

**BOARD BOOK
OF
September 3, 2020**



Leslie Bingham, Vice-Chair

Paul Braden, Member

Sharon Thomason, Member

Leo Vasquez III, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT

Fiscal Year 2019 (September 1, 2018, through August 31, 2019)

Owner Financing and Down Payment	
<ul style="list-style-type: none"> 30-year, fixed interest rate mortgage loans Mortgage credit certificates Down payment, closing cost assistance Homebuyer education 	
Programs:	
<ul style="list-style-type: none"> Homebuyer Assistance Program (HBA)* Single Family Homeownership 	
Expended Funds:	\$1,693,834,604
Total Households Served:	9,605

Energy Related Assistance	
<ul style="list-style-type: none"> Utility bill payment assistance Energy consumption education Weatherization for energy efficiency 	
Programs:	
<ul style="list-style-type: none"> Comprehensive Energy Assistance Program (CEAP) Weatherization Assistance Program (WAP) 	
Expended Funds:	\$147,270,662
Total Households Served:	162,668

Multifamily New Construction	
<ul style="list-style-type: none"> Affordable rental units financed and developed 	
Programs:	
<ul style="list-style-type: none"> 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	
<ul style="list-style-type: none"> Shelter building rehabilitation, conversion, operations Essential services e.g., health services, transportation, job training, employment services 	
Programs:	
<ul style="list-style-type: none"> Emergency Solutions Grant Program (ESG) Homeless Housing and Services Program (HHSP) 	
Expended Funds:	\$12,162,959
Total Individuals Served:	71,350

Multifamily Rehab Construction	
<ul style="list-style-type: none"> Affordable rental units financed and rehabilitated 	
Programs:	
<ul style="list-style-type: none"> 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:	
<ul style="list-style-type: none"> Community Services Block Grant Program (CSBG) 	
Expended Funds:	\$31,103,729
Total Individuals Served:	561,906

Owner Rehabilitation Assistance	
<ul style="list-style-type: none"> Home rehabilitation, reconstruction Manufactured housing unit replacement Accessibility modifications e.g., ramp, grab bar installation 	
Programs:	
<ul style="list-style-type: none"> Homeowner Rehabilitation Assistance Program (HRA)* Amy Young Barrier Removal Program 	
Expended Funds:	\$11,384,025
Total Households Served:	251

Rental Assistance	
<ul style="list-style-type: none"> Short, long term rent payment help Assistance linked with services Transitional assistance Security, utility deposits 	
Programs:	
<ul style="list-style-type: none"> 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	
<ul style="list-style-type: none"> Single family development, reconstruction, rehabilitation Do-it-yourself, "sweat equity" construction, rehabilitation Contract for Deed refinance 	
Programs:	
<ul style="list-style-type: none"> 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
September 3, 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/1312464349205216780>

Dial-in number: +1 (631) 992-3221, access code 591-553-382 (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 videoconference under Tex. Gov't Code §551.127, as modified by waiver.

If the GoToWebinar terminates prior to adjournment of the meeting (i.e. if the webinar session "crashes") the meeting will be recessed. A new link to the meeting will be posted immediately on the TDHCA Board meetings web page (<https://www.tdhca.state.tx.us/board/meetings.htm>) along with the time the meeting will resume. The time indicated to resume the meeting will be within six hours of the interruption of the webinar. Please note that in this contingency, the original meeting link will no longer function, and only the new link (posted on the TDHCA Board meetings web page) will work to return to the meeting.

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 designating October as National Energy Awareness Month

CONSENT AGENDA

* 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>

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

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

EXECUTIVE

- a) Presentation, discussion, and possible action on Board meeting minutes summaries for May 21, 2020; June 25, 2020; and July 14,2020

Beau Eccles
General Counsel

ASSET MANAGEMENT

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

Rosalio Banuelos
Director of Asset
Management

14427	Kennedy Brothers Communities	El Paso
17028/19702	The Vineyard on Lancaster	Fort Worth
18069	Palladium Farmersville	Farmersville
19214	Lakeridge Villas	Ennis
19410	Eisenhower II	El Paso

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

97167	Columbia Luxar Townhomes	Dallas
05097	Cathy's Pointe	Amarillo
05099	Madison Pointe	Cotulla

- d) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Trust Fund Affordable Housing Match Program Application and Land Use Restriction Agreement

1001336	Temenos Place Apartments II	Houston
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MULTIFAMILY FINANCE

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

Teresa Morales
Director of
Multifamily Bonds

20466	Blue Water Gardens	Hereford
20415	Avenue on 34 th	Houston
20473	Agave East	Austin ETJ
20454	South Terrace	Waco
20475	Northview	San Antonio
20411	Kitty Hawk	San Antonio ETJ
20478	Vera at Odessa	Odessa
20483	Shady Oaks	Fort Worth

- f) Presentation, discussion, and possible action on a waiver of 10 TAC §13.3(d)(2)(A) (#20501 Samano, Brownsville)
- g) Presentation, discussion, and possible action on the Sixth Amendment to the 2020-1 Multifamily Direct Loan Notice of Funding Availability

Andrew Sinnott
Multifamily Loan Programs
Administrator

COMMUNITY AFFAIRS

- h) Presentation, discussion, and possible action on the Section 8 Program 5-Year and 2021 Annual Public Housing Agency (PHA) Plan for the Housing Choice Voucher Program.
- i) Presentation, Discussion and Possible Action on Extensions to the Release of Coronavirus Aid, Relief, and Economic Security Act Community Services Block Grant Funds and Low Income Home Energy Assistance Program Funds Held in Emergency Reserve and Authorization to Award Such Funds

Michael De Young
Director of
Community Affairs

BOND FINANCE

- j) Presentation, discussion, and possible action on Inducement Resolution No. 21-001 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority

Teresa Morales
Director of
Multifamily Bonds

20626	Palladium Mountain Creek Apartments	Dallas
20627	Palladium Simpson Stuart Apartments	Dallas
20628	Mayhill Road Apartments	Denton
20629	Residences at Merritt Hill Apartments	Rowlett

SINGLE FAMILY & HOMELESS PROGRAMS

- k) Presentation, discussion, and possible action on Colonia Self-Help Center Program Awards to Hidalgo County and Webb County in accordance with Tex. Gov't Code §2306.582 through Community Development Block Grant Funding

Abigail Versyp
Director of Single Family &
Homeless Programs

RULES

- l) Presentation, Discussion and Possible Action on the statutory four-year rule review and proposed re Adoption of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.406 Fidelity Bond Requirement, §1.407 Inventory Report, and §1.408 Travel; and directing their publication for public comment in the Texas Register
- m) Presentation, discussion, and possible action on an order proposing the repeal, and proposed new rule, for 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.401 Definitions, §1.402 Cost Principles and Administrative Requirements, §1.403 Single Audit Requirements, §1.404 Purchase and Procurement Standards, §1.405 Bonding Requirements, §1.409 Records Retention, §1.410 Determination of Alien Status for Program Beneficiaries; an order and directing their publication for public comment in the Texas Register
- n) Presentation, discussion, and possible action on order proposing the repeal of 10 TAC Chapter 23, Single Family HOME Program, and orders proposing new 10 TAC Chapter 23, Single Family HOME Program Rules, and directing their publication for public comment in the Texas Register
- o) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and an order proposing new 10 TAC Chapter 12 concerning the Multifamily Housing Revenue Bond Rules, and directing their publication for public comment in the Texas Register

Brooke Boston
Deputy Director
of Programs

Abigail Versyp
Director of Single Family &
Homeless Programs

Teresa Morales
Director of
Multifamily Bonds

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) Outreach and Activities Report (July-September)
- b) Report on Activities Related to the Department's Response to COVID-19 Pandemic

Michael Lyttle
Director of
External Affairs

Brooke Boston
Deputy Director
of Programs

- c) Report to the Board on 811 PRA Program award
- d) Housing Finance Activity Report
- e) Report on the closing of the Department's 2020 Series A Single Family Mortgage Revenue Bonds and 2020 Series B Single Family Mortgage Revenue Refunding Bonds (Taxable)

Cathy Gutierrez
 Director of Texas
 Homeownership
Monica Galuski
 Director of Bond Finance

ACTION ITEMS

ITEM 3: INTERNAL AUDIT

- a) Report on the meeting of the Internal Audit and Finance Committee

Sharon Thomason
 Chair of Audit and Finance
 Committee

ITEM 4: HOUSING RESOURCE CENTER

- a) Presentation, discussion and possible action of a substantial amendment to the 2019 State of Texas Consolidated Plan: One-Year Action Plan and approval of programming for ESG CARES II and CDBG CARES funding

Elizabeth Yevich
 Director of
 Housing Resource Center

ITEM 5: RULES

- a) Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, the proposed new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing their publication for public comment in the Texas Register

Andrew Sinnott
 Multifamily Loan Programs
 Administrator

ITEM 6: ASSET MANAGEMENT

- a) Report on six-month extension to the placed-in-service deadline for 2018 9% Housing Tax Credit developments

Rosalio Banuelos
 Director of Asset
 Management

ITEM 7: BOND FINANCE

- a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Fish Pond at Corpus Christi) Resolution No. 21-002, a Determination Notice of Housing Tax Credits and an Award of Direct Loan Funds

Teresa Morales
 Director of
 Multifamily Bonds

ITEM 8: MULTIFAMILY FINANCE

- a) Presentation, Discussion and Possible Action regarding a waiver of §10.402(b) relating to Determination Notices for Gala at Central Park (#20406)
- b) Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and a proposed new 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan and directing its publication for public comment in the Texas Register
- c) Presentation, discussion, and possible action on timely filed scoring appeals under the Department's Multifamily Program Rules for Application 20116 Dian Street Villas, Houston

Teresa Morales
 Director of
 Multifamily Bonds
Marni Holloway
 Director of
 Multifamily Finance

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 Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least five days before the meeting so that appropriate arrangements can be made.

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

Texas Department of Housing and Community Affairs
RESOLUTION

WHEREAS, the U.S. Department of Energy has designated October as National Energy Awareness Month;

WHEREAS, the Weatherization Assistance Program, the nation's largest residential energy-efficiency program, was established by the U.S. Department of Energy in 1976 to make homes more energy-efficient, safer, and healthier for those with low and moderate incomes;

WHEREAS, the Texas Department of Housing and Community Affairs administers a Weatherization Assistance Program, funded with both U.S. Department of Energy funds and Low Income Home Energy Assistance Program funds, which is operated by a network of private nonprofits and local government entities;

WHEREAS, the Texas Weatherization Assistance Program has injected millions of dollars into communities to improve thousands of homes, thereby helping Texans, including elderly, disabled, or families with young children, conserve energy and reduce utility costs;

WHEREAS, the Program conducts computerized energy audits and uses advanced diagnostic technology, investing as much as \$7,669 in a home and providing an array of improvements that include weather stripping of doors and windows; patching cracks and holes; insulating walls, floors, and attics; replacing doors, windows, refrigerators, and water heaters; and repairing heating and cooling systems; and

WHEREAS, weatherization efforts contribute to the state's economic, social, and environmental progress by creating jobs; prompting the purchase of goods and services; improving housing; stabilizing neighborhoods; reducing emissions; and decreasing the risk of fires;

NOW, therefore, it is hereby

RESOLVED, that the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate October 2020, as Energy Awareness Month in Texas.

Signed this third day of September 2020.



Leslie Bingham, Vice Chair

Sharon Thomason, Member

Paul A. Braden, Member

Leo Vasquez, Member

Bobby Wilkinson, Executive Director

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

SEPTEMBER 3, 2020

Presentation, discussion, and possible action on Board meeting minutes summaries for May 21, 2020; June 25, 2020; and July 14, 2020

RECOMMENDED ACTION

Approve the Board meeting minutes summaries for May 21, 2020; June 25, 2020; and July 14, 2020

RESOLVED, that the Board meeting minutes summaries for May 21, 2020; June 25, 2020; and July 14, 2020, are hereby approved as presented.

**Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
May 21, 2020**

On Thursday, the twenty-first day of May 2020, at 9:10 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 online via telephone and web link.

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

- Leslie Bingham, Vice Chair
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

Leslie Bingham served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously approved a resolution recognizing and celebrating June 2020 as Homeownership Month in Texas.

2) The Board unanimously approved the Consent Agenda as presented except for the following items which were moved to the Action Item agenda:

- 1(e) – Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Coppertree Village (HTC 70131/CMTS 931)
- 1(f) – Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications
 - 20410 Trader Flats, San Antonio
 - 20412 1604 Lofts, San Antonio
 - 20405 Gala at Fate, Fate
 - 20413 Residences at Merritt Hill, Rowlett
 - 20447 Franklin Park, Austin
 - 20450 Mira Vista, San Antonio
- 1(g) – Presentation, discussion and possible action on a waiver related to §11.101(a)(1) regarding Site Requirements and Restrictions for Palladium Port Aransas (#20401) in Port Aransas

8) Action Item 4(a) – Presentation, discussion, and possible action on a Dispute of the Compliance Division’s assessment of the Applicant’s compliance history to be reported to the Executive Award Review Advisory Committee regarding 20604 The Walzem, San Antonio; 20611 333 Holly, The Woodlands; and 20612 The Pines, The Woodlands – was presented by Ms. Murphy with additional information from Bobby Wilkinson, TDHCA Executive Director.

The Board unanimously adopted staff recommendation to approve the applicant’s compliance assessment dispute for 20604 The Walzem.

Following public comment (listed below), the Board denied staff recommendation to deny the compliance assessment dispute from the applicants of 333 Holly and The Pines. Accordingly, by its action, the Board approved the dispute from the aforementioned applicants.

- Cynthia Bast, Locke Lord attorney representing the applicant of 333 Holly and The Pines, testified in opposition to staff recommendation
- Flynn Janisse, Rainbow Housing Texas and the applicant of 333 Holly and The Pines, testified in opposition to staff recommendation
- Justin Walker, Rainbow Housing Assistance Corporation, testified in opposition to staff recommendation
- Wes Larmore, Related Affordable and the applicant of 333 Holly and The Pines, provided information on the matter

9) Action Item 5(a) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Notes (Scott Street Lofts Apartments) Resolution No. 20-019 and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to adopt the bond resolution and issue the 4% housing tax credits.

10) Action Item 5(b) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – 333 Holly) Resolution No. 20-020 and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to adopt the bond resolution and issue the 4% housing tax credits.

11) Action Item 5(c) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – The Pines) Resolution No. 20-021 and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to adopt the bond resolution and issue the 4% housing tax credits.

12) Action Item 5(d) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (The Walzem) Resolution No. 20-022 and a Determination

Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to adopt the bond resolution and issue the 4% housing tax credits.

13) Action Item 6(a) – Presentation, discussion, and possible action on waivers to certain provisions of Texas Administrative Code for Emergency Solutions Grants Program funds allocated to the State of Texas through the Coronavirus Aid, Relief, and Economic Security Act – was presented by Abigail Versyp, TDHCA Director of Single Family and Homeless Programs. The Board unanimously approved staff recommendation to grant the waivers.

14) Action Item 6(b) – Presentation, discussion and possible action authorizing the Executive Director to waive or extend certain construction inspection requirements under 10 TAC Chapter 10, the Uniform Multifamily Rules, 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, and the Multifamily Direct Loan (MFDL) Rule – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. The Board unanimously approved staff recommendation to grant authority to the executive director to waive or extend certain construction inspection requirements.

15) Action Item 6(c) – Presentation, discussion and possible action on the programming of Housing Choice Voucher Program Administrative funds available to Texas through the Coronavirus Aid, Relief, and Economic Security Act and authorization to proceed with said programmed activities – was presented by Michael De Young, TDHCA Director of Community Affairs. The Board unanimously approved staff recommendation regarding the programming of certain funds.

16) Action Item 7(a) – Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits and an Award of Direct Loan Funds (#20416, Heritage Estates at Owen Tech, Austin extraterritorial jurisdiction) – was presented by Ms. Morales. The Board unanimously approved staff recommendation to issue the 4% housing tax credits and award the Direct Loan funds.

17) Action Item 7(b) – Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits and an Award of Direct Loan Funds (#20400, Palladium at West Francis, Midland) – was presented by Ms. Morales. The Board unanimously approved staff recommendation to issue the 4% housing tax credits and award the Direct Loan funds.

18) Action Item 7(c) – Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(b)(1)(C) related to Ineligibility of Developments within Certain School Attendance Zones and 10 TAC §11.101(a)(3)(B)(iv) related to Neighborhood Risk Factors for Preserve at the Port (#20468) in San Antonio – was presented by Ms. Morales. Following public comment (listed below), the Board unanimously approved staff recommendation to find the development ineligible.

- Joey Guerra, Integrated Realty Group and part of the applicant team, provided information on the item
- Pete Alanis, San Antonio Housing Trust and part of the applicant team, provided information on the item
- Elizabeth Roehm, Texas Housers, testified in support of staff recommendation
- Phil Chavez, Edgewood Independent School District, provided information on the item
- The Honorable Jose Menendez, Texas State Senator, District 26, testified in opposition to staff recommendation

19) Action Item 7(d) – Presentation, discussion, and possible action regarding requests for waiver of the Department’s Multifamily Program Rules for 20128 OST Lofts – was presented by Ms. Holloway with additional information from Mr. Wilkinson and Mr. Eccles. Following public comment (listed below), the Board unanimously approved the waiver request with a condition that development’s driveways comply with TDHCA requirements that they are no more than six inches below the flood plain.

- Mark Mucasey, architect affiliated with development team, testified in support of the waiver being granted
- Donna Rickenbacker, developer of the proposed project, testified in support of the waiver being granted
- Adriana Tamez, Tamez Center for Community Concerns and superintendent of the Raul Yzaguirre School for Success and part of the development team, testified in support of the waiver being granted

20) Ms. Holloway, with additional information from Mr. Wilkinson and Mr. Eccles, presented Action Item 7(e) – Presentation, discussion, and possible action on timely filed appeals under the Department’s Multifamily Program Rules for:

- 20040 Espero Austin at Rutland Austin
- 20041 Espero Austin at W. 24th Austin
- 20114 3300 Caroline Street Houston
- 20148 High View Place Killeen
- 20318 Cypress Creek at Spencer Landing La Porte
- 20342 The Cottages at Cedar Ridge Elgin

Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeals from the applicant for 20040 and 20041 and the applicant for 20318. The Board through a 3-1 vote (Member Thomason voted nay) denied staff recommendation regarding 20114 and, by said action, approved the appeal. The Board through a 3-1 vote (Member Vasquez voted nay) approved staff recommendation to deny the appeal on 20148. The Board tabled consideration of 20342 to its meeting on June 25, 2020.

- Steve Adler, Mayor of the City of Austin, testified in opposition to staff recommendation regarding 20040 and 20041

- Greg Casar, Austin city councilmember, testified in opposition to staff recommendation regarding 20040 and 20041
- Kathie Tovo, Austin city councilmember, testified in opposition to staff recommendation regarding 20040 and 20041
- Jo Kathryn Quinn, Caritas of Austin and part of the development team for 20040 and 20041, testified in opposition to staff recommendation regarding 20040 and 20041
- John Shackelford, attorney representing the developer of 20040 and 20041, testified in opposition to staff recommendation regarding 20040 and 20041
- Zachary Krotchtengel, Marque Real Estate, testified in support of staff recommendation regarding 20040 and 20041
- Jennifer Hicks, affiliated with the development team for 20040 and 20041, testified in opposition to staff recommendation regarding 20040 and 20041
- Mark Thiele, Houston Housing Authority, testified in opposition to staff recommendation regarding 20114
- Cynthia Bast, Locke Lord attorney with applicant 20114, testified in opposition to staff recommendation regarding 20114
- Lance Gilliam, Coalition for the Homeless, Houston/Harris County and advisor with applicant 20114, testified in opposition to staff recommendation regarding 20114
- Cynthia Bast, Locke Lord attorney with applicant 20114, testified in opposition to staff recommendation regarding 20114
- Neal Drobenare, NHP Foundation and affiliated with applicant 20114, testified in opposition to staff recommendation regarding 20114
- Mr. Krotchtengel testified in support of staff recommendation regarding 20114
- Mark Eichenbaum, City of Houston, testified in opposition to staff recommendation regarding 20114
- Kevin Campbell, Magnificat Houses, Inc., and affiliated with applicant 20114, testified in opposition to staff recommendation regarding 20114
- Mike Nichols, Coalition of the Homeless of Houston, Montgomery County, Harris County and Fort Bend County, testified in opposition to staff recommendation regarding 20114
- Jason Minter, NHP Foundation and affiliated with applicant 20114, provided information on 20114
- Casey Bump, Bonner Carrington, testified in support of staff recommendation regarding 20114
- Tamea Dula, Coats Rose attorney with applicant 20148, testified in opposition to staff recommendation regarding 20148
- Tim Smith, Hope Development Services and consultant for applicant 20148, testified in opposition to staff recommendation regarding 20148
- Art Schultz, Housing Solutions Alliance and part of the 20148 development team, provided information on 20148
- Barry Palmer, Coats Rose attorney with applicant 20148, testified in opposition to staff recommendation regarding 20148
- Ms. Dula, Coats Rose attorney with applicant 20318, testified in opposition to staff recommendation regarding 20318

- John Jacobi testified in opposition to staff recommendation regarding 20318

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

- Stella Rodriguez, Texas Association of Community Action Agencies (TACAA), thanked TDHCA Executive and Community Affairs staff for their assistance in helping prepare TACAA member agencies to administer CARES Act funding.
- Jason Shaughnessy, Houston citizen, expressed objection to funding 2020 9% competitive housing tax credit program application 20116 Dian Street Villas.

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 3:04 p.m. The next meeting is set for Thursday, June 25, 2020.

Secretary

Approved:

Chair

**Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
June 25, 2020**

On Thursday, the twenty-fifth day of June 2020, at 9:00 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 online via telephone and web link.

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

- Leslie Bingham, Vice Chair
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

Leslie Bingham served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously approved the Consent Agenda as presented except for the following item which was moved to the Action Item agenda:

- 1(g) – Presentation, discussion, and possible action on approval of the 2021 Low Income Home Energy Assistance Program State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2021 awards

2) Action Item 1(g) – Presentation, discussion, and possible action on approval of the 2021 Low Income Home Energy Assistance Program State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2021 awards – was presented by Michael DeYoung, TDHCA Director of Community Affairs. The Board unanimously approved staff recommendation to submit the plan to USHHS and make the associated awards.

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

4) Action Item 4(a) – Approval of updated FY 2021 Operating Budget – was presented by Ms. Thomason with additional information from Bobby Wilkinson, TDHCA Executive Director. The Board unanimously approved staff recommendation to approve the budget.

5) Action Item 4(b) – Approval of the FY 2021 Housing Finance Division Budget – was presented by Ms. Thomason with additional information from Mr. Wilkinson. The Board unanimously approved staff recommendation to approve the budget.

