1	Aspermont Small Business Development Center, Inc.
2	Big Bend Community Action Committee, Inc.
3	Brazos Valley Community Action Programs
4	Cameron and Willacy Counties Community Projects, Inc.
5	Central Texas Opportunities, Inc.
6	City of Austin Health and Human Services Department
7	City of Fort Worth Neighborhood Services Department
8	City of Lubbock Community Development Department
9	City of San Antonio Department of Community Initiatives
10	Combined Community Action, Inc.
11	Community Action Committee of Victoria, Texas
12	Community Action Corporation of South Texas
13	Community Action Inc. of Central Texas
14	Community Action Social Services and Education
15	Community Council of Greater Dallas
16	Community Council of South Central Texas, Inc.
17	Community Services of Northeast Texas, Inc.
18	Community Services, Inc.
19	Concho Valley Community Action Agency
20	Economic Action Committee of the Gulf Coast
21	Economic Opportunities Advancement Corporation of Planning Region XI
22	El Paso Community Action Program-Project BRAVO
23	Galveston County Community Action Council, Inc.
24	Greater East Texas Community Action Program
25	Gulf Coast Community Services Association
26	Hidalgo County Community Services Agency
27	Hill Country Community Action Association, Inc.
28	Nueces County Community Action Agency
29	Panhandle Community Services
30	Pecos County Community Action Agency
31	Rolling Plains Management Corporation
32	South Plains Community Action Association, Inc.
33	South Texas Development Council
34	Southeast Texas Regional Planning Commission
35	Texas Neighborhood Services
36	Texoma Council Of Governments
37	Tri-County Community Action, Inc.
38	Webb County Community Action Agency
39	West Texas Opportunities, Inc.
40	Williamson-Burnet County Opportunities, Inc.

*All awards are conditioned on a positive EARAC recommendation and subject to any EARAC conditions.

6d

Presentation, discussion, and possible action authorizing the Executive Director to extend certain deadlines and take possible waiver action for provisions of 10 TAC Chapter 6, Community Affairs Programs, and related Notices of Funding Availability and contracts, for federal funds administered by the Community Affairs Division for disaster response for qualified persons and households most impacted by COVID-19

RECOMMENDED ACTION

WHEREAS, on March 13, 2020, the Governor of the State of Texas issued a disaster declaration and certified that COVID-19 poses an imminent threat of disaster for all 254 counties;

WHEREAS, responding to the needs of Texans impacted by COVID-19 will demand that the Department take extraordinary measures necessary to ensure that its resources are deployed as effectively and fully as possible;

WHEREAS, the Department is committed to using its resources to assist with immediate, short and long term responsiveness to aid Texans economically impacted by COVID-19, while continuing to operate its ongoing programs within the federal and state parameters of the funds;

WHEREAS, the challenges presented may require prompt action without the ability to go through the processes typically employed;

WHEREAS, in many cases, immediate and short term assistance may require rapid responsiveness for which a prompt decision by the Executive Director can be made without the ability to go through the processes typically employed to obtain Board authorization; and

WHEREAS, the Department may seek waivers to federal regulations or state statute, and is seeking authority for the Executive Director to grant extensions or waivers of certain provisions of 10 TAC Chapter 6, Community Affairs Programs, in order to more rapidly distribute funds and more efficiently provide services to eligible low-income Texans economically impacted by COVID-19 and to ensure that local subrecipients are able to focus on their COVID-19 response;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered and directed, for and on behalf of the Department, to meet the emergency needs of low-income Texans economically impacted by COVID-19, including but not limited to granting extensions to program requirements and existing contracts, waiving certain rules within 10 TAC Chapter 6, Community Affairs Programs, waiving certain contractual requirements between the Department and its subrecipients, requesting federal or state waivers or approvals that may become necessary to combat COVID-19's economic impact on low-income Texans, and providing assistance to eligible households and individuals using Community Services Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), and Department of Energy (DOE) funds; and

FURTHER RESOLVED, that in carrying out the foregoing, the Executive Director will provide a report to the Board at subsequent Board meetings of any actions taken under authority of this Board approval.

BACKGROUND

On March 13, 2020, Governor Abbott issued a statewide disaster declaration due to COVID-19, authorizing the use of all available resources to cope with the spread of the virus. The nature of this disaster is such that many persons will be financially impacted due to closure of their places of employment, or due to actually contracting the virus. Unlike previous disasters, the imminent threat of the spread of COVID-19 impacts all areas of the state, and is not restricted by geography.

The Department is committed to assisting in the economic impact of COVID-19. Typically, in response to disasters (hurricanes, forest fires, tornadoes, etc.), disaster responsiveness via the Department progresses through several phases and accesses various programs at different points. The COVID-19 disaster is unlike other disasters, in that this type of disaster has not been experienced in modern times. Therefore, without fully comprehending COVID-19's effects on the low-income communities in Texas, the focus at this point for the Community Affairs Division is preventing the spread of COVID-19 and reducing its effects on low-income Texans who are economically impacted by it, and ensuring that subrecipients are able to focus their efforts fully on COVID-19 response and the operation of their ongoing programs.

Because it is not possible to predict and list all actions that may become necessary over the immediate, short, and long-term response period to COVID-19, staff requests approval of this item which would grant the Department, through its Executive Director, the authority to execute certain necessary lawful actions to properly respond to the COVID-19 disaster. Such actions might involve granting extensions to program requirements and existing contracts, waiving certain rules within 10 TAC Chapter 6, Community Affairs Programs, waiving certain contractual requirements between the Department and its subrecipients, requesting federal or state waivers or approvals that may become necessary to combat COVID-19's economic impact on low-income Texans, and providing assistance to eligible households and individuals using CSBG, LIHEAP, and DOE funds.

Nothing in this action allows the extension of a Notice of Funding Availability that is already closed or a deadline that has already passed. Subrecipients should request an extension of a deadline before the deadline passes.

Staff will continue to assess the current environment as it relates to COVID-19's effects on low-income Texans and in what ways Community Affairs programs can minimize any harm done. Approving this action will allow the Department the necessary flexibility and streamlined approach to react to COVID-19.