6) Patricia Murphy, TDHCA Director of Compliance, with additional information from Mr. Eccles, presented Action Item 5(a) – Presentation, discussion, and possible action on a Dispute of the Compliance Division’s assessment of the Applicant’s compliance history to be reported to the Executive Award Review Advisory Committee regarding:

- 20316 Virginia Flats Beaumont
- 20288 Providence at Buna Buna
- 20138 The Ella Houston

Following public comment (listed below), the Board unanimously affirmed the Category 3 compliance assessment of the applicant and the Compliance Division's recommendation of denial of the award to EARAC for the ITEX properties.

- Michael Lyttle, TDHCA Director of External Affairs, read a letter in opposition to staff recommendation into the record from the Honorable Joe D. Deshotel, State Representative, Texas House District 22
- Mr. Lyttle read another letter into the record in opposition to staff recommendation from the Honorable James White, State Representative, Texas House District 19
- Chris Akbari, ITEX and the applicant, testified in opposition to staff recommendation
- Miranda Sprague, ITEX, testified in opposition to staff recommendation
- Donna Rickenbacker, Marque Real Estate, testified in support of staff recommendation
- Zachary Krotchtengel, Marque Real Estate, testified in support of staff recommendation
- Barry Palmer, Coats Rose attorney representing ITEX, testified in opposition to staff recommendation
- Raynold Richardson, J. Allen Management Company, testified in opposition to staff recommendation

7) Action Item 6(a) – Presentation, discussion, and possible action regarding a waiver of certain requirements in 10 TAC §11.201(1)(A) of the 2020 Qualified Allocation Plan regarding the errors in the calculation of Application fees – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. The Board unanimously approved staff recommendation to waive the certain requirements of the QAP.

8) Ms. Holloway, with additional information from Mr. Wilkinson and Mr. Eccles, presented Action Item 6(b) – Report of Third Party Requests for Administrative Deficiency under 10 TAC §11.10 of the 2020 Qualified Allocation Plan:

- 20018 The Park Tower Fort Worth
- 20051 Village at McArdle Corpus Christi
- 20054 Gulf Shore Villas Rockport
- 20075 New Hope Housing Savoy Houston
- 20077 Lockwood South Apartments Houston
- 20083 Lakeview Preserve Irving

- 20089 Hamilton Wolfe Lofts San Antonio
- 20092 Fiesta Trails San Antonio
- 20144 The Enchanted Gardens Victoria
- 20147 Kestral on Cooper Arlington
- 20150 Palmville Homes San Benito
- 20177 Avanti Legacy Valor Heights McAllen
- 20181 Avanti Valley View Hidalgo
- 20184 The Heritage at Abilene Abilene
- 20200 Lofts at Temple Medical District Temple
- 20223 Campanile on Briar Hollow Houston
- 20235 Madisonville Estates Madisonville
- 20240 Livingston Pioneer Crossing Livingston
- 20264 Juliette Fowler Residences Dallas
- 20272 Westwind of Dumas Dumas
- 20273 La Grange Springs La Grange
- 20309 Los Ebanos Bishop
- 20317 Merritt Edge Senior Village Midland
- 20329 Fish Pond at Huntsville Huntsville
- 20342 The Cottages at Cedar Ridge Elgin

Following public comment (listed below), the Board unanimously approved staff recommendation to accept the report but did ask staff to further review the Request for Administrative Deficiency on 20177.

- Valentin DeLeon, part of the development team for 20018, provided comments on the item
- Michael Beard, BETCO Consulting, testified in opposition to staff determination on 20177 in the report
- Jeff Beckler, Zimmerman Properties, testified in opposition to staff determination on 20177 in the report
- Michael Tamez, Madhouse Development, testified in support of staff determination on 20177 in the report

9) Action Item 6(c) – Presentation, discussion, and possible action on timely filed appeals of application termination under 10 TAC §11.902 of the 2020 Qualified Allocation Plan for 20030 Akins East Austin – was presented by Ms. Holloway. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeal.

- Mr. Lyttle read a letter into the record from the Honorable Sheryl Cole, State Representative, Texas House District 46, in opposition to staff recommendation
- Valentin DeLeon, Housing Trust Group and the developer, testified in opposition to staff recommendation

10) Ms. Holloway, with additional information from Mr. Wilkinson and Mr. Eccles, presented Action Item 6(d) – Presentation, discussion, and possible action on timely filed scoring appeals under 10 TAC §11.902 of the 2020 Qualified Allocation Plan for:

- 20092 Fiesta Trails San Antonio
- 20329 Fish Pond at Huntsville Huntsville
- 20342 The Cottages at Cedar Ridge Elgin

Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeals from 20092 and 20342. Regarding 20329, the Board determined that the record established that the loss of points wasn't within the control of the applicant and that it was not reasonably foreseeable or preventable and granting the appeal better serves the policies and purposes articulated in Chapter 2306 of the Texas Government Code.

- Tim Alcott, San Antonio Housing Authority, testified in opposition to staff recommendation on 20092
- Sarah André, consultant to applicant of 20092, testified in opposition to staff recommendation on 20092
- Nick Walsh, NRP Group and applicant of 20092, testified in opposition to staff recommendation on 20092
- Tamea Dula, Coats Rose attorney with applicant of 20092, testified in opposition to staff recommendation on 20092
- Tiffany Cornelius, representing the applicant of 20342, testified in opposition to staff recommendation on 20342
- Cynthia Bast, Locke Lord attorney representing the applicant of 20342, testified in opposition to staff recommendation on 20342
- Robbye Meyer, Arx Advantage, testified in support of staff recommendation on 20342
- Sandy Watson testified in support of the lost points for application 20329 being upheld

11) Action Item 6(e) – Presentation, discussion, and possible action to issue a list of approved Applications for 2020 Housing Tax Credits (HTC) in accordance with Tex. Gov't Code §2306.6724(e) – was presented by Ms. Holloway. The Board unanimously approved staff recommendation as modified by actions it had taken during this meeting.

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

- Jason Shaughnessy, Houston citizen, expressed objection to funding 2020 9% competitive housing tax credit program application 20116 Dian Street Villas.

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 1:03 p.m. The next meeting is set for Tuesday, July 14, 2020.

Secretary

Approved:

Chair

**Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
July 14, 2020**

On Tuesday, the fourteenth of July 2020, at 9:00 a.m., the first of two regular meetings in July 2020 of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held online via telephone and web link.

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

- Leslie Bingham, Vice Chair
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

Leslie Bingham served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as secretary.

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

2) At 9:10 a.m., the Board went into Executive Session and reconvened in open session at 9:26 a.m. During the Executive Session, the Board did not adopt any policy, position, resolution, rule, regulation, or take any formal action or vote on any item.

3) Action Item 3(a) – Presentation, discussion, and possible action on a Reasonable Accommodation Request denial in accordance with 10 TAC §1.1(c)(4) relating to Reasonable Accommodation Requests to the Department – was presented by Cate Tracz, TDHCA Manager of Fair Housing, Data Management, and Reporting. The Board unanimously approved staff recommendation to deny the reasonable accommodation request.

4) Marni Holloway, TDHCA Director of Multifamily Finance, with additional information from Bobby Wilkinson, TDHCA Executive Director, presented Action Item 4(a) – Presentation, discussion, and possible action on timely filed scoring appeals under 10 TAC §11.902 of the 2020 Qualified Allocation Plan for:

- 20184 The Heritage at Abilene Abilene
- 20309 Casitas Los Ebanos Bishop

Following public comment (listed below), the Board voted 3-1 (Vasquez voted nay) to approve staff recommendation denying the appeal. The Board did not take up 20309 as it was withdrawn from the agenda.

- Audrey Martin, Purple Martin Real Estate and a consultant for a competing application to 20184, testified in support of staff recommendation
- Sarah Anderson, consultant for 20184, testified in opposition to staff recommendation
- Adrian Iglesias, developer of a competing application to 20184, testified in support of staff recommendation
- John Shackelford, attorney, testified in support of staff recommendation
- Frank Ainsa, attorney, testified in opposition to staff recommendation
- Alyssa Carpenter, consultant for 20184, testified in opposition to staff recommendation
- Chris Applequist, representing a competing application to 20184, testified in support of staff recommendation

5) Action Item 4(b) – Presentation, discussion, and possible action on timely filed appeals of application termination under 10 TAC §11.902 of the 2020 Qualified Allocation Plan for 20116 Dian Street Villas, Houston – was pulled from the agenda as the appeal was granted by Mr. Wilkinson.

6) Action Item 4(c) – Report of Third Party Request for Administrative Deficiency under 10 TAC §11.10 of the 2020 Qualified Allocation Plan on 20177 Avanti Legacy Valor Heights, McAllen – was presented by Ms. Holloway. The Board heard the report, heard public comment (listed below), and unanimously approved acceptance of the report.

- Michelle Sneddon, Shackelford Law Firm attorney representing a competing application to 20177, testified in opposition to the report’s findings
- Michael Beard, BETCO Consulting and representing a competing application to 20177, testified in opposition to the report’s findings
- Henry Flores, Madhouse Development and developer of 20177, testified in support of the report’s findings

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

- Russ Michaels, Texas Interfaith Housing and applicant of 20116 Dian Street Villas, provided comments on 20116
- Jervon Harris, applicant of 20116, provided comments on 20116
- Omar Izfar, attorney with Wilson, Gribbs, and Goren law firm and representing the Briar Hollow Townhouses Association, provided comments on application 20223 Campanile at Briar Hollow

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 11:06 a.m. The next meeting is set for Thursday, July 25, 2020.

Secretary

Approved:

Chair

1b

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Kennedy Brothers Communities (HTC #14427)

RECOMMENDED ACTION

WHEREAS, Kennedy Brothers Communities (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2014 for the renovation of 364 units of multifamily housing in El Paso (the City), El Paso County;

WHEREAS, El Paso RAD I, Ltd. (the Development Owner or Owner) is requesting approval for a modification of the residential density of 15.2% related to errors in calculation and discrepancy in the specific areas to survey;

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 materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application, and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Kennedy Brothers Communities 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

Kennedy Brothers Communities consists of 364 general multifamily housing units and is part of a portfolio in El Paso, El Paso County, that was awarded 4% Housing Tax Credits in 2014 for the acquisition and rehabilitation of 13 separate properties. Construction of the Development has been completed, and the cost certification documentation is currently under review by staff. In

a letter dated July 14, 2020, Satish Bhaskar, representative of the Development Owner, El Paso RAD I, Ltd., requested approval for a change in the acreage noted at the time of original application submission.

The Development consists of two tracts of land. At Application, the Owner provided a survey performed by SLI Engineering, Inc. dated November 15, 2014. Parcel 1 consisted of 33.028 acres, while Parcel 2 consisted of 30.32 acres, for a total of 63.348 acres. However, SLI Engineering provided a new survey dated August 28, 2017, stating that Parcel 1 was 29.467 net acres and Parcel 2 was 25.517 net acres, resulting in a combined 54.984 acres. This increased the density from 5.74 units per acre to 6.62 units per acre, a difference of 15.2%. 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).

The Development Owner had a conversation with Georges Halloul of SLI Engineering, Inc. about the discrepancies. Mr. Halloul stated they were directed in the original survey as which lots and blocks to include in the survey and which to exclude by 'Save and Except'. Mr. Halloul indicated his firm included certain blocks and lots in the original area calculations that were submitted at Application, yet was subsequently told that they had included one or more blocks in the area calculation that were in fact not part of the Development. Mr. Halloul could not recall which blocks and lots those were. Mr. Halloul stated the person who performed the surveys has since passed; therefore, specific details of the scope of work is not available.

The Housing Authority of the City of El Paso sold 50 homes along with the dedication of the streets to the City of El Paso in 2002 and 2003, as part of a home ownership program. Therefore, these homes and streets, all located in Parcel 2, are not part of the multifamily development and are not receiving housing tax credits. However, according to the Development Owner, Mr. Halloul believes that either the surveyor erroneously included some of the 50 homes in the calculation or that the surveyor failed to include the city streets in the 'Save and Except' calculations. Accounting for either of these scenarios would have resulted in a lower acreage total for Parcel 2. The area that includes the homes are shown on the surveys but are shaded, and the actual homes are not depicted.

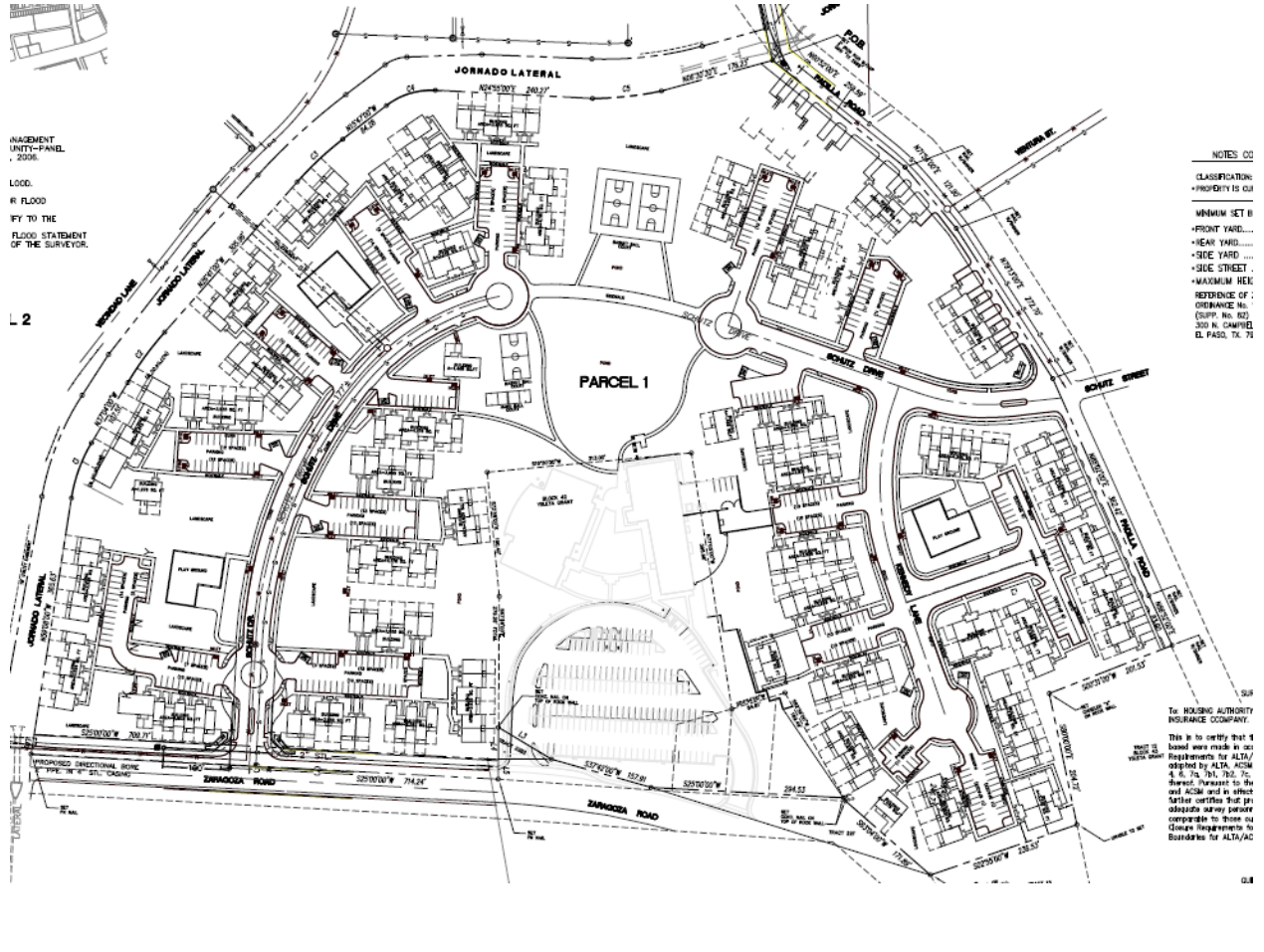
Mr. Halloul stated that, for Parcel 1, it is likely that errors in calculations were made that resulted in the incorrect acreage being submitted in 2014. However, as the surveyor who performed the work is not available, Mr. Halloul could not provide specific details of the errors.

Below are the surveys for each Parcels in 2014 and 2017.

Material Alterations as defined in Texas Government Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)

Application Submission Parcel 1

Parcel 1 – 33.028 Acres



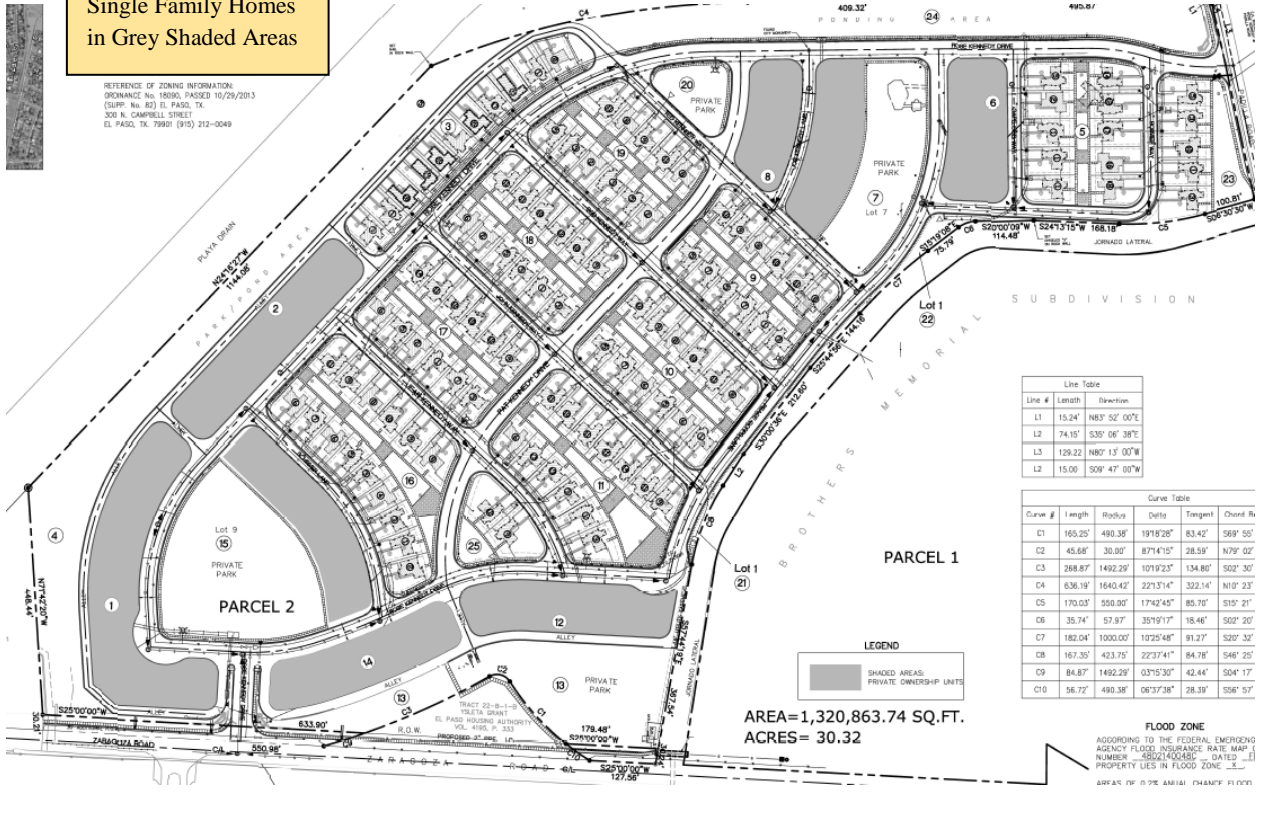
Material Alterations as defined in Texas Government Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)

Application Submission Parcel 2

Parcel 2 – 30.32 Acres

Single Family Homes
in Grey Shaded Areas

REFERENCE OF ZONING INFORMATION:
ORDINANCE NO. 18800, PASSED 10/29/2013
CLUPP, No. 83 EL PASO, TX
300 N. CAMPBELL STREET
EL PASO, TX 79901 (910) 212-0049



**Material Alterations as defined in Texas Government Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)
Cost Certification Submission Parcel 1**

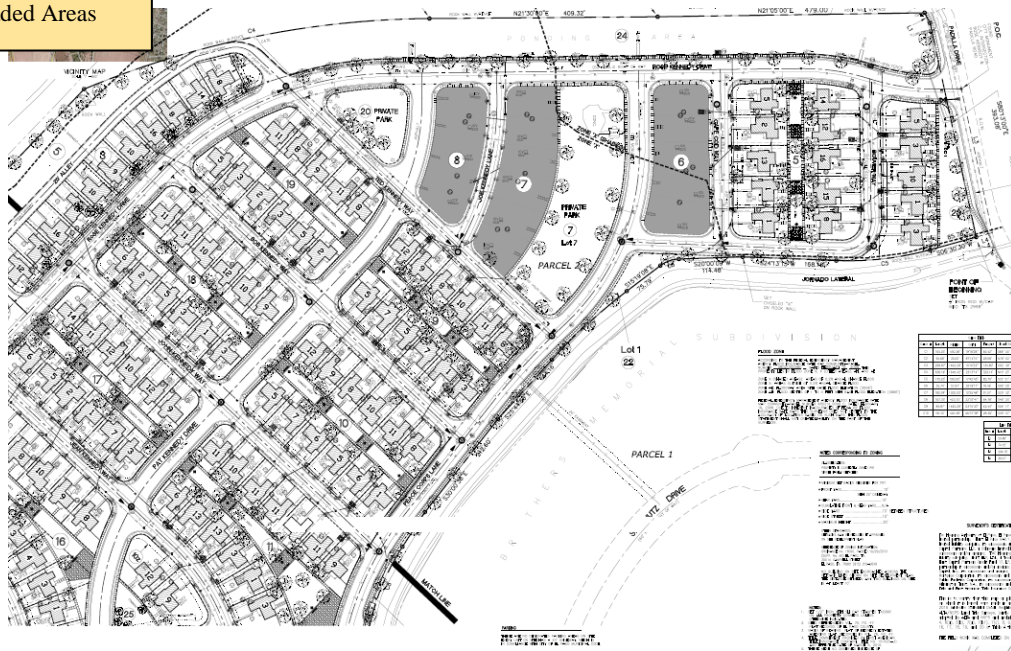
Parcel 1 – 29.467 Acres



Material Alterations as defined in Texas Government Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)
Cost Certification Submission Parcel 2

Single Family Homes
 Grey Shaded Areas

Parcel 2 – 25.517 Acres



Staff has reviewed the original Application against this amendment request and has concluded that the change described above would not have affected the award. The final tax credit recommendation will be determined upon finalization of the cost certification review process.

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



Housing Authority of the City of El Paso

July 14, 2020

Mark Fugina
Asset Manager
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78711-3941

RE: Request For Material Amendment To Application – Kennedy Brothers Community

Dear Mr. Fugina,

The purpose of this correspondence is to request a Material Amendment to the Kennedy Brothers Community (Kennedy) Low Income Housing Tax Credit (LITHC) application in order to correct a survey-related deficiency that was identified during the Kennedy's Cost Certification. The survey submitted at the time of application and subsequently used at underwriting indicated 63.35 net acres (see **Attachment A – Application/Underwriting Survey**). The survey that was sent as part of the Cost Certification shows 54.984 net acreage, which is significantly lower than the 63.35 at Application. This creates a noncompliant density issue, since it exceeds the allowed 5% residential density, which requires the requested Amendment to the Application.

Application Amendment Requested

In order to correct the abovementioned deficiency, HACEP is requesting that the following change be made to the Kennedy Application:

- Change the net acreage from 63.35 to 54.984 on Part 2 Tab 11, Site Information Form Part III of the Kennedy LITHC Application.

The error was made in calculating the areas on the initial survey in both the gross areas of both parcels and the excluded areas. The combined difference of the gross areas of both parcels is 0.522 acres. The combined difference of the excluded areas (save and excepts) is 7.844 acres of which 7.371 acres is in parcel 2, the single-family homes. Our analysis indicates that in the original calculation of the net area, the surveyor failed to exclude certain areas deeded by HACEP in prior years to the City of El Paso. These errors were corrected in the final survey (see **Attachment B – Final Survey**). However, this Material Amendment will not have a financial impact on the development as it does not change any financial sources, terms, conditions, or amounts of financing nor does it change the legal description of the property.

The corresponding \$2,500 amendment fee will be sent to TDHCA via Electronic Funds Transfer.

Respectfully,

DocuSigned by:

Satish Bhaskar

E7E236375129451

Satish Bhaskar

CFO & Executive Vice President



BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Vineyard on Lancaster (HTC #17028/19702)

RECOMMENDED ACTION

WHEREAS, The Vineyard on Lancaster (the Development) received an award of 9% Housing Tax Credits (HTCs) and a Multifamily Direct Loan (MFDL) from the National Housing Trust Fund (NHTF) in 2017 for the new construction of 104 multifamily units designated for supportive housing in Fort Worth, Tarrant County;

WHEREAS, The Vineyard on Lancaster, LP (the Development Owner or Owner) requests approval for a reduction in the Common Area from 12,138 to 11,751 square feet, representing a reduction of 3.19% or 387 square feet from the original designs represented at Application;

WHEREAS, Board approval is required for a reduction of three percent or more in the square footage of the common areas as 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;

WHEREAS, the amendment request also identifies minor changes, such as an increase of 0.43% in the Net Rentable Area (NRA) from 78,956 to 79,296 square feet and a reduction in the number of parking spaces from 97 to 96 spaces, which are deemed Notification Items under 10 TAC §10.405(a)(2)(B) and (C); 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

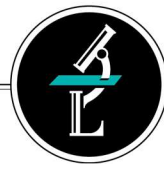
RESOLVED, that the requested amendment for The Vineyard on Lancaster is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)) and Notification Items under 10 TAC 10.405(a)(2)(B) and (C)			
Building B:		Building B:	
Corridors/Lobbies/Restrooms	4,621	Corridors/Lobbies/Restrooms	4,406
Laundry	498*	Laundry	433*
Social Services	176*	Social Services	154*
Leasing/Security Offices	272*	Leasing/Security Offices	232*
Building Systems Closets	541	Building Systems Closets	490
Community Room	<u>1,143*</u>	Community Room	<u>1,039*</u>
	7,251		6,754
Total Common Area	12,138	Total Common Area	11,751 -387 3.19%
*Areas represent the 2,089 square feet reported in the underwriting report		*Revised areas total 1,858 square feet, a reduction of 231 square feet or 11.06% from the areas reported in the underwriting report	
Net Rentable Area	78,956 s.f.	Net Rentable Area	79,296 s.f. +340 s.f. 0.43% increase
Total Parking Spaces	97	Total Parking Spaces	96 -1 decrease

The reduction to the Common Area is a material amendment under Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D).

Staff has determined that the proposed changes noted above would not have impacted the scoring of the Application or the funding recommendation.

Staff recommends approval of the amendment request as presented herein.



July 29, 2020

Via Email

Lee Ann Chance, Asset Manager (Region 3) – leeann.chance@tdhca.state.tx.us

Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78701

Re: Material Amendment Request;
TDHCA Application #17028/19702 – The Vineyard on Lancaster, Fort Worth, Texas;

Dear Ms. Chance,

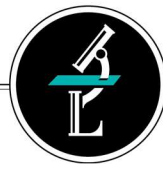
On behalf of The Vineyard on Lancaster, LP and The Vineyard on Lancaster GP, LLC, we are writing to request an amendment to application #17028/19702, The Vineyard on Lancaster apartments, a 104-unit development located in Fort Worth, Texas. We are requesting the following changes to the site plan as submitted in the tax credit application:

1. The unit net rentable area (“NRA”) reflected at application was 78,956 square feet. (see Exhibit A), and unit NRA reflected in the As-Built site plan is 79,296 square feet. (see Exhibit B). This represents a net increase of 0.43% in unit NRA.
2. The common area reflected at application was 12,138 square feet (see Exhibit A), and the common area reflected in the As-Built site plan is 11,751 square feet (see Exhibit B). This represents a net decrease of 3.19% in common area square feet.
3. The total parking spaces reflected at application was 97 (see Exhibit A), and the total parking spaces reflected in the As-Built site plan is 96 (see Exhibit B). This represents a 1.03% decrease in total parking spaces.

It should be noted that these aforementioned changes had no financial impact on the overall cost of the development. The reason and good cause for the changes in this amendment request is these changes are the direct result of correcting the previous representations made at application to align with TDHCA’s guidelines for measurement of NRA. These changes were unforeseeable because the error in calculating NRA was only realized during the process of compiling documentation for TDHCA at the completion of construction.

It should also be noted that the methodology of calculating the total parking spaces did not change, as this is directly tied to the local zoning requirement (MU-2). The reduction to 96 total parking spaces still complies with MU-2 zoning requirements, and the updated parking calculation can be found on the first page of Exhibit B.

Please also find attached a copy of a check in the amount of \$2,500 to process the amendment request.



If you have any questions or would like to discuss these items further, please do not hesitate to contact me directly at (512) 785-3710 or via email at lora@betcohousinglab.com any time.

Sincerely,

Lora Myrick, Principal
BETCO Consulting, LLC

CC: Michael Beard, Rosalio Banuelos, Don Shisler, Beverly Lewis, Ellen Rourke, Joe Bloodworth

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Palladium Farmersville (HTC #18069)

RECOMMENDED ACTION

WHEREAS, Palladium Farmersville (the Development) received a 9% Housing Tax Credit (HTC) award in 2018 to construct 80 multifamily units in Farmersville, Collin County;

WHEREAS, Palladium Farmersville, Ltd. (the Development Owner or Owner) requests approval for a reduction in the Common Area from 3,394 to 2,965 square feet, a reduction of 12.64% or 429 square feet from the original design represented at Application;

WHEREAS, Board approval is required for a reduction of three percent or more in the Common Area as 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;

WHEREAS, the Owner has also identified modifications to the site design plan represented at Application that are considered Notification Items under 10 TAC §10.405(a)(2)(B) and (D); 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

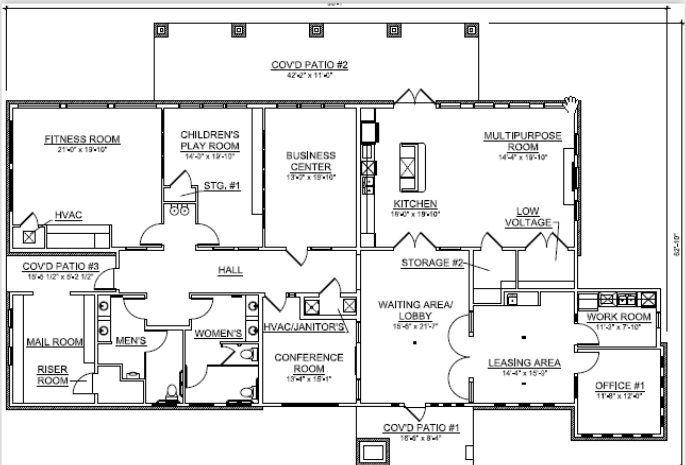
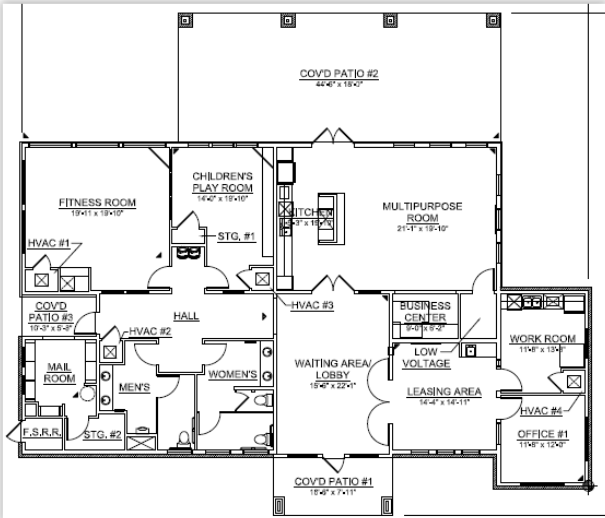
RESOLVED, that the requested material amendment to the Application for Palladium Farmersville is approved as presented to this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Palladium Farmersville received a 9% HTC award in 2018 for the new construction of 80 multifamily units, of which 53 are HTC units, in Farmersville, Collin County. On July 29, 2020, Cody J. Hunt, the the Owner’s representative, submitted a request for approval of a material amendment to the Application. The request is for approval of a 12.64% reduction to the Common Area from 3,394 to 2,965 square feet, a reduction of 429 square feet. The Owner provided a letter from the architect that states the size of the clubhouse was reduced because the original size was determined to be too large for an 80-unit project. The areas reduced were the business center, mailroom, and fitness room, but these reductions did not affect the amenities or services represented in the Application. The Owner states that the changes were made during the permit review phase, and therefore, were not reasonably foreseeable at the time the Application was submitted.

The Owner identified other changes to the site plan that are considered Notification Items under 10 TAC §10.405(a)(2)(B) and (D). Specifically, vehicular access gates with a call box system and perimeter fencing were not built due to comments from the City of Farmersville stating that they recommended removing these amenities in order to leave the Development pedestrian friendly. However, the Owner was able to use the cost savings for the removed amenities to add the following amenities: a dog park, a pergola with a grill, another grill located by the clubhouse, and 59 carports that are free to the tenants. The change to the parking results in an increase from 170 to 171 spaces.

The following table identifies the changes to the Application:

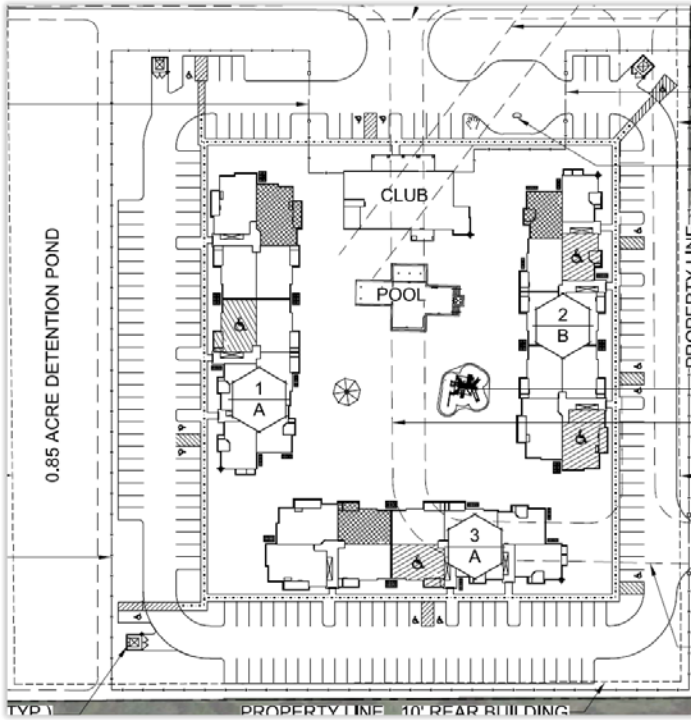
Material Alterations as defined in Tex. Gov’t Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D) and Notification Items under 10 TAC 10.405(a)(2)(B) and (D)	
Application	Amendment
<p>Common Area: 3,394 s.f.</p> 	<p>Common Area: 2,965 s.f., a 429 s.f. or 12.64% reduction</p> 

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D) and Notification Items under 10 TAC 10.405(a)(2)(B) and (D)

Parking Spaces:

Total parking spaces provided: 170

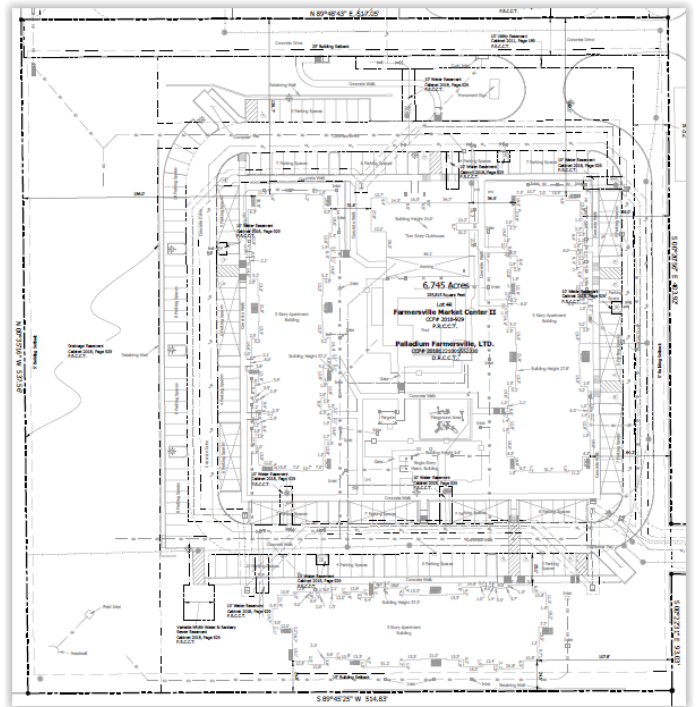
Original site plan:



Parking Spaces:

Total spaces provided 171 – an increase of one space

As-Built Survey:



The amendment does not materially alter the Development in a negative manner and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Development Owner has complied with the amendment requirements under 10 TAC §10.405(a).

Staff recommends approval of the amendment request as presented herein.



Texas Department of Housing and Community Affairs
Attn: Lee Ann Chance
221 E. 11th Street
Austin, TX 78701

RE: 18069 Palladium Farmersville - Clubhouse Square Footage Reduction

Dear Ms. Chance,

During the application phase of Palladium Farmersville, plans were submitted showing 3,394 square feet of common area space. However, at construction completion there was 2,965 square feet of common area space. This change represents an approximate 13% reduction in the common area space, which is a material modification from the original application as the reduction is greater than 3%. We request that this modification be approved as the reduction does not materially alter the Project in a negative manner, impact the scoring of the Application, significantly affect the total development costs, or affect the tax credit allocation awarded. Additionally, no amenities or services were changed due to the reduction in the square footage.

We have provided a letter from the Architect of the Project detailing the reason for the change and why the change was considered necessary. The square footage was reduced in order to properly service an eighty-unit development as the size of the common area included with the application was considered too large for the development. As detailed in the letter from the Architect, changes were made after application submittal during the permit review phase to better service all tenants with respect to requirements from the City and TDHCA and could not have been reasonably foreseen at the time of submittal.

If you have any questions, please do not hesitate to contact me.

Thanks and Best Regards,

Cody J. Hunt, CPA
Palladium USA International, Inc.



July 28, 2020

Palladium USA, Inc.

Scott Johnson
13455 Noel Road, Suite 1000
Dallas, Texas 75240

RE: Clubhouse Reduction

Mr. Scott Johnson,

The clubhouse reduction included several changes during the construction documents phase after the time of the TDHCA submittal made in February 2018. Reasons for the changes were due to the size of the project with eighty tenants as the previous plan included spaces that were too large for the development. The changes included:

- **Business Center**
 - The previous size was deemed too large for the total amount of tenants on the site. We felt it was okay to reduce the size while meeting the requirements presented by TDHCA.
- **Mailroom**
 - This occurred once the total amount of mailboxes was finalized and during the permit review phase, we received a comment to have the fire riser closet relocated to allow for access from the exterior.
- **Fitness Room**
 - The fitness room decreased in size in width following the adjustment made to the mailroom size.

Should you have any further questions, please feel free to contact me.

Thanks,

A handwritten signature in blue ink that reads "Michael Delgado". The signature is stylized and cursive.

Michael Delgado
Cross Architects

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Lakeridge Villas (HTC #19214)

RECOMMENDED ACTION

WHEREAS, Lakeridge Villas (the Development) received an award of 9% Housing Tax Credits (HTCs) and a Multifamily Direct Loan (HOME) in 2019 for the construction of 48 new multifamily units of elderly housing in Ennis, Ellis County;

WHEREAS, Lakeridge Villas 19, LP (the Applicant) requests approval for a material amendment to the Application for a 43.21% modification of the residential density due to a dedication of 3.1 acres to the City of Ennis that results in a reduction in the site acreage from 10.274 to 7.174 acres;

WHEREAS, Board approval is required for a modification of the residential density of at least 5%, as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Applicant 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 HOME award or the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment Lakeridge Villas 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

Lakeridge Villas received in 2019 a 9% HTC award in the amount of \$615,059 annually and a HOME Multifamily Direct Loan (MFDL) award in the amount of \$3.4M to construct 48 units of elderly housing in Ennis, Ellis County. In a letter dated July 9, 2020, Corey Farmer, the representative for the Applicant, requested approval for material amendment to the Application. In the request, the Applicant is seeking approval to dedicate 3.1 acres of the original 10.274- acre

site to the City of Ennis (the City). The Applicant explained that during the platting and permitting process, they were made aware of the City's Park Land Dedication and Development Ordinance that was not previously mentioned during their conversations with the City prior to submitting the Application. The Park Land Dedication and Development Ordinance requires a Developer that proposes a new development within the city limits to either dedicate land to the City commensurate to the size and scope of the proposed project or pay a fee in lieu of the land dedication that is calculated based on the size and scope of the project. For the Development, the City determined that the fee would be \$39,252.64. The Applicant states that for this 48-unit project, the fee would have a significant impact to the budget. Therefore, the Applicant has negotiated an Agreement with the City to dedicate 3.1 acres in lieu of the fee. The dedicated land will not impact the project because it was identified in the Application as an undeveloped section of the original site plan. Additionally, the Applicant states that based on the requirements specified in the ordinance, the dedicated land can only be used for city parks or recreational areas as outlined in the City's Parks Master Plan. If the City does not convert the land into a park, the land will remain a maintained greenbelt. However, if the City does proceed with developing the 3.1 acres into a park, the tenants of the Development would have the benefit of convenient access to a park adjacent to the Development.

The Applicant states that the dedication of the acreage will not affect the original site plan. The number of buildings, units, Net Rentable Area, and Common Area identified at Application will not change. However, the release of the 3.1 acres is a material amendment because the reduction from 10.274 to 7.174 acres results in a 43.21% increase in the residential density, going from 4.672 to 6.691 units per acre. Board approval is required for a modification of the residential density of at least 5%, as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F). The need for this amendment was not foreseeable because the Applicant was only recently made aware of the Park Land Ordinance by the City. The dedication of the land to the City will eliminate the \$39,252.64 Park Land Dedication fee. Also, the Applicant had no plans to develop the land, so the dedication to the City will allow it to either be converted into a park or to be maintained as a greenspace that will be available for use by the tenants.

Staff has determined that the proposed change would not have affected the Development in a negative manner and would not have impacted the scoring of the Application or the amount of the HTC and MFDL awards. Multifamily staff will evaluate based on the final costs submitted in conjunction with the MFDL Closing if another HOME unit is needed as a result of the reduction in HOME eligible costs.

Staff recommends approval of the amendment request as presented herein.



July 9, 2020

Lee Ann Chance
TDHCA Asset Mgt
221 East 11th Street
Austin, TX 78701

RE: 19214 Lakeridge Villas - Request for Application Amendment

Dear Ms. Chance,

The Lakeridge Villas development is located in Ennis TX. Recently, while working through the platting & permitting process with the City of Ennis, we were told of a new ordinance, that had not been previously shared with us during our conversations with the city leading up the application submission in March 2019. The City of Ennis now has in place a rather unique way of ensuring they maintain sufficient resources to put towards their overall Parks Master Plan as they continue to grow and see increased development in the area. They call it a Park Land Dedication and Development Ordinance.

The Park Land Ordinance applies to anyone proposing a new residential development within the city limits. The Developer is given the option of meeting the dedication requirements in one of two ways; 1) The Developer may dedicate actual physical land to the city commensurate to the size & scope of the proposed project, to be set aside for potential future park development, or 2) they may pay a fee in lieu of the land dedication. (The fee also being calculated based on the size & scope of the project).

The fee that was calculated for Lakeridge came out to nearly \$40K. For a small 48-unit LIHTC development, this would have been a significant hit to the budget. Fortunately, the approved site plan for Lakeridge already included a significant amount of excess green space, that we had proposed to simply leave as developed land. We have been working with the city on this for some time now and have come to a formally agreement to dedicate 3.1 acres of excess land to the City of Ennis.

What initially started as a significant hurdle for the project (\$40K fee), we now see as a significant benefit to the Lakeridge development. Those 3.1 acres might not be developed immediately, but, based on the requirements of the dedication ordinance, it could only be used for city parks & recs

purposes as outlined in the city's Parks Master Plan. Under the worst-case scenario, the land will remain a simple, but well maintained, green belt as initially planned. Best case, our future residents might have access to a fully developed city park right in their backyard.

There are a few pertinent items we would like to point out regarding this amendment request.

1. There will be no change to the "development" site plan that was approved in the Application, as a result of this Park Land Dedication.
2. There will be no change to the number, size, or layout of the residential buildings that make up the development.
 - o #1 & #2 above can be seen visually in the attached Exhibits 1A & 1B.
3. This change in the site plan would not affect any of the financial assumptions found in the Underwriting Report. It is our opinion; a re-underwriting of the project would not be necessary.
4. This change in the site plan would not affect any of the Financing Scoring items within the Application.
5. The only reason, we are required to submit for a Material Amendment for this item, is due to the fact that the change in overall site acreage, does in fact alter the residential density calculation by greater than the 5% threshold allowed.
 - o We do understand the reasoning for the need to evaluate changes in density after an application is approved. However, we feel that in this unique situation, the "true density" is not really changing at all, since the excess land in question will only be used as green space and/or future non-residential/non-commercial development activities through the City's Parks Dept.

Please find the following back-up documentation included with this request.

- Exhibit 1A – the Lakeridge site plan as approved in Application
- Exhibit 1B – the new lot split proposed by the city
- Exhibit 2 – a copy of the Park Land Ordinance wording
- Exhibit 3 – the Park Land Dedication Fee that was derived for Lakeridge

Please let us know if anything further is needed to facilitate this request.

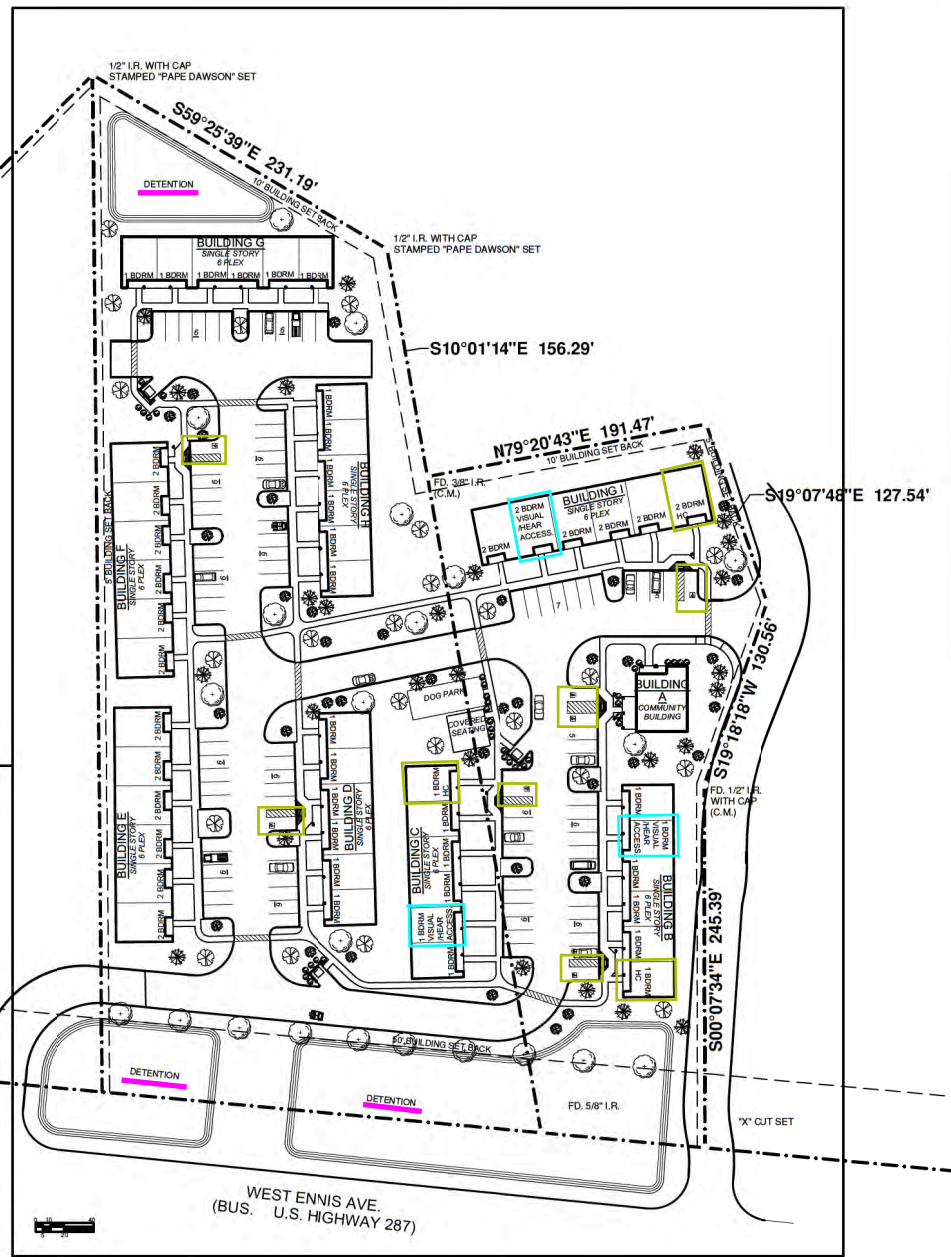
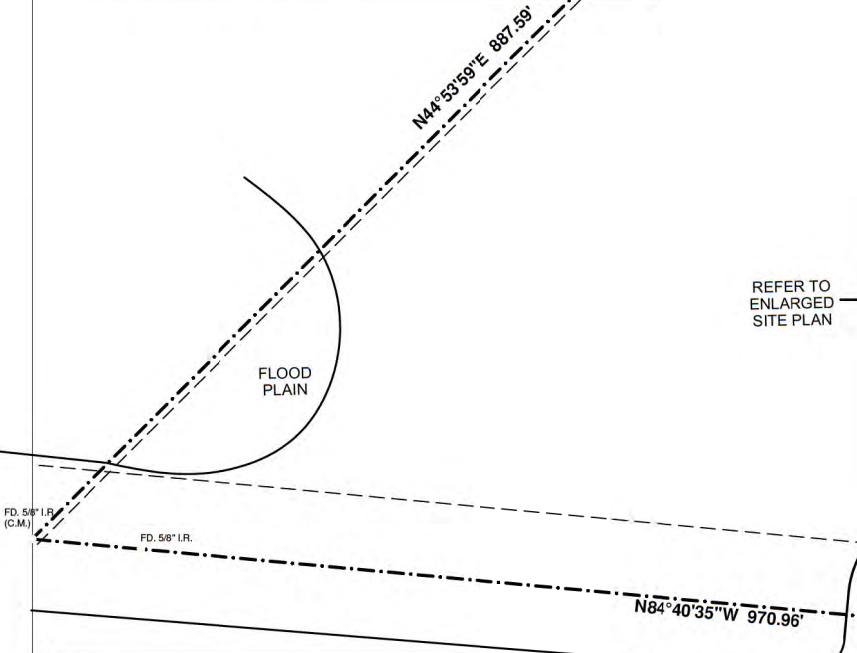
Regards,



Corey Farmer

Exhibit 1A

PARKING SPACES REQUIRED 48 UNITS x 2 SPACES = 96 (PROVIDED 96) REQUIRED COMMUNITY BUILDING (A) = 3 (PROVIDED 5) TOTAL PARKING SPACES PROVIDED = 101 SPACES 3 HC UNITS x 1 TENANT HC SPACES = 3 SPACES + 4 VISITOR HC SPACES + 1 VAN ACCESSIBLE SPACES 93 REGULAR SPACES TOTAL PARKING = 101 SPACES	
APARTMENT UNITS: TOTAL = 48 UNITS TWO BEDROOM UNITS: TOTAL = 18 *HC UNITS W/ VISUAL / HEARING ACCESSIBILITY = 1 *VISUAL / HEARING ACCESSIBILITY = 1 ONE BEDROOM UNITS: TOTAL = 30 *HC UNITS W/ VISUAL / HEARING ACCESSIBILITY = 2 *VISUAL / HEARING ACCESSIBILITY = 2 (NOTE: SEE PLANS FOR LOCATIONS)	
Total site area is 10.274 acres.	



NOTE:
 All routes on the site plan will be compliant, accessible routes, and as such will conform with all applicable guidelines found in the Fair Housing Design Manual.

1 OVERALL SITE PLAN
 SCALE: N.T.S.

BULLLEDGE & ASSOCIATES ARCHITECT
 7416 N. BROADWAY EXTENSION, OKLAHOMA CITY, OKLAHOMA 73116 (405) 846-2865 (405) 846-2865 fax info@bullledgearchitects.com
 DARRY K. BLACKLEDGE
 ARCHITECT

LAKERIDGE VILLAS
 2404 W. Ennis Ave.
 Ennis, TX

PROJECT No: 1902 DATE: REVISED:

SHEET 1 OF

SYMBOLS LEGEND			
REFER TO SURVEY (SV1) FOR EXISTING CONDITION SYMBOLS LEGEND AND SITE CONTROL.			
--- 597 ---	EXISTING GRADE LINES	NEW SPOT ELEVATIONS LIST	ABBREVIATION
— 597 —	PROPOSED NEW GRADE LINES		
[Pattern]	CONSTRUCTION EGRESS	GRADE	NONE
- - - -	PROPERTY BOUNDARY	SIDEWALK	SW
		TOP OF WALL	TW
[North Arrow]	TEMPORARY BENCHMARK: TBM IS A SQUARE CUT ON THE NORTHWEST CORNER OF A CONCRETE SIGN BASE AT THE SOUTHEAST CORNER OF SUBJECT PROPERTY. (REFER TO SURVEY FOR VERTICAL CONTROL)	TOP OF CURB	TC
		TOP OF PAVEMENT	PVT
		NEW GRADE	GD
		CONCRETE	CONC
		EXISTING TOP OF CURB	ETC
		EXISTING GRADE	EGD
		EXISTING PAVEMENT	EPVT
		EXISTING SIDEWALK	ESW
		FLOW LINE	FL
		TOP OF BERM	TOP

Exhibit 1B

GRADING PLAN: OVERVIEW

STAGES OF CONSTRUCTION:

- CONTRACTOR TO PERFORM DETAILED SITE INSPECTION TO LOCATE ALL EXISTING UTILITIES AND VERIFY ANY POSSIBLE CONFLICTS WITH PROPOSED IMPROVEMENTS PRIOR TO BEGINNING ANY CONSTRUCTION. CONTACT ENGINEER WITH ANY CONFLICTS.
- INSTALLATION OF EROSION CONTROL MEASURES.
- INSTALLATION OF ALL STORMWATER DRAINAGE IMPROVEMENTS.
- FINAL GRADING.
- PLACEMENT OF FINAL LANDSCAPING ITEMS AND SOD.
- REMOVAL OF EROSION CONTROL MEASURES.

SPECIAL NOTE:

CONTRACTOR SHALL FIELD VERIFY PROPOSED GRADES MATCH EXISTING PAVEMENT AT DRIVEWAY ENTRANCES, SIDEWALK CONNECTIONS, AND ALL CONNECTION POINTS PRIOR TO BEGINNING CONSTRUCTION. CONTRACTOR SHALL NOTIFY ENGINEER IF DISCREPANCY OCCURS.

SPECIAL NOTE:

CONTRACTOR TO PERFORM DETAILED SITE INSPECTION TO LOCATE ALL EXISTING UTILITIES AND VERIFY ANY POSSIBLE CONFLICTS WITH PROPOSED IMPROVEMENTS PRIOR TO BEGINNING ANY CONSTRUCTION. CONTACT ENGINEER WITH ANY CONFLICTS.

SPECIAL NOTE:

CONTRACTOR SHALL REPAIR AND/OR REPLACE ANY DAMAGED AREAS OF PAVEMENT DUE TO CONSTRUCTION ACTIVITIES.

CAUTION:

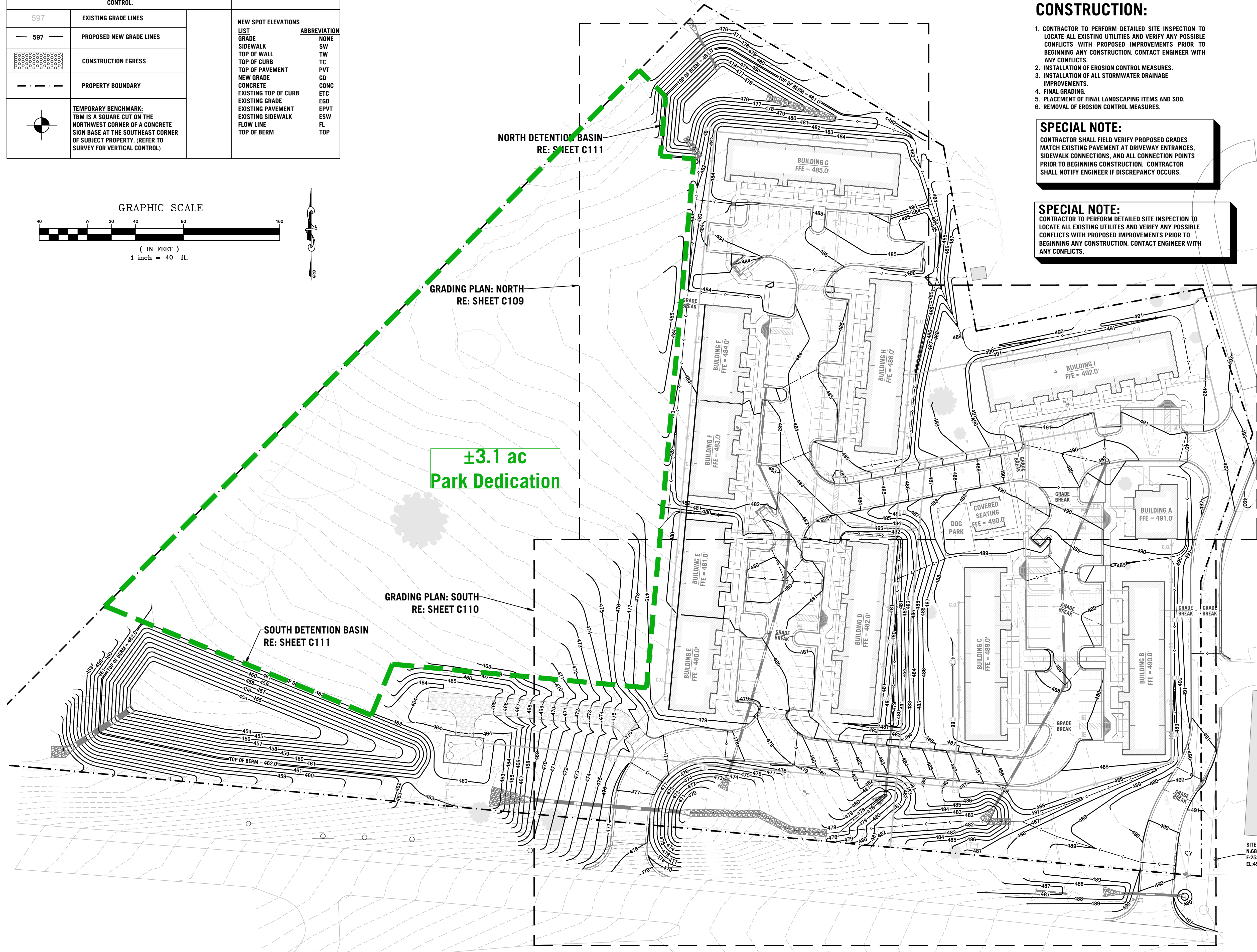
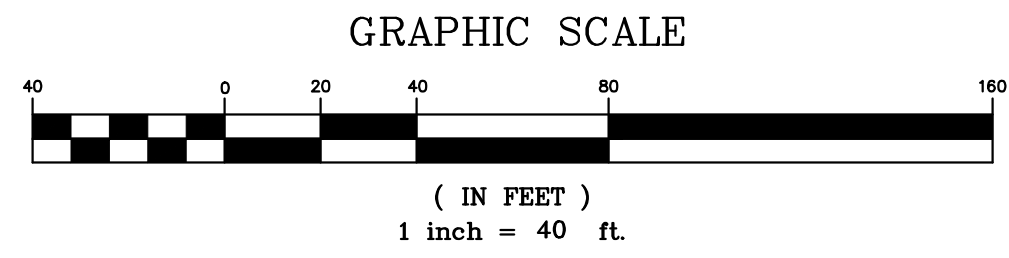
EXISTING SURFACE FEATURES, STRUCTURES, ETC. AND UNDERGROUND INSTALLATIONS SUCH AS WATER MAINS, GAS MAINS, SEWERS, TELEPHONE LINES, FIBER OPTIC LINES AND BURIED STRUCTURES ARE INDICATED ON THE DRAWING ONLY TO THE EXTENT SUCH INFORMATION HAS BEEN MADE AVAILABLE TO OR DISCOVERED BY THE SURVEYOR IN PREPARING THIS DRAWING. THERE IS NO GUARANTEE AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE CONTRACTOR IS RESPONSIBLE FOR MAKING HIS OWN DETERMINATION AS TO THE TYPE AND LOCATION OF UNDERGROUND AND OTHER UTILITIES AS MAY BE NECESSARY TO AVOID DAMAGE THERETO.

EROSION CONTROL SPECIAL NOTE:

CONTRACTOR SHALL INSTALL TEMPORARY EROSION CONTROL MEASURES THROUGHOUT & AROUND THE SITE AS NECESSARY TO LIMIT SEDIMENT WASHOUT AND TRACKING. RE: SHEET C104

BUILDING DOWNSPOUTS NOTE:

CONTRACTOR TO DIRECT RUNOFF FROM DOWNSPOUTS AWAY FROM THE BUILDING AND ENSURE POSITIVE DRAINAGE PATTERNS. RE: ARCHITECTURAL PLANS.



EARTHWORK NOTE:
REFER TO EARTHWORK NOTES ON SHEET C119.

SWPPP NOTE:
SWPPP SHALL BE UPDATED WEEKLY OR AFTER A MAJOR STORM EVENT IN ACCORDANCE WITH LOCAL REGULATIONS.

SWPPP NOTE:
A COPY OF THE SWPPP SHALL BE AVAILABLE FOR REVIEW AND VIEWING AT THE SITE AT ALL TIMES DURING CONSTRUCTION.

SIDEWALK NOTE:
ALL SIDEWALKS SHALL BE IN COMPLIANCE WITH ALL ADA REGULATIONS AND GUIDELINES.

EARTHWORK CUT NOTE:
EXCESS CUT TO BE SPREAD THROUGHOUT WEST HALF OF SITE TO THE NORTH OF THE DETENTION POND. CONTRACTOR TO MAINTAIN POSITIVE DRAINAGE WHILE LIMITING THE NEED FOR DISPOSAL OF SOIL OFF-SITE. COORDINATE W/ GEOTECHNICAL REPORT AND GRADING PLAN.



BLACKLEDGE & ASSOCIATES ARCHITECT
7416 N. BROADWAY EXTENSION, OKLAHOMA CITY, OKLAHOMA 73116 (405) 848-2852 fax: info@blackledgearchitects.com

LARRY K. BLACKLEDGE
ARCHITECT

The Professional Engineer's seal affixed to this sheet applies only to the material and items shown on this sheet. All drawings, instruments or other documents not exhibiting this seal shall not be considered prepared by this engineer, and this engineer expressly disclaims any and all responsibility for such plans, drawings, or documents not exhibiting this seal.

MO ANDERSON ENGINEERING
EMPLOYEE OWNED
ENGINEERS • SURVEYORS • LABORATORIES • DRILLING
911 LEANOR
ANDERSON COURT F-3704 • AARON HARGRAVE, PEI 135143
JOB NO. 191010053
DRAWING NO. JOP-100-5317

LAKERIDGE VILLAS
MARQUE REAL ESTATES CONSULTANTS
2406 WEST ENNIS AVENUE
ENNIS, TEXAS

PROJECT No. - DATE: JANUARY 28, 2020 REVISED:

SHEET
C108
OF
21

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Eisenhower II (HTC #19410)

RECOMMENDED ACTION

WHEREAS, Eisenhower II (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2019 for the acquisition and rehabilitation of 66 units of general population, multifamily housing in the City of El Paso in El Paso County;

WHEREAS, EP Eisenhower P3, LP (the Development Owner or Owner) is now requesting approval for a change in the unit mix, replacing two seven-bedroom/three-bathroom units with two five-bedroom/two-bathroom units, as the seven-bedroom units were originally proposed only to meet a reasonable accommodation that is no longer necessary;

WHEREAS, Board approval is required for a modification of the bedroom mix of units as directed in Tex. Gov't Code §2306.6712(d)(2) and 10 TAC §10.405(a)(4)(B), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application, 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 to the Application for Eisenhower II 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 Board's determination.

BACKGROUND

Eisenhower II (the Development) received an award of 4% Housing Tax Credits in 2019 for the acquisition and rehabilitation of 66 units of general population multifamily housing in the City and County of El Paso. The Development is owned by EP Eisenhower P3, LP with EPR3

Eisenhower P3 GP, LLC as its 0.005% General Partner owned by EP RAD-3 PFC, a nonprofit instrumentality of the Housing Authority of the City of El Paso (HACEP).

In a letter dated July 20, 2020, Janna Cormier, the Owner's representative, requested approval for a bedroom change for two units in the Development. Under the originally proposed unit mix, two existing six-bedroom units would be converted into two seven-bedroom units to accommodate the needs of a specific family. However, HACEP was able to locate suitable housing for this family at another property, thus eliminating the need for seven-bedroom units. The Owner is now requesting to replace the two seven-bedroom/three-bathroom units with two five-bedroom/two-bathroom units to better meet market demand. The Owner submitted documentation demonstrating that HUD has approved this change. The proposed Net Rentable Area (NRA) of each of these two units is decreasing from 1,721 square feet to 1,496 square feet; therefore, the change will result in a reduction of less than 1% to the total NRA, going from 55,591 to 55,141 square feet, which falls below the 3% reduction threshold requiring board approval. However, the modification of the bedroom mix of units requires approval by the Board under Tex. Gov't Code §2306.6712(d)(2) and 10 TAC §10.405(a)(4)(B).

Due to a reasonable accommodation to meet a specific family need at the time of Application that has now been satisfied elsewhere, the proposed change was not foreseeable or preventable by the Owner. The Owner representative stated that the proposed change is necessary because there is not a market for the seven-bedroom units. The Owner also indicated that the good cause for the change is that the five-bedroom units will house larger families without over-housing or remaining vacant due to limited demand.

Staff has determined that the proposed change would not have affected the Development in a negative manner and would not have impacted the scoring of the Application or the HTC award.

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

July 20, 2020

Karen Treadwell
Asset Management Division
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

RE: LIHTC #19410 – Eisenhower II

Dear Ms. Treadwell,

EP Eisenhower P3, LP is seeking approval of a bedroom change for two units in the Eisenhower II development.

At the time of application, EP Eisenhower P3, LP was trying to make a reasonable accommodation for a family in need of 7 bedroom unit. The two existing 6 bedroom units were proposed as converting to 7 bedroom units to house this particular family. During the development process, HACEP was able to find housing for this family at another property, and did not wish to proceed with the 7 bedroom units, as there is really no market for this unit type. Instead, the two 6 bedroom units were converted to 5 bedroom units.

EP Eisenhower P3, LP is requesting approval to change the bedroom mix of the two 7 bedroom units proposed in the application to two 5 bedroom units.

The change is necessary as there is not market for the 7 bedroom units, outside of the specific family they were proposed to house. The change is for a good cause because the 5 bedroom units will house larger families, without over-housing or remaining vacant due to limited demand.

The need for the change was not foreseeable or preventable at the time of application, because at the time of application the units were proposed to house a specific family, who has since found other accommodation.

EP Eisenhower P3, LP is preparing to originate the LURA process for Eisenhower II, and would therefore like to have the revised unit mix approved prior to drafting the LURA.

EP Eisenhower P3, LP is also preparing for Final Construction Inspection and Cost Certification. A full update of the Sources and Uses will be provided at Cost Certification.

The \$2,500 Amendment Fee is being mailed to your attention.

Please let me know if you have any questions or comments regarding this Amendment Request.

Sincerely,

Janna Cormier

Attachments:

Amendment Request Cover Sheet

Revised Application Exhibits

- Building Unit Type Configuration Schedule
- Rent Schedule
- Revised CHAP
- Revised building/unit plans and elevations (single family dwelling)

COMMON AMENITIES

NUMBER OF UNITS	66	SELECTED COMMON AMENITIES	PTS.
		1. TWO (2) COVERED TOT LOTS	4
REQUIRED POINTS	7	2. HORSHOE PIT, PUTTING GREEN OR SHUFFLEBOARD COURT, VIDEO GAME CONSOLE(S) WITH A VARIETY OF GAMES AND DEDICATED LOCATION ACCESSIBLE TO ALL TENANTS TO PLAY SUCH GAMES	1
		3. BICYCLE PARKING THAT ALLOWS FOR, AT A MINIMUM, 1 BICYCLE FOR EVERY 5 UNITS, WITHIN REASONABLE PROXIMITY TO EACH RESIDENTIAL BUILDING THAT ALLOWS FOR BICYCLES TO BE SECURED WITH LOCK (LOCK NOT REQUIRED TO BE PROVIDED TO TENANT)	1
		4. BBQ GRILLS AND PICNIC TABLES	1
TOTAL			7

UNIT TYPE MATRIX

UNIT LABEL	BLDG. TYPE	BDRM	BATH	NET S.F.	GROSS S.F.	TOTAL # OF UNITS	TOTAL NET SF	TOTAL GROSS SF
2 BDRM	A	2	1	613	762	20	12,260	15,240
2 BDRM - ADA	AB ADA	2	1	857	1026	2	1,714	2,052
3 BDRM	B / AB ADA	3	1	854	1019	23	19,642	23,437
3 BDRM - ADA	B ADA	3	1	844	988	3	2,532	2,964
4 BDRM	C	4	1.5	1000	1182	15	15,000	17,730
4 BDRM - ADA	C / C ADA	4	1.5	1001	1174	1	1,001	1,174
5 BDRM	D	5	2	1496	1587	1	1,496	1,587
5 BDRM - ADA	D / D ADA	5	2	1496	1587	1	1,496	1,587
TOTALS						66	55,141	64,341

PROJECT AND ACCESSIBILITY OVERVIEW

EXISTING		2 BR	3 BR	4 BR	5 BR	6 BR	7 BR
TOTAL NO. OF UNITS	66	21	27	16	0	2	0
TOTAL NO. OF ACCESSIBLE UNITS	5	1	3	1			
ACCESSIBLE UNIT NO.		20A	29, 46A, 52A	31			
POST CONSTRUCTION		2 BR	3 BR	4 BR	5 BR	6 BR	7 BR
TOTAL NO. OF UNITS	66	22	26	16	2	0	0
TOTAL NO. OF ACCESSIBLE UNITS	7	2	3	1	1		
ACCESSIBLE UNIT NO.		20A, 56	29, 46A, 52A	31	26		
TOTAL NO. OF AV UNITS		1	1	1			
AV UNIT NO.		42	49	44			



123 W. Mills Avenue
El Paso, TX 79901
p 915.533.SITU (7488)
www.insituarc.com

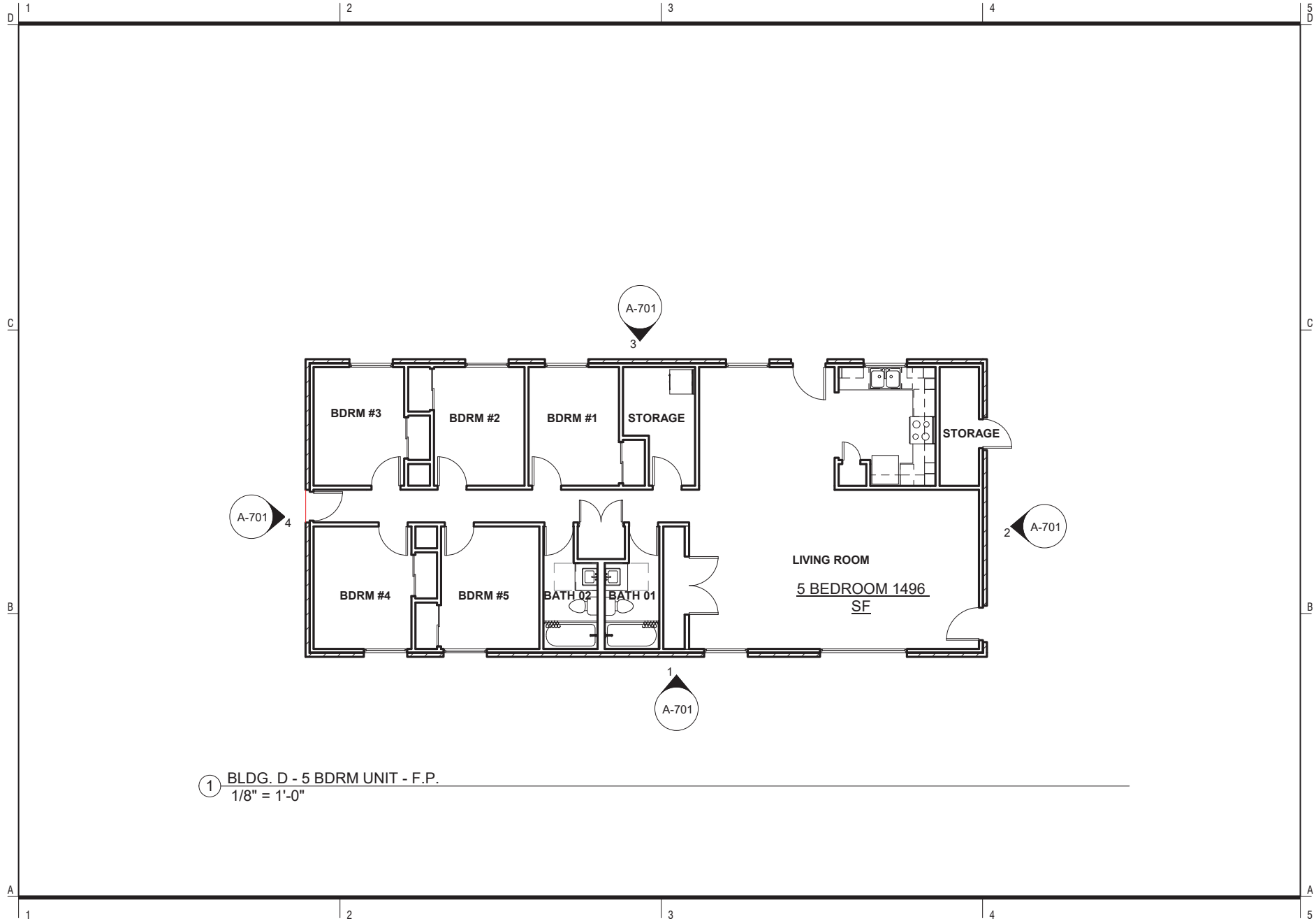
EISENHOWER
5628 Eisenhower
El Paso, Texas 79924

Housing Authority City of El Paso

PROJECT
OVERVIEW

G-100

6/25/2020 11:31:29 AM



① BLDG. D - 5 BDRM UNIT - F.P.
1/8" = 1'-0"

in*situ
ARCHITECTURE

123 W. Mills Avenue
El Paso, TX 79901
p 915.533.SITU (7488)
www.insituarc.com

EISENHOWER

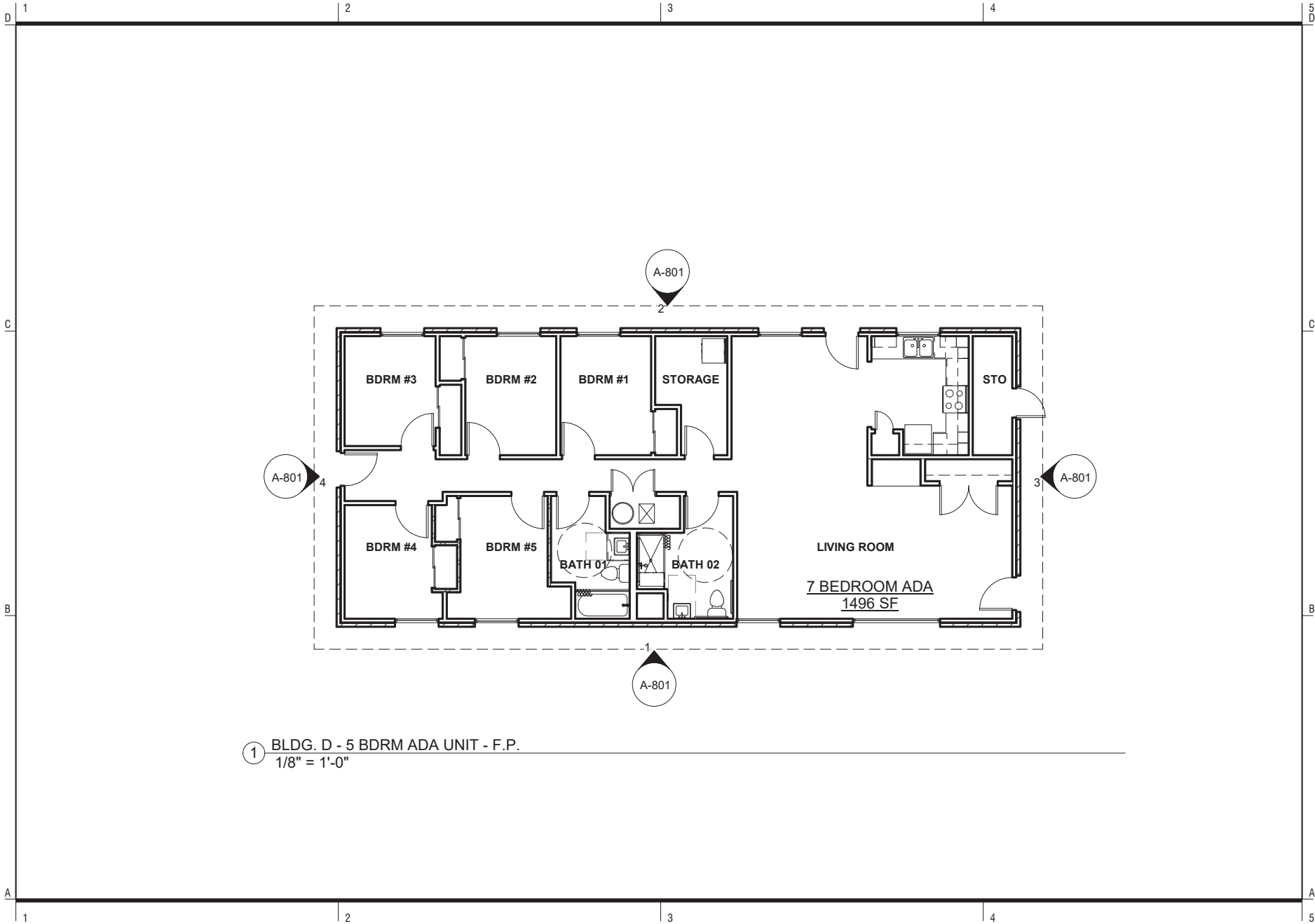
5628 Eisenhower
El Paso, Texas 79924

Housing Authority City of El Paso

BLDG. D - 5
BEDROOM UNIT

A-700

6/25/2020 11:31:28 AM



① BLDG. D - 5 BDRM ADA UNIT - F.P.
 1/8" = 1'-0"

in*situ
 ARCHITECTURE

123 W. Mills Avenue
 El Paso, TX 79901
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EISENHOWER

5628 Eisenhower
 El Paso, Texas 79924

Housing Authority City of El Paso

BLDG. D - ADA 5
 BEDROOM UNIT

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6/25/2020 11:31:29 AM

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BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Columbia Luxar Townhomes (HTC #97167)

RECOMMENDED ACTION

WHEREAS, Columbia Luxar Townhomes (the Development) received a 9% Housing Tax Credit (HTC) award in 1997 to construct 125 multifamily units in Dallas, Dallas 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, Kiest Townhomes, L.P. (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 Columbia Luxar Townhomes 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

Columbia Luxar Townhomes received a 9% LIHTC award in 1997 for the new construction of 125 multifamily units in Dallas, Dallas County. In a letter dated July 24, 2020, Noel F. Khalil, the representative for the Development Owner, Kiest Townhomes, L.P., requested approval to amend the HTC LURA related to the ROFR provision.

In 1997, 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 for Low-Income Housing Credits recorded in Nueces County on December 27, 2000.

The additional use restrictions in the current HTC LURA require, among other things, a two-year ROFR to sell the Development to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)) or to a tenant organization, if at any time after the 15th year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 21st year of the 40-year Extended Use 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 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 telephonic public hearing on the matter on August 11, 2020. No public comment was received regarding the requested amendment.

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

KIEST TOWNHOMES, L.P.
3120 Guadalupe Avenue
Dallas, Dallas County, Texas 75233

July 24, 2020

VIA ELECTRONIC DELIVERY

Ms. Lee Ann Chance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 97167; Columbia Luxar Townhomes (the "**Property**")

Dear Ms. Chance:

The undersigned, being the General Partner (herein so called) of Kiest Townhomes, L.P., a Texas limited partnership and the current owner of the Property (the "**Partnership**"), is submitting this letter, on behalf of the Partnership, 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 Partner, acting on behalf of the Partnership, requests 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.

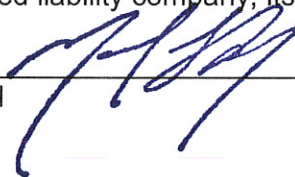
Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

KIEST TOWNHOMES, L.P.,
a Texas limited partnership

By: Columbia Luxar, LLC.
a Texas limited liability company, its General Partner

By: _____
Name: Noel F. Khalil
Title: Manager



BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Cathy's Pointe (HTC #05097)

RECOMMENDED ACTION

WHEREAS, Cathy's Pointe (the Development) received a 9% Housing Tax Credit (HTC) award in 2005 to construct 120 multifamily units in Amarillo, Potter 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, Cathy's Pointe, Ltd., the Development 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 Cathy's Pointe 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

Cathy's Pointe received a 9% LIHTC award in 2005 for the new construction of 120 multifamily units (all of which are HTC designated) in Amarillo, Potter County. In a letter dated July 24, 2020, the Development Owner, Cathy's Pointe, Ltd. (Mark S. Moorhouse), requested approval to amend the HTC LURA related to the ROFR provision.

In 2005, the Housing Tax Credit application allotted one point 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 Potter County on May 29, 2008.

The additional use restrictions in the current HTC LURA 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 Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to 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 Development is currently in the 13th year of the Compliance Period. 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 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 as amended, an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's 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 telephonic public hearing on the matter on July 27, 2020. There were no attendees, and no public comment was received regarding the requested amendment.

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

CATHY'S POINTE
2701 North Grand St.
Amarillo, Potter County, Texas 79107

July 24, 2020

VIA HAND DELIVERY

Mr. Rene Ruiz
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 05097; Cathy's Pointe (the "**Property**")

Dear Mr. Ruiz,

The undersigned, being the General Partner (herein so called) of Cathy's Pointe, Ltd., a Texas limited partnership and the current owner of the Property (the "**Partnership**"), is 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 Partner, acting on behalf of the Partnership, requests 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.

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

Sincerely,

CATHY'S POINTE, LTD.,
a Texas limited partnership

By: Amarillo Leased Housing Associates GP I, LLC a
Texas limited liability company,
its general partner

By: 

Name: Mark S. Moorhouse

Title: Vice President

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Madison Pointe (HTC #05099)

RECOMMENDED ACTION

WHEREAS, Madison Pointe (the Development) received a 9% Housing Tax Credit (HTC) award in 2005 to construct 76 multifamily units in Cotulla, La Salle 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, MM Pointe, Ltd., the Development 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 Madison Pointe 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

Madison Pointe received a 9% LIHTC award in 2005 for the new construction of 76 multifamily units in Cotulla, La Salle County. In a letter dated July 24, 2020, the Development Owner, Madison Pointe, Ltd. (Mark S. Moorhouse), requested approval to amend the HTC LURA related to the ROFR provision.

In 2005, the Housing Tax Credit application allotted one point 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 La Salle County on May 29, 2008.

The additional use restrictions in the current HTC LURA 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 Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to 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 Development is currently in the 13th year of the Compliance Period. 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 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 as amended, an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's 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 telephonic public hearing on the matter on July 27, 2020. No public comment was received regarding the requested amendment.

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

MADISON POINTE
200 Mars Drive
Cotulla, La Salle County, Texas 78014

July 24, 2020

VIA HAND DELIVERY

Mr. Kent Bedell
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 05099 & 08032; Madison Pointe (the "**Property**")

Dear Mr. Bedell,

The undersigned, being the General Partner (herein so called) of MM Pointe, Ltd., a Texas limited partnership and the current owner of the Property (the "**Partnership**"), is 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 Partner, acting on behalf of the Partnership, requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

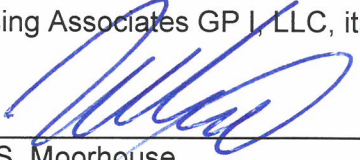
In accordance with Section 10.405(b) of the Rules, the Partnership, is delivering a fee in the amount of \$2,500.00. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, and lenders. The Partnership will proceed to set a date 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.

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

Sincerely,

MM POINTE, LTD.,
a Texas limited partnership

By: Cotulla Leased Housing Associates GP I, LLC, its general partner

By: 
Name: Mark S. Moorhouse
Title: Vice President

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BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Trust Fund Affordable Housing Match Program Application and Land Use Restriction Agreement for Temenos Place Apartments II (HTF #1001336)

RECOMMENDED ACTION

WHEREAS, Temenos Place Apartments II (the Development) received a \$125,000 Housing Trust Fund Affordable Housing Match Program Contract (HTF Match Contract) in 2011 for the construction of 80 units of multifamily housing in Houston, Harris County;

WHEREAS, Temenos Community Development Corporation (the Development Owner or Owner) executed a Land Use Restriction Agreement (LURA) on August 8, 2011, to restrict all 80 units for Low Income Families earning no more than 80% of the area median income for a term of 20 years;

WHEREAS, the Texas Department of Transportation (TxDOT) will now be acquiring the Development and the land through eminent domain for the purpose of expanding the roadway located in front of the Development;

WHEREAS, the current Development will have to be demolished, and the Development Owner, in cooperation with The NHP Foundation, will construct a replacement 95-unit building, on a different site, in which the current tenants will be provided replacement housing with the right of first refusal and assistance with all moving/relocation costs in compliance with the Uniform Relocation Act (URA);

WHEREAS, the Development Owner has entered into an early buy-out contract with TxDOT to allow the Development to operate as-is, leaving current tenants in place until March 30, 2024, or if earlier, when the replacement development is completed;

WHEREAS, the Development Owner requests approval to amend and release the LURA as to TxDOT, to enter into a temporary agreement to restrict the use of the units as-is, and to impose a new LURA on the replacement development for the remaining term of the original 20-year LURA once the construction of the proposed redevelopment site is completed and the residents have been relocated;

WHEREAS, Board approval is required for a significant modification of the site plan, a modification of the number of units or bedroom mix of units, a significant modification of the architectural design of the development, a modification of the residential density of the development of at least five percent, and for any other amendment deemed material by the board or staff, as directed in Tex. Gov't Code §2306.6712(d) and 10 TAC §10.405(a)(4) and 10 TAC §10.405(b)(2)(G), and the Owner has complied with the amendment requirements therein, including holding a public hearing; and

WHEREAS, the requested changes are beyond the control of the Development Owner and could not have been reasonably foreseeable or preventable;

NOW, therefore, it is hereby

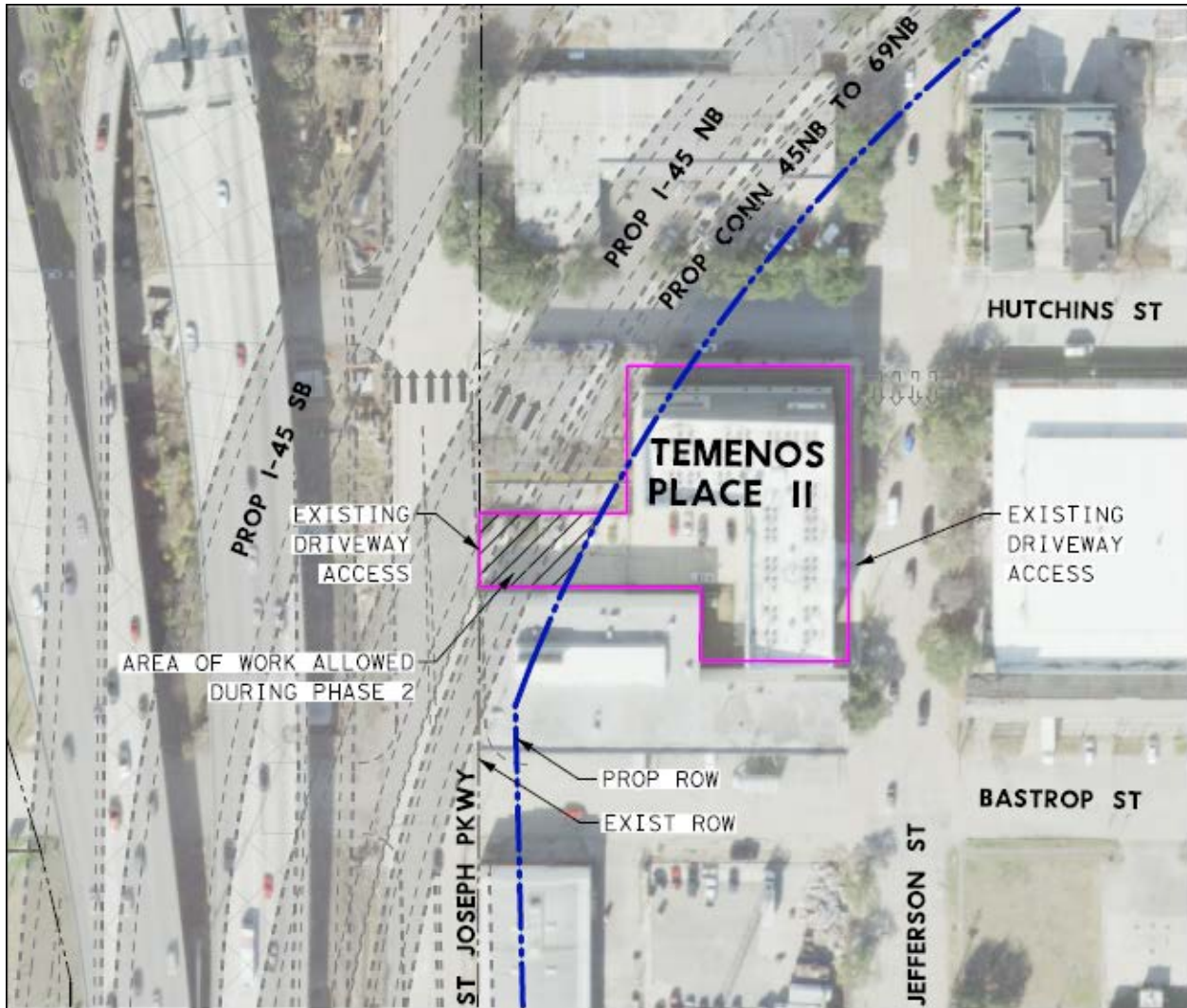
RESOLVED, that the requested material application and LURA amendment for Temenos Place Apartments II is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Temenos Place Apartments II (the Development) received a Housing Trust Fund (HTF) grant of \$125,000 in 2011 to assist with the construction of 80 multifamily units on a 0.746-acre site in Houston, Harris County. Through a LURA executed on August 8, 2011, and recorded on November 27, 2013, all 80 units are restricted for Low Income Families earning no more than 80% of the area median income for a term of 20 years. The Development also received funding from the City of Houston and Harris County.

The Development Owner, Temenos Community Development Corporation, is a 501(c)(3) corporation committed to moving people out of unsheltered homelessness and moving them into permanent housing with supportive services to assist with self-sufficiency. The Development is one of their three sites (80 out of 138 total units) which provide supportive housing, fully furnished efficiency apartments.

The Texas Department of Transportation (TxDOT) intended to acquire the Development and the land through eminent domain for necessary expansion of US Highway 45. The Development Owner has agreed to a negotiated sale to TxDOT which allows for replacement housing to be built on a different site prior to the demolition of the current Development. Without a negotiated sale, the alternative would be a condemnation proceeding at TxDOT's discretion. A drawing of TxDOT's planned roadway project in relation to the Development is below.



TxDOT will purchase the Development for the sum of \$14,500,000. The payment includes TxDOT’s approved value of \$10,099,555 plus \$4,400,445 to acquire the whole property and facilitate the reestablishment of the replacement units.

All parties to the transaction, Texas Commerce Bank, Houston Housing Corporation, Harris County Housing, City of Houston Housing and Community Development, and St. John’s United Methodist Church (UMC), have agreed to the transaction and closing. The transaction will:

- Pay off the Must Pay private debt, of which the debt service is currently in excess of the Development’s cash flow.
- Fund all pre-development cost and relocation costs on the new building.
- Pay off City and County debt, which those entities will then re-invest in the new building at construction closing.

- Put in place an agreement between the Development Owner and TxDOT which will allow for the continued occupancy of the building during the 12-month predevelopment and the 18 month construction period.

The Development Owner has partnered with the NHP Foundation, a national affordable housing developer, to construct the replacement housing. The new building will be located at 1719 Gray Street in Midtown Houston, an area of high opportunity adjacent to downtown and about ½ mile from the current site. The location is proximate to services and transportation. The two parcels that compose the site are currently owned by the Development Owner and Bread of Life, which is a sister organization and part of the St. John UMC family.

To allow time for this redevelopment to occur, the Development Owner has entered into an early buy-out contract with TxDOT. This contract specifically allows the Development Owner to occupy and operate the building until March 30, 2024. The Development Owner intends to allow all current tenants the right of first refusal, and to assist all tenants with all moving and relocation costs in compliance with the Uniform Relocation Act, to a new 95-unit building.

Currently, the Development Owner operates a 15-unit Single Room Occupancy (SRO) on the new proposed site. These 15 units will also be rebuilt as part of the new construction; therefore, the new building will have a total of 95 efficiency units. The Net Rentable Area (NRA) of the new development is expected to be 1,183 square feet or 5.52% smaller than the sum of the NRA of the two existing developments. The 15 residents currently at the SRO will be relocated pursuant to the URA prior to construction.

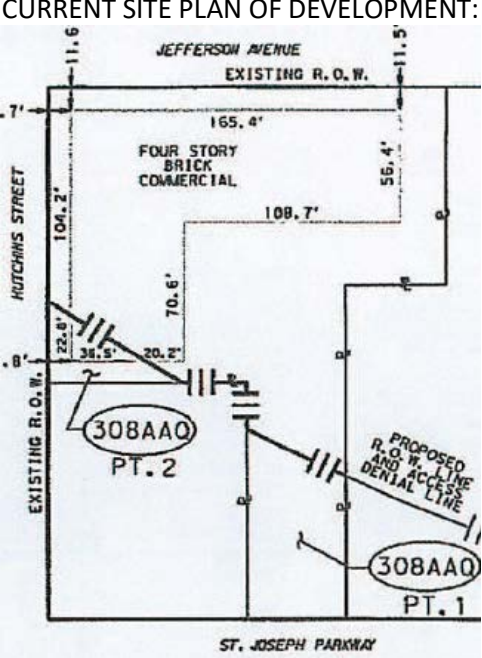
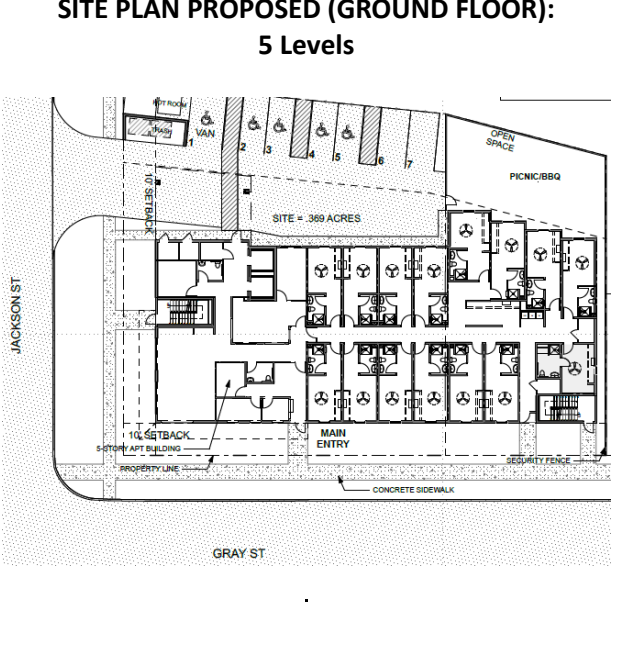
The Development Owner is partnering with The NHP Foundation (NHP) to build and operate the new building. NHP will be the managing general partner of the new building's development and ownership entity. The replacement housing is expected to be completed by August 1, 2023.

The NHP Foundation and the development team propose to use tax exempt bonds and 4% Housing Tax Credits for the construction of the new building. According to the Owner, the City of Houston and Harris County have both agreed to re-invest the funds that they receive from TxDOT into the new development as well as provide additional funds. The City has committed to an additional \$8M in Community Development Block Grant Disaster Relief Funds (CDBG DR), and the County has agreed to a total funding of up to \$11M. A summary of the projected sources and uses of funds is in the table below.

Current & Proposed Sources and Uses of Funds			
USES		SOURCES	
Land	\$1,930,000	Debt – FHA 221(d)(4)	
Construction	\$16,430,434	HTC	\$6,912,000
Soft Costs	\$2,812,211	Condemnation Proceeds	\$2,040,224
Development Fee	\$3,100,000	Seller Take Back Note	\$930,000
Reserves	\$338,000	City Reinvestment	\$4,500,000
Financing	\$1,442,842	County Reinvestment	\$3,671,263
		GAP/COH CDBG DR	\$8,000,000
Total Costs	\$26,053,487	Total Sources	\$26,053,487

Current & Proposed Unit Mix							
Existing 80 units at Temenos Place II & Existing 15 units at Bread of Life				Proposed Temenos PSH			
Unit Type	Count	Square Footage	Total Square Footage	Unit Type	Count	Square Footage	Total Square Footage
SRO	80	373	29,840	Accessible	18	337	6,066
WET SRO	15	200	3,000	FHA 1	54	337	18,198
				FHA 2	4	324	1,296
				FHA 3	4	335	1,340
				WET 1	13	275	3,575
				WET 2	1	286	286
				WET 3	1	266	266
	95		32,840	Total	95		31,027

The proposed site plan and architectural plans have been provided by NHP. Assuming approval of this LURA amendment, NHP expects the TxDOT closing to occur on or around October 25, 2020. Bond inducement, application, approval, and reservation is projected to be completed by April 23, 2021. A separate 4% HTC/bond application will be required, and approval for such application will be presented to the board in a separate action. Start of construction is expected by August 1, 2021, and construction completion is expected by August 1, 2023.

Current & Proposed Site Plan	
Current Temenos Place II Site Plan	Proposed
	Residential 31,027 SF Common Space 2,017 SF Corridors, Stairs & Elevators 7,856 SF Support 1,093 SF Total 41,993 SF
CURRENT SITE PLAN OF DEVELOPMENT: 	SITE PLAN PROPOSED (GROUND FLOOR): 5 Levels 

In order to facilitate the closure of the TxDOT purchase of the current Development, staff recommends the LURA on the current land be amended to release TxDOT from responsibility for its terms, but continue to have its terms enforceable against Temenos Community Development Corporation as the operator of the property as if it were the development owner. A new LURA will be placed on the replacement development for the remaining term of the original 20 years (expiring on August 8, 2031) when construction of the new development is completed and the current tenants have been relocated to the new development, at which point any remaining obligations under the previous LURA will be released

The Development Owner held a telephonic public hearing on the matter on August 13, 2020. No public comment was received regarding the requested amendment.

Staff recommends approval of the requested material amendment to the Application and LURA. Upon approval of this amendment request, staff will draft the necessary documentation to effectuate this order.



July 28, 2020

Texas Department of Housing and Community Affairs
ATTN: Housing Trust Fund
221 E. 11th Street
Austin, TX 78701
P.O. Box 13941
Austin, TX 78711-3941

RE: Amendment Request

To Whom It May Concern,

On August 8, 2011 the Executive Director of Temenos Community Development Corporation (CDC) entered into a signed Land Use Restriction Agreement (LURA) with the Texas Department of Housing and Community Affairs (TDHCA) dated 8/8/11 as part of its Multifamily Properties for Housing Trust Fund Affordable Housing Match Program for a grant of \$125,000. According to the terms of the agreement, Temenos CDC agreed to retain eighty (80) units of affordable housing at 80% of AMI at the location of 2200 Jefferson St., Houston, TX 77003 for a period of twenty (20) years from date of LURA execution (attached).

Since completion of the affordable housing project at 2200 Jefferson St (named Temenos Place Apartments II), the Texas Department of Transportation (TxDOT) has informed us that they will be acquiring the building and the land on which it sits through eminent domain. It is the intention of the organization to replace all 80 units, allow all current tenants the right of first refusal and assist with all moving/relocation costs in compliance with the Uniform Relocation Act, to 1719 Gray Street which will be a new 95-unit building. To allow time for this to occur, Temenos CDC has entered into an early buy-out contract with TxDOT (attached). This contract specifically allows Temenos CDC to continue to occupy and operate the building until 12/31/23 and the redevelopment at 1719 Gray is anticipated to be complete by 8/1/23.

In order to facilitate closure of the TxDOT purchase of 2200 Jefferson St, it is our request that TDHCA:

1. release the LURA from the current land,
2. enter into an agreement with Temenos to restrict the use of the current 2200 Jefferson St. building to 80 units at 80% of AMI while it continues to operate on the now TxDot land, and
3. imposed a new LURA for the remaining term of the original 20 year LURA (expiring 8/7/31) once the proposed redevelopment site has a closing for redevelopment anticipated to be 7/1/21

Thank you for your time and consideration.

Eva Thibaudeau-Graczyk
CEO
ethibaudeau@temenoscdc.org
713-882-8274
2200 Jefferson St.
Houston, TX 77003

CC: Chief of Compliance and Asset Oversight



Lucy Trevino

Senior Asset Manager

Texas Department of Housing and Community Affairs

[221 E. 11th Street Austin, TX 78701](http://221.E.11thStreetAustin,TX78701)

Dear Lucy,

Temenos 2 is an 80 unit Supportive Housing project that TxDot will be tearing down to build a highway. It has \$125,000 in TDHCA funding and a TDHCA LURA requiring all residents to be below 80% of AMI.

In order to build replacement housing prior to the demolition of Temenos 2, its owner, Temenos CDC has agreed to a negotiated sale to TxDot instead of the uncertainty of a commendation proceeding at TxDot's discretion.

If the closing of the negotiation sale happens in an expeditious manner, it will allow for the construction and completion of a replacement project prior to the residents of Temenos 2 having to vacate the current building. All parties to the transaction have agreed to the closing except for TDHCA. This included Texas Commerce Bank, Houston Housing Corporation, Harris County Housing, City of Houston Housing and Community Development, and St. John's United Methodist Church.

The sale will:

- 1) Pay off the Must Pay private debt, whose debt service is currently in excess of the project's cash flow. (The longer this debt is outstanding the lower the amount of proceeds that will be available to pay for architectural and other pre-development costs of the new building).
- 2) Fund all pre-development cost and relocation cost on the new building.
- 3) Pay off City and County debt, which those entities will then re-invest in the new building at construction closing.
- 4) Put in place an agreement between Temenos CDC and TxDot which will allow for the continued occupancy of the building during the Predevelopment (12 months) and construction period (18 months).

While the TDHCA LURA, like all the other LURA's on the property must be released at the TxDot closing, Temenos CDC is willing to enter into a regulatory agreement that will require them to continue operating the building according to the terms of the LURA during their leasehold. We will consent to have the TDHCA LURA placed on the new building at construction closing.

The relocation of all tenants to the new building will be done in accordance with the federal URA and fully at the expense of the project.

nhpfoundation.org

NEW YORK, HEADQUARTERS

122 EAST 42ND STREET, SUITE 4900
NEW YORK, NY 10168 • 646.336.4940

WASHINGTON, DC OFFICE

1090 VERMONT AVENUE, NW, SUITE 400
WASHINGTON, DC 20005 • 202.789.5300

CHICAGO OFFICE

150 N. MICHIGAN AVENUE, SUITE 2800
CHICAGO, IL 60601 • 312.216.5103



The new building will be located at Jackson and Crawford street in Midtown Houston, an area of high opportunity adjacent to downtown and about ½ mile from the current site. The location is proximate to services and transportation. The two parcels that compose the site are currently owned by Temenos CDC and Bread for Life, Temenos's sister organization which is also part of the St. John UMC family. Currently Temenos is operating a 15 unit SRO on their site. These 15 units will be rebuilt as part of the new construction, hence the new building will have 95 efficiency units.

All residents of the 15 bed SRO will be relocated pursuant to the URA prior to construction. The current plan is to place them together into a single facility prior to their relocation to the new building. All relocation expenses will be handled by Temenos CDC.

Both the City of Houston and Harris County have agreed to re-invest the funds that they receive from the TxDot closing back into the project as well as provide additional funds. The City has committed to an additional \$8 Million in Disaster Relief Funds and the County has agreed to a total funding of up to \$11 million. This should be sufficient to rebuild the facility using tax exempt bonds and 4% LIHTC with the following Sources and Uses:

Uses		Sources	
Land	\$ 1,930,000	Debt - FHA 221(d)(4)	\$ -
Construction	\$ 16,430,434	LIHTC	\$ 6,912,000
Soft Costs	\$ 2,812,211	Comdenation Proceeds	\$ 2,040,224
Development Fee	\$ 3,100,000	Seller Take Back Note	\$ 930,000
Reserves	\$ 338,000	City Reinvestment	\$ 4,500,000
Financing	\$ 1,442,842	County Reinvestment	\$ 3,671,263
	\$ -		\$ -
Vincent & Elkins Bill	\$ -	GAP / COH CDBG DR	8,000,000
	\$ -		\$ -
Total Sources	\$ 26,053,487	Total Sources	\$ 26,053,487

Temenos CDC is partnering with the NHP Foundation to build and operate the new building. NHPF will be the managing general partner of the new building's development and ownership entity. The NHP Foundation is a national affordable housing developer.

Thank you for your attention to this matter.
Sincerely,

Neal Drobenare
Senior Vice President

nhpfoundation.org

NEW YORK, HEADQUARTERS

122 EAST 42ND STREET, SUITE 4900
NEW YORK, NY 10168 • 646.336.4940

WASHINGTON, DC OFFICE

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WASHINGTON, DC 20005 • 202.789.5300

CHICAGO OFFICE

150 N. MICHIGAN AVENUE, SUITE 2800
CHICAGO, IL 60601 • 312.216.5103

TDOT OFFER



Texas Department of Transportation

125 EAST 11TH STREET | AUSTIN, TEXAS 78701-2483 | (512) 463-8580 | WWW.TXDOT.GOV

May 12, 2020

Mr. George Murphy
Vinson & Elkins, LLP
Fannin Street, Suite 2500
Houston, Texas 77002

County: Harris County
District: Houston
Highway No.: IH 45
Parcel: 308AAQ
RCSJ: 0500-03-608

Dear Mr. Murphy,

Our negotiations for highway right of way have progressed to the point that it is thought to be in the best interest of both Temenos Community Development Corporation (“Temenos”) and the Texas Department of Transportation (“TxDOT”) that we commit to writing our mutual understanding to this letter agreement.

It is hereby agreed and understood that:

- 1) TxDOT will purchase parcel 308AAQ (the “Property”), and more particularly described in Exhibit A, attached hereto and incorporated by reference, upon which a low income/homeless residential facility, known as Temenos II, is located, for the sum of \$14,500,000.00, which payment includes compensation for the Property being acquired including the building improvements which consists of an 80-unit residential building. The payment agreed to herein consists of TxDOT’s approved value of \$10,099,555.00 plus \$4,400,445.00 to acquire the whole property and facilitate the reestablishment of 80 units of low income/homeless housing as stated in this agreement.
- 2) The Property as described in Exhibit A, attached hereto and incorporated by reference, will be acquired by TxDOT by a deed on or before June 30, 2020.
- 3) Relocation of all existing residents of the Temenos II facility as of the date that the herein described occupancy agreement terminates will be handled in accordance with the Uniform Relocation Act;
- 4) The parties agree that Temenos, an affiliate or public/private partnership related thereto will make all reasonable efforts to replace the residential units with reasonably similar purpose and type of units built to similar standards as the existing units.
- 5) Temenos will make all reasonable efforts to replace the 80 residential units within a one-mile radius of the existing Temenos II facility.
- 6) Temenos agrees to use all reasonable efforts to reestablish the 80 residential units within 4 years from the date of the closing.

OUR GOALS

MAINTAIN A SAFE SYSTEM ▪ ADDRESS CONGESTION ▪ CONNECT TEXAS COMMUNITIES ▪ BEST IN CLASS STATE AGENCY
An Equal Opportunity Employer

- 7) The reestablishment of the units will be done through a combination of replacement housing and/or private/public partnerships and will serve the homeless and/or low-income population of the City of Houston;
- 8) Temenos residents will not be required to relocate until construction of the replacement units are complete, or until March 30, 2024, whichever occurs first. Until relocation occurs, residents of Temenos II will be permitted to continue to reside at the facility, subject to any current or future lease terms or agreements, and compliance with any other rules and regulations set forth by Temenos for residency at Temenos II. Temenos and TxDOT will enter into a mutually agreeable occupancy agreement within 7 days of the closing of the acquisition of the Property by TxDOT. The occupancy agreement will provide Temenos with continued and complete sole operational authority and control over the residential services provided at Temenos II and the occupancy agreement will remain in full force and effect until the relocation of all existing residents is complete, or until March 30, 2024, whichever occurs first. Residents of the Temenos II facility shall be given a minimum of 90 days-notice from TxDOT prior to the termination of any residency rights under the occupancy agreement. TxDOT may grant a 90-day extension, if good cause is shown and the project schedule permits.
- 10) After TxDOT acquires the Property, any use by TxDOT of the Property shall be subject to the following conditions and timing, which conditions and phased timeline of work and use are also set forth in the attached Exhibit B:
 - a. From the date of closing of the sale of the Property through October 31, 2022, Temenos shall retain the right to full and complete operational control of the Temenos II facility. Access to the Temenos II facility from St. Joseph Parkway will remain open and no construction activities by TxDOT or its contractor will occur on the Property.
 - b. From November 1, 2022 through March 30, 2024, Temenos shall retain the right to full and complete operational control of the Temenos II facility. However, during this time, TxDOT and/or its contractor may perform work on a limited portion of the Property, such limited portion being identified on the attached Exhibit B. During this time, if construction activities by TxDOT and its contractors related to the I-45 expansion project makes necessary the closure of the access drive from St. Joseph Parkway to the Temenos II facility, such closure will be subject to the following conditions:
 - i. TxDOT will take all reasonable steps to maintain access to the Temenos facility from St. Joseph Parkway, and will not permanently close the access drive from St. Joseph Parkway until actual or imminent construction activities require such closure;
 - ii. If field construction activities across the limited portion of the Property upon which work may be performed as of November 1, 2022, such area being identified on Exhibit B, make necessary the temporary closure of the access drive from St. Joseph Parkway to the Temenos facility, TxDOT shall provide Temenos with a minimum thirty (30) day notice prior to any such closure. Any closure of the access drive from St. Joseph Parkway during this time shall be limited to a maximum of one (1) week, with not more than two (2) such closures per month;
 - iii. If actual or imminent construction activities during this time require the permanent closure of access to the Temenos II facility from St. Joseph

OUR GOALS

Parkway, TxDOT shall provide Temenos with a minimum of ninety (90) days notice of such closure.

- c. As of March 30, 2024, TxDOT will be permitted to demolish and clear the Temenos II building improvements.
- 11) Temenos will use all reasonable efforts to have the replacement units completed and available for the displaced residents so that each then existing resident of Temenos II will only have to relocate once.
- 12) Residents of Temenos II that are displaced, as a result of the State's project and acquisition, shall have a right of first refusal to relocate to the replacement facility, subject to being in good standing and not in default of any rules of the facility or any obligations owed under the tenant's then existing lease agreement. Residents who are displaced from Temenos II as a result TxDOT's project before the replacement facilities are completed and then exercise the right to relocate to the new units established under this agreement will not receive a second set of relocation benefits.

Sincerely,

DocuSigned by:


BDEF0413AC9E4EC...

Kyle Madsen
Director of Right of Way,
Texas Department of Transportation

I (We) fully understand the Texas Department of Transportation proposal as contained in this agreement and hereby acknowledge receipt of the brochure entitled "*Relocation Assistance.*"

I (We) understand that relocation assistance benefits are handled entirely separate from and in addition to the execution of the Right of Way Deed.

TEMENOS COMMUNITY DEVELOPMENT CORPORATION

DocuSigned by:



40ED32C6124D4E3...

Eva Thibodeau-Graczyk
Chief Executive Officer

OUR GOALS

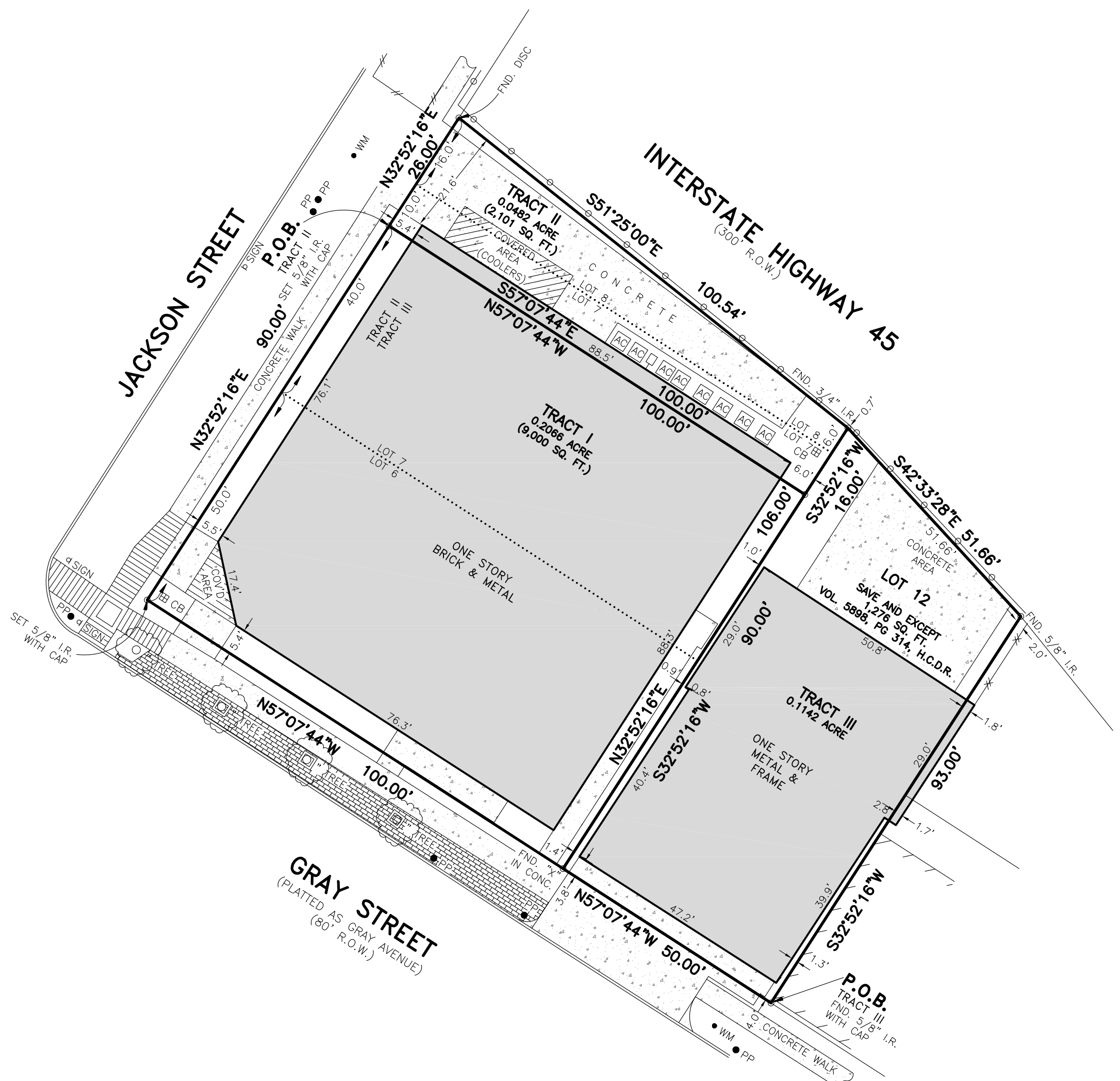
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SITE PLAN (BEFORE)



SCALE: 1" = 20'

- LEGEND:
- AC. - ACRES
 - A/C - AIR CONDITION
 - A.E. - AERIAL EASEMENT
 - B.L. - BUILDING LINE
 - BLDG. - BUILDING
 - BO. - BOLLARD
 - CB - CATCH BASIN
 - CONC. - CONCRETE
 - COV'D. - COVERED
 - CP - CRIMPED PIPE
 - DA - DUMPSTER AREA
 - ELEC. - ELECTRIC
 - ESMT. - EASEMENT
 - FC - FIRM CODE
 - FH - FIRE HYDRANT
 - FND. - FOUND
 - GM - GAS METER
 - HCCF - HARRIS COUNTY CLERKS FILE
 - HCDR - HARRIS COUNTY DEED RECORDS
 - HCMR - HARRIS COUNTY MAP RECORDS
 - HCP5 - HANDICAP PARKING SPACE
 - HL&P - HOUSTON LIGHTING & POWER
 - I.P. - IRON PIPE
 - I.R. - IRON ROD
 - LP - LIGHT POST
 - MH - MANHOLE
 - MW - MONITORING WELL
 - P.O.B. - POINT OF BEGINNING
 - P.O.C. - POINT OF COMMENCING
 - PP - POWER POLE
 - PS - PARKING SPACES
 - PTP - PINCHED TOP PIPE
 - R.O.W. - RIGHT OF WAY
 - RR - RAILROAD
 - SAN. - SANITARY
 - SP - SERVICE POLE
 - SQ. FT. - SQUARE FEET
 - S.S.E. - SANITARY SEWER EASEMENT
 - STM. - STORM
 - STM.S.E. - STORM SEWER EASEMENT
 - SWBT - SOUTHWESTERN BELL TELEPHONE
 - TEL. - TELEPHONE
 - TLP - TRAFFIC LIGHT POLE
 - TSB - TRAFFIC SIGNAL BOX
 - U.E. - UTILITY EASEMENT
 - WM - WATER METER
 - WV - WATER VALVE
 - x— BARBED WIRE FENCE
 - o— CHAIN LINK FENCE
 - CONCRETE
 - COVERED CONCRETE
 - ASPHALT
 - OHPL— OVERHEAD POWER LINES
 - WOOD FENCE
 - WROUGHT IRON FENCE



LEGAL DESCRIPTION

TRACT I:
 A RECTANGULAR TRACT OF LAND FRONTING 90' ON THE EAST SIDE OF JACKSON STREET WITH A DEPTH OF 100' ON THE GRAY AVENUE AND BEING LOT 6 AND THE ADJOINING SOUTH 40' OF LOT 7 IN BLOCK 415 SOUTH SIDE OF BUFFALO BAYOU, IN THE CITY OF HOUSTON, IN HARRIS COUNTY, TEXAS.

TRACT II
 A TRACT OF LAND BEING THE NORTHERLY 10 FEET OF LOT 7 AND PORTION OF LOT 8, IN BLOCK (415), S.B.B.B., CITY OF HOUSTON HARRIS COUNTY, TEXAS BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;
 BEGINNING AT A POINT LOCATED IN THE SOUTHEAST LINE OF JACKSON STREET, SAME POINT BEING LOCATED NORTH 32 DEGREES 52 MINUTES 16 SECONDS EAST, 90.00 FEET FROM THE INTERSECTION POINT OF THE SOUTHEAST LINE OF JACKSON STREET, WITH NORTHEAST LINE OF GRAY STREET;
 THENCE, NORTH 32 DEGREES 52 MINUTES 16 SECONDS EAST ALONG THE SOUTHEAST LINE OF JACKSON STREET, AT A 10.00 FEET PASSING THE NORTHWEST CORNER OF LOT 7, IN ALL 26.00 FEET TO A DISK FOUND FOR CORNER;
 THENCE, NORTH 51 DEGREES 25 MINUTES 00 SECONDS EAST, 100.54 FEET TO A FOUND 3/4 INCH IRON ROD FOUND WITH LOCATED IN THE EAST LINE OF LOT (8) BLOCK (415) S.S.B.B.;
 THENCE, SOUTH 32 DEGREES 52 MINUTES 16 SECONDS WEST ALONG A LINE PARALLEL TO THE SOUTHEAST LINE OF JACKSON STREET, AT A 6.00 FEET PASSING THE NORTHEAST CORNER OF LOT (7) IN ALL 16.00 FEET TO A SET POINT;
 THENCE, NORTH 57 DEGREES 07 MINUTES 44 SECONDS WEST, 100.00 FEET TO THE POINT OF BEGINNING CONTAINING 2,101 SQUARE FEET OF LAND MORE OR LESS;

LEGAL DESCRIPTION

TRACT III
 A TRACT OR PARCEL CONTAINING 0.1142 ACRES OR 4,975 SQUARE FEET OF LAND OUT OF LOT 12 IN BLOCK 415 OF THE SOUTH SIDE OF BUFFALO BAYOU (SSBB), IN THE CITY OF HOUSTON, HARRIS COUNTY, TEXAS, SAID 0.1142 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS BEING BASED ON THE TEXAS PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING AT A 5/8 INCH IRON ROD WITH CAP FOUND AT THE SOUTHWEST CORNER OF LOT 1 AND THE SOUTHEAST CORNER OF LOT 12 ON THE NORTH RIGHT OF WAY LINE OF GRAY STREET (80 FEET R.O.W.)
 THENCE, NORTH 57 DEGREES 07 MINUTES 44 SECONDS WEST ALONG THE NORTHERLY LINE OF GRAY STREET, A DISTANCE OF 50.00 FEET TO AN "X" FOUND IN CONCRETE FOR THE SOUTHWEST CORNER OF LOT 12 AND THE HEREIN DESCRIBED TRACT;
 THENCE, NORTH 32 DEGREES 52 MINUTES 16 SECONDS EAST, 106.00 FEET TO A 3/4 INCH IRON ROD FOUND AT SOUTH RIGHT OF WAY LINE OF INTERSTATE 45 (300 FEET R.O.W.) MARKING THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;
 THENCE, SOUTH 42 DEGREES 33 MINUTES 28 SECONDS EAST, ALONG THE SOUTHERLY LINE OF INTERSTATE 45, A DISTANCE OF 51.66 FEET TO A 5/8 INCH IRON ROD FOUND AT THE NORTHEAST CORNER OF HEREIN DESCRIBED TRACT;
 THENCE, SOUTH 32 DEGREES 52 MINUTES 16 SECONDS WEST, 93.00 FEET TO THE POINT OF BEGINNING CONTAINING 0.1142 ACRES (4,975 SQUARE FEET) OF LAND MORE OR LESS;

- NOTES:
1. SUBJECT TO APPLICABLE RESTRICTIVE COVENANTS LISTED IN ITEM NO. 1, SCHEDULE "B" OF THE TITLE COMMITMENT ISSUED BY FIDELITY NATIONAL TITLE INSURANCE COMPANY UNDER G.F. NO. 1017003664.
 2. SURVEYOR HAS NOT ABSTRACTED SUBJECT PROPERTY. THERE MAY BE EASEMENTS, BUILDING LINES AND OTHER MATTERS OF RECORD NOT SHOWN HEREON.
 3. ONE STORY METAL FRAME IS OVER THE PROPERTY LINE.
 4. FENCES AS SHOWN.

SURVEYOR'S CERTIFICATION

PROPERTY SUBJECT TO SUBDIVISION COVENANTS, CONDITIONS AND RESTRICTIONS.
 I hereby certify that this survey was made on the ground and that this plat correctly represents the facts found at the time of survey showing any improvements, from legal descriptions supplied by client. There are no encroachments apparent on the ground, except as shown. This survey is only certified for boundary and this transaction only. Surveyor did not abstract property. Easements, building lines, etc. shown are as identified by:

G.F. 1017003664 of FIDELITY NATIONAL TITLE INSURANCE COMPANY

Henry M. Santos
 HENRY M. SANTOS, Registered Professional Land Surveyor No. 5450



FLOOD NOTE:
 SUBJECT PROPERTY IS NOT LOCATED IN A FEDERAL INSURANCE ADMINISTRATION DESIGNATED FLOOD HAZARD AREA AND IS IN ZONE "X".
 MAP # 48201C, PANEL 0880L, DATED 06-18-07. This information is based on graphic plotting only. We do not assume responsibility for exact determination.

SURVEY OF

TRACT I: A RECTANGULAR TRACT OF LAND FRONTING 90' ON THE EAST SIDE OF JACKSON STREET WITH A DEPTH OF 100' ON THE GRAY AVENUE AND BEING LOT 6 AND THE ADJOINING SOUTH 40' OF LOT 7 IN BLOCK 415 SOUTH SIDE OF BUFFALO BAYOU, IN THE CITY OF HOUSTON, IN HARRIS COUNTY, TEXAS.

TRACT II: A TRACT OF LAND BEING THE NORTHERLY 10 FEET OF LOT 7 AND PORTION OF LOT 8, IN BLOCK (415), S.B.B.B., CITY OF HOUSTON HARRIS COUNTY, TEXAS BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

TRACT III: LOT 12, BLOCK 415, SOUTH SIDE BUFFALO BAYOU (SSBB), IN THE CITY OF HOUSTON, HARRIS COUNTY, TEXAS. SAVE AND EXEPT 1,276 SQ. FT. PER VOL. 8998, PG. 313, H.C.D.R.

- ABSTRACTING BY TITLE COMPANY.
- ALL BEARINGS ARE BASED ON RECORDED PLAT OF SAID SUBDIVISION.
- COPYRIGHT 2020, Advance Surveying, Inc. (Email: advance_survey@yahoo.com)



PHONE: 281 530-2939
 FAX: 281 530-5464

PURCHASER: TEMENOS COMMUNITY DEVELOPMENT CORP.	SCALE: 1" = 20'
ADDRESS: 1703 & 1711, GRAY STREET, HOUSTON, TEXAS 77003	FIELD WORK: 01-03-20/RDS
LENDER: -	DRAFTING: 01-06-20/EG
TITLE CO.: FIDELITY NATIONAL TITLE INSURANCE COMPANY	FINAL CHECK: 01-06-20/AT
JOB NO.: 127250-16-02	REVISIONS:
G.F. NO.: 1017003664	
KEY MAP: 493U	

ADVANCE SURVEYING, INC.
 10518 KIPP WAY SUITE A-2 • HOUSTON, TEXAS 77099 • TBPLS FIRM NO. 10099200

SITE PLAN (AFTER)



Scott Ginder - Texas Architect
Registration # 21234

This document is incomplete and
may not be used for regulatory
approval, permitting or construction

TEMENOS SRO
1703 Gray St
Houston, TX 77003

REV DATE DESCRIPTION

ISSUE:
FUNDING
APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
SITE PLAN

SHEET:

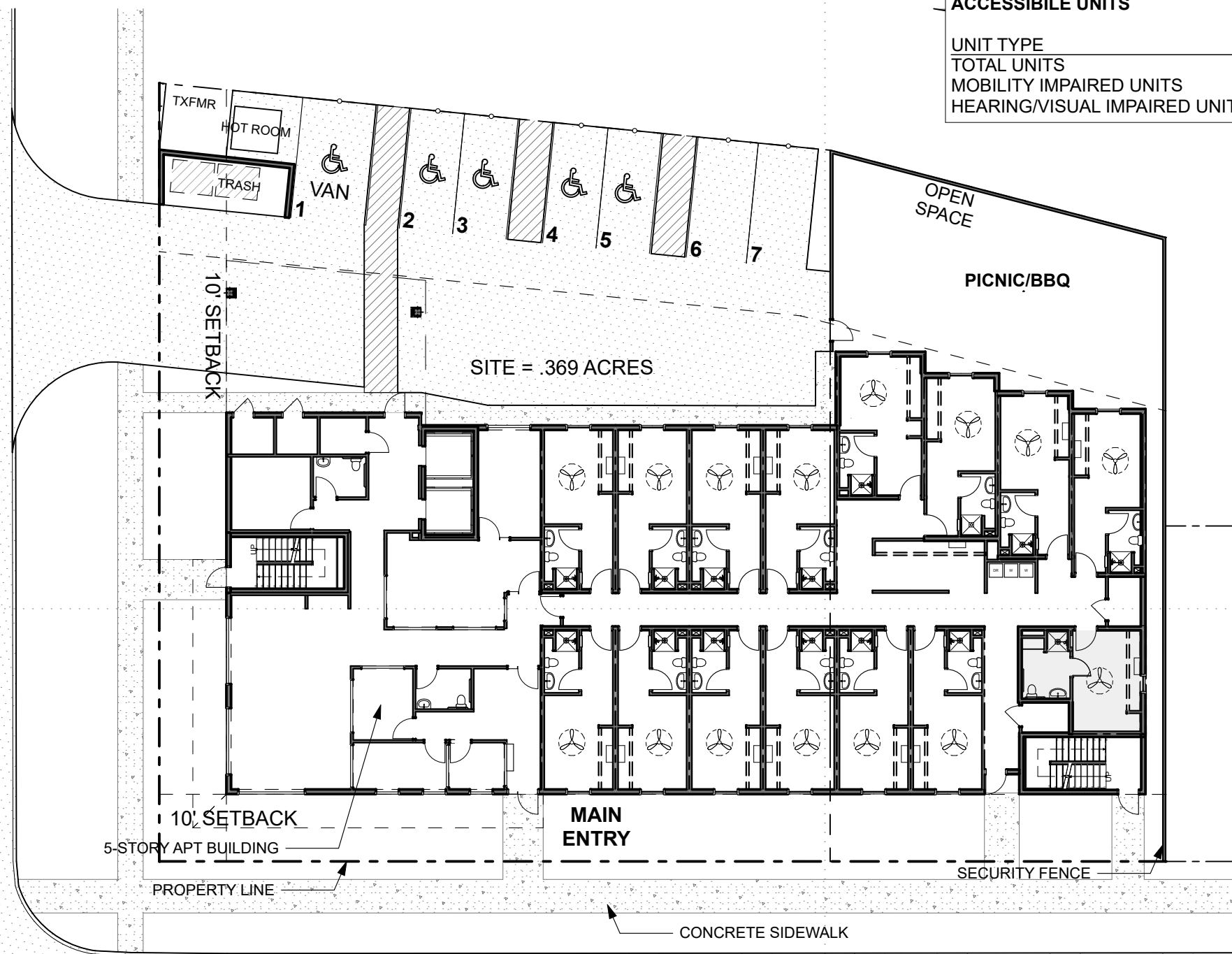
A1

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ACCESSIBLE UNITS			
UNIT TYPE	% REQ.	NO. REQ.	NO. PROVIDED
TOTAL UNITS			95
MOBILITY IMPAIRED UNITS	5%	5	18
HEARING/VISUAL IMPAIRED UNITS	2%	2	2

FLOOR AREA TOTAL	
CATEGORY	AREA
RESIDENTIAL	31,027
COMMON SPACE	2,017
SUPPORT	1,093
CIRCULATION	7,856
	41,993 sq ft

UNIT SCHEDULE	
UNIT TYPE	QTY
ACCESSIBLE	18
FHA-1	54
FHA-2	4
FHA-3	4
WET UNIT 2	1
WET UNIT 3	1
WET UNIT-1	13
	95



3 SITE PLAN

SCALE: 1" = 20'



BIMcloud: BIM3.local - BIMcloud Basic for ARCHICAD 22/Temenos/TEMENOS SRO (Ver. 21.1802) Thursday, April 2, 2020 | 3:02 PM

ARCHITECTURAL PLANS



Scott Ginder - Texas Architect
Registration # 21234

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TEMENOS SRO
1703 Gray St
Houston, TX 77003

REV DATE DESCRIPTION

ISSUE:
FUNDING
APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
SITE PLAN

SHEET:

A1

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ACCESSIBLE UNITS

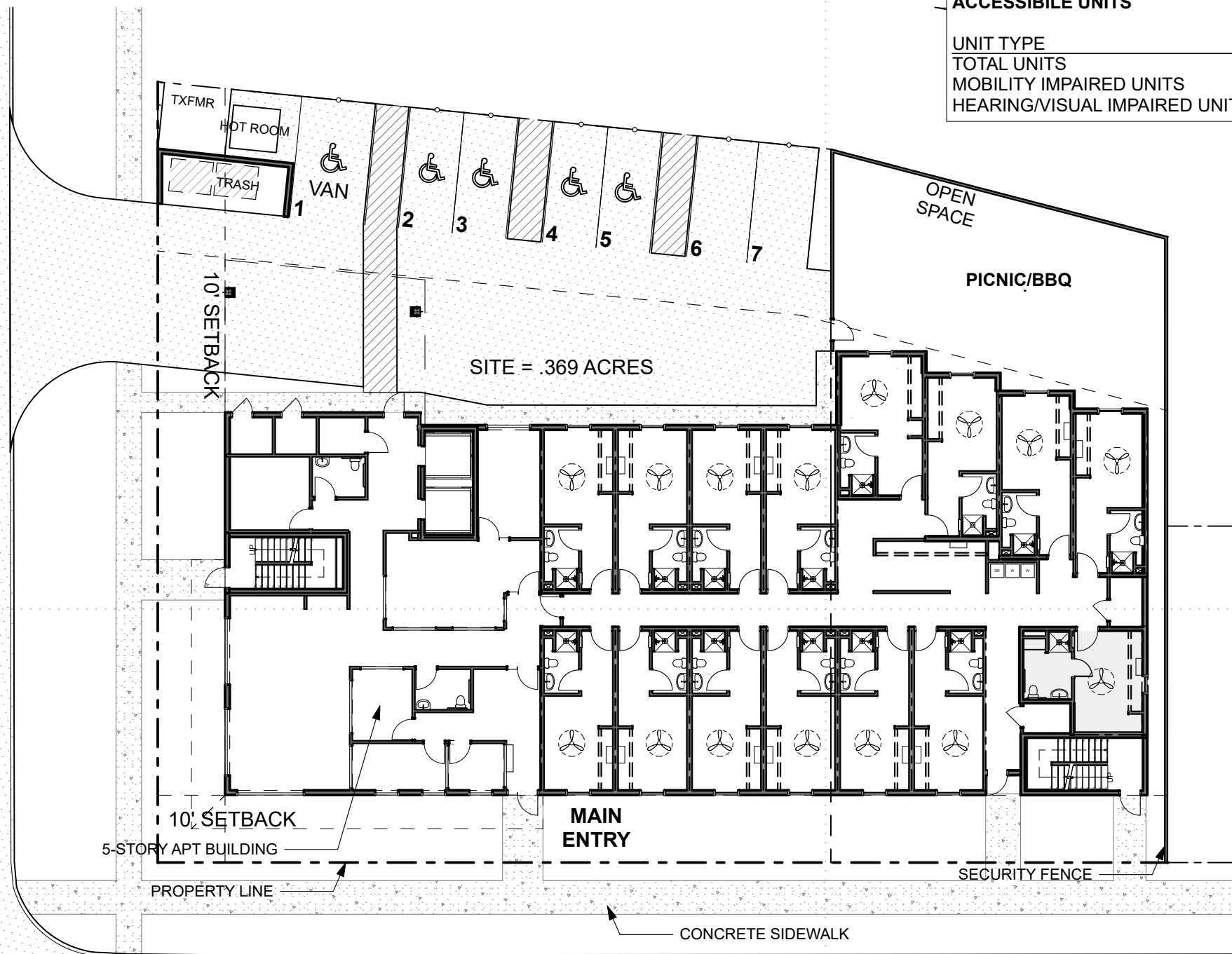
UNIT TYPE	% REQ.	NO. REQ.	NO. PROVIDED
TOTAL UNITS			95
MOBILITY IMPAIRED UNITS	5%	5	18
HEARING/VISUAL IMPAIRED UNITS	2%	2	2

FLOOR AREA TOTAL

CATEGORY	AREA
RESIDENTIAL	31,027
COMMON SPACE	2,017
SUPPORT	1,093
CIRCULATION	7,856
TOTAL	41,993 sq ft

UNIT SCHEDULE

UNIT TYPE	QTY
ACCESSIBLE	18
FHA-1	54
FHA-2	4
FHA-3	4
WET UNIT 2	1
WET UNIT 3	1
WET UNIT-1	13
TOTAL	95



3 SITE PLAN
SCALE: 1" = 20'



BIMcloud: BIM3.local - BIMcloud Basic for ARCHICAD 22/TEMENOS SRO (Ver. 21.1802) Thursday, April 2, 2020 | 3:02 PM



Scott Ginder - Texas Architect
Registration # 21234

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approval, permitting or construction

TEMENOS SRO
1703 Gray St
Houston, TX 77003

REV DATE DESCRIPTION

ISSUE:
FUNDING
APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
FLOOR PLAN - LEVEL 1

SHEET:

A2

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FLOOR AREAS - LEVEL 1		
QTY	NAME	AREA
CIRCULATION		
2	CORRIDOR	1,132
1	ELEV.	148
1	STAIR 1	167
1	STAIR 2	169
5		1,616 sq ft
COMMON SPACE		
1	AST PROP \n MGR	117
1	FRONT DESK	71
1	KITCHEN	131
1	LAUNDRY	36
1	LOBBY	190
1	MAIN GATHERING	540
1	MEETING	159
1	PROP \n MGR	105
1	RES SVCS	300
9		1,649 sq ft
RESIDENTIAL		
1	WET UNIT 2	286
1	WET UNIT 3	266
13	WET UNIT-1	3,575
15		4,127 sq ft
SUPPORT		
2	CLOS	79
1	ELECT	46
1	FIRE	42
1	HEALTH SCREENING	47
1	MAINT/STO	147
1	RES COMPUTER AREA	16
1	RES RR	60
1	STAFF RR	56
9		493 sq ft
38		7,885 sq ft

GENERAL FLOOR PLAN NOTES

ACCESSIBLE UNITS SHADED IN GRAY.
MOB = MOBILITY IMPAIRED UNIT
HVI = HEARING/VISUAL IMPAIRED UNIT



3 PLAN - LEVEL 1

SCALE: 1/16" = 1'-0"



BIMcloud: BIM3.local - BIMcloud Basic for ARCHICAD 22/TEMENOS SRO (Ver. 21.1802) Thursday, April 2, 2020 | 3:02 PM



Scott Ginder - Texas Architect
Registration # 21234

This document is incomplete and may not be used for regulatory approval, permitting or construction

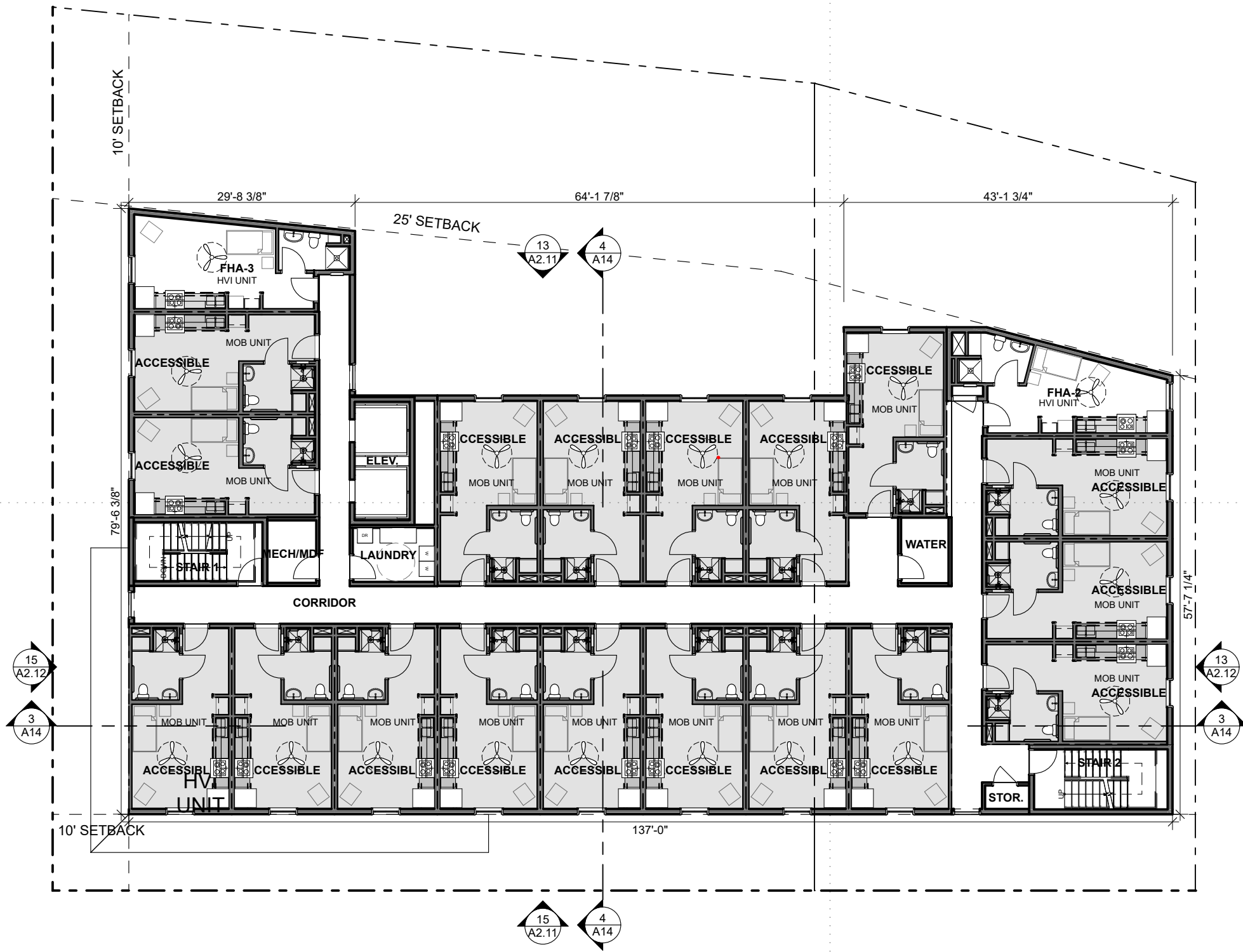
FLOOR AREA LEVEL 2		
QTY	NAME	AREA
CIRCULATION		
1	CORRIDOR	1,029
1	ELEV.	195
1	STAIR 1	163
1	STAIR 2	173
4		1,560 sq ft
COMMON SPACE		
1	LAUNDRY	92
1		92 sq ft
RESIDENTIAL		
18	ACCESSIBLE	6,066
1	FHA-2	324
1	FHA-3	335
20		6,725 sq ft
SUPPORT		
1	MECH/MDF	61
1	STOR.	26
1	WATER	63
3		150 sq ft
28		8,527 sq ft

GENERAL FLOOR PLAN NOTES

ACCESSIBLE UNITS SHADED IN GRAY.

MOB = MOBILITY IMPAIRED UNIT

HVI = HEARING/VISUAL IMPAIRED UNIT



TEMENOS SRO
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Houston, TX 77003

REV	DATE	DESCRIPTION

ISSUE:
FUNDING APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
FLOOR PLAN - LEVEL 2

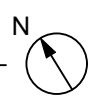
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A3

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3 PLAN - LEVEL 2

SCALE: 1/16" = 1'-0"





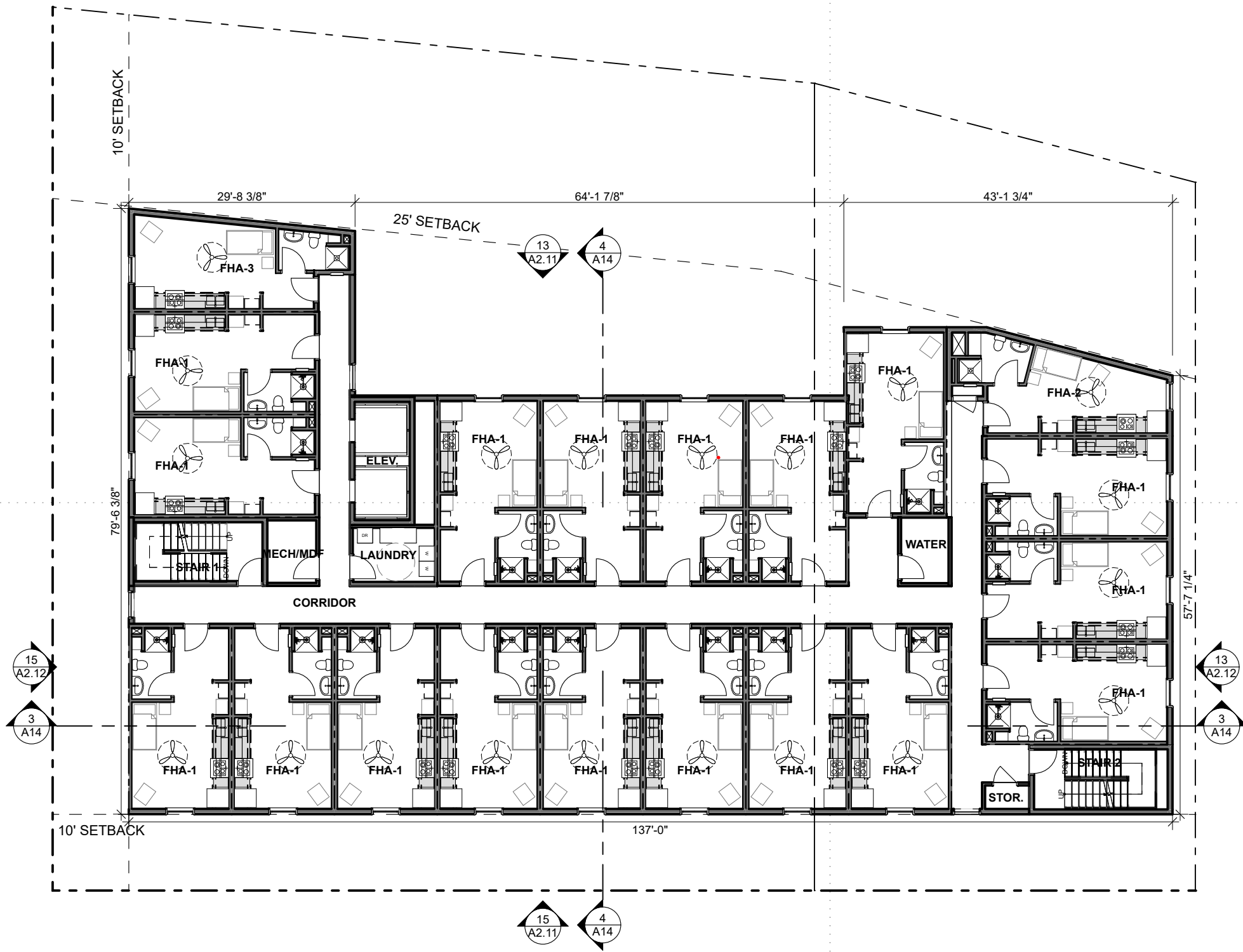
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FLOOR AREA LEVEL 3		
QTY	NAME	AREA
CIRCULATION		
1	CORRIDOR	1,029
1	ELEV.	195
1	STAIR 1	163
1	STAIR 2	173
4		1,560 sq ft
COMMON SPACE		
1	LAUNDRY	92
1		92 sq ft
RESIDENTIAL		
18	FHA-1	6,066
1	FHA-2	324
1	FHA-3	335
20		6,725 sq ft
SUPPORT		
1	MECH/MDF	61
1	STOR.	26
1	WATER	63
3		150 sq ft
28		8,527 sq ft

GENERAL FLOOR PLAN NOTES

ACCESSIBLE UNITS SHADED IN GRAY.
MOB = MOBILITY IMPAIRED UNIT
HVI = HEARING/VISUAL IMPAIRED UNIT



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REV DATE DESCRIPTION

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APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
FLOOR PLAN - LEVEL 3

SHEET:

A4

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3 PLAN - LEVEL 3

SCALE: 1/16" = 1'-0"





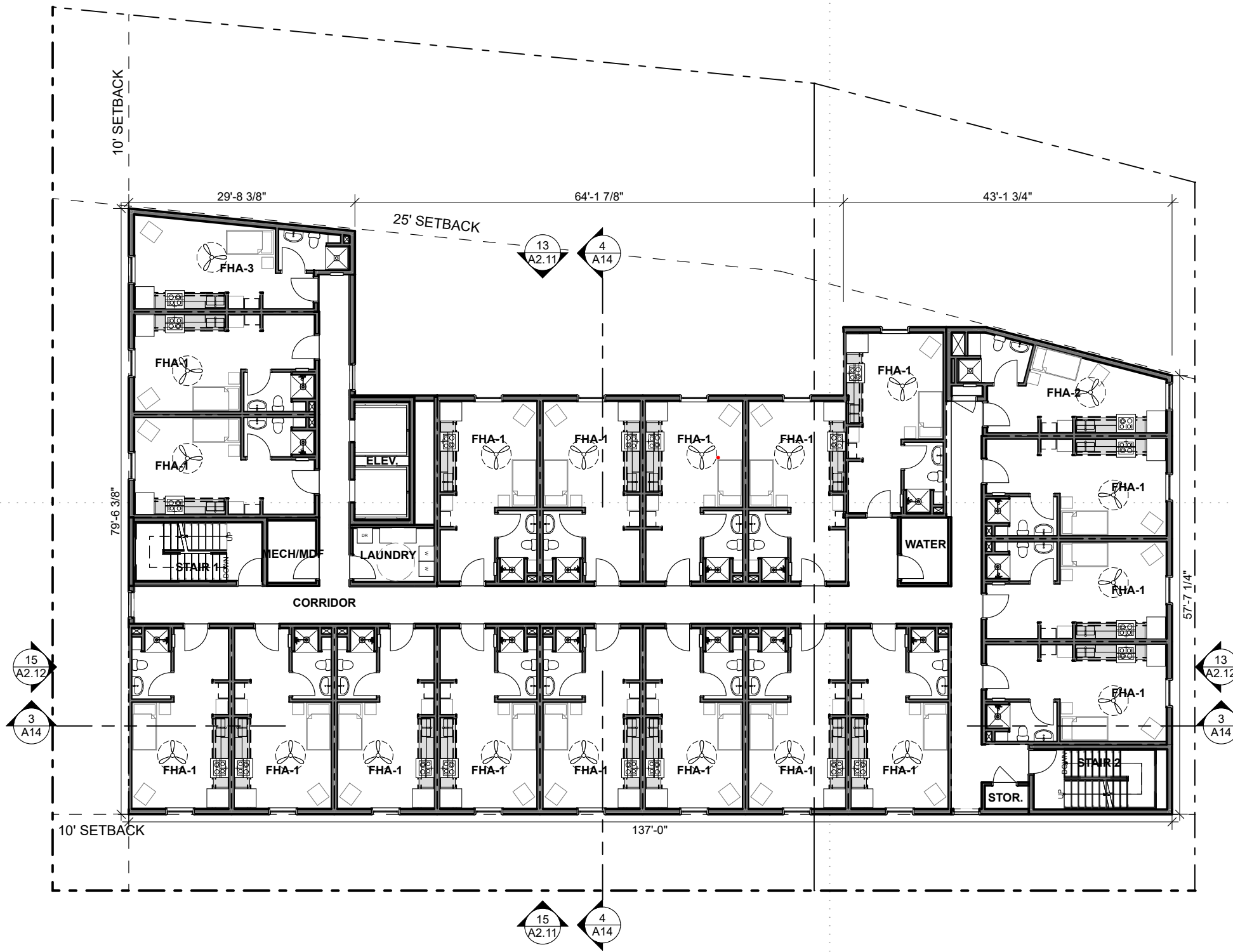
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FLOOR AREA LEVEL 4		
QTY	NAME	AREA
CIRCULATION		
1	CORRIDOR	1,029
1	ELEV.	195
1	STAIR 1	163
1	STAIR 2	173
4		1,560 sq ft
COMMON SPACE		
1	LAUNDRY	92
1		92 sq ft
RESIDENTIAL		
18	FHA-1	6,066
1	FHA-2	324
1	FHA-3	335
20		6,725 sq ft
SUPPORT		
1	MECH/MDF	61
1	STOR.	26
1	WATER	63
3		150 sq ft
28		8,527 sq ft

GENERAL FLOOR PLAN NOTES

ACCESSIBLE UNITS SHADED IN GRAY.
MOB = MOBILITY IMPAIRED UNIT
HVI = HEARING/VISUAL IMPAIRED UNIT



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SHEET TITLE:
FLOOR PLAN - LEVEL 4

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A5

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3 PLAN - LEVEL 4
SCALE: 1/16" = 1'-0"



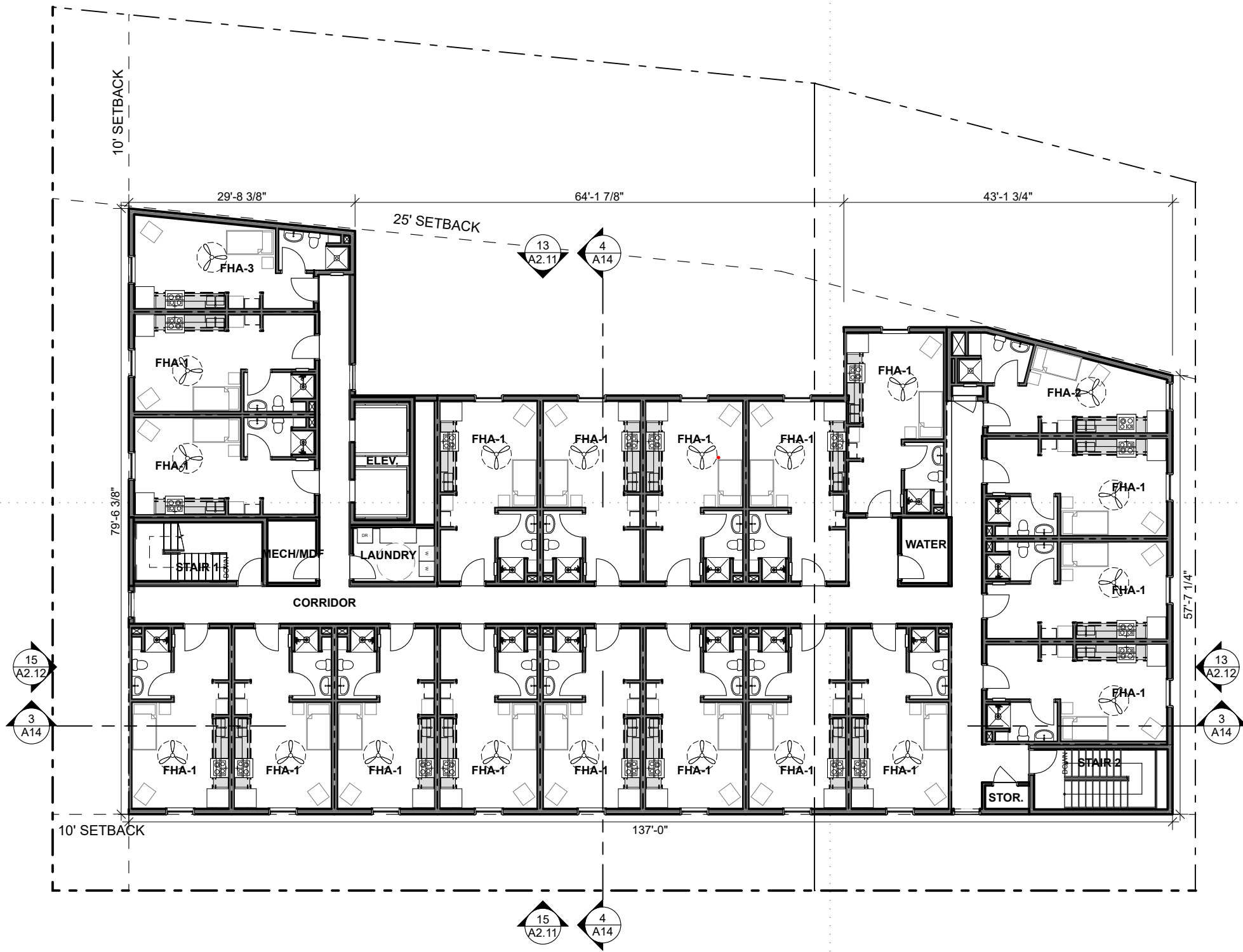


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FLOOR AREA LEVEL 5		
QTY	NAME	AREA
CIRCULATION		
1	CORRIDOR	1,029
1	ELEV.	195
1	STAIR 1	163
1	STAIR 2	173
4		1,560 sq ft
COMMON SPACE		
1	LAUNDRY	92
1		92 sq ft
RESIDENTIAL		
18	FHA-1	6,066
1	FHA-2	324
1	FHA-3	335
20		6,725 sq ft
SUPPORT		
1	MECH/MDF	61
1	STOR.	26
1	WATER	63
3		150 sq ft
28		8,527 sq ft

GENERAL FLOOR PLAN NOTES
 ACCESSIBLE UNITS SHADED IN GRAY.
 MOB = MOBILITY IMPAIRED UNIT
 HVI = HEARING/VISUAL IMPAIRED UNIT



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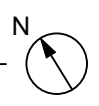
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 PROJECT NUMBER:
 2019-0025
 SHEET TITLE:
FLOOR PLAN - LEVEL 5
 SHEET:

A6

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3 PLAN - LEVEL 5
 SCALE: 1/16" = 1'-0"





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2019-0025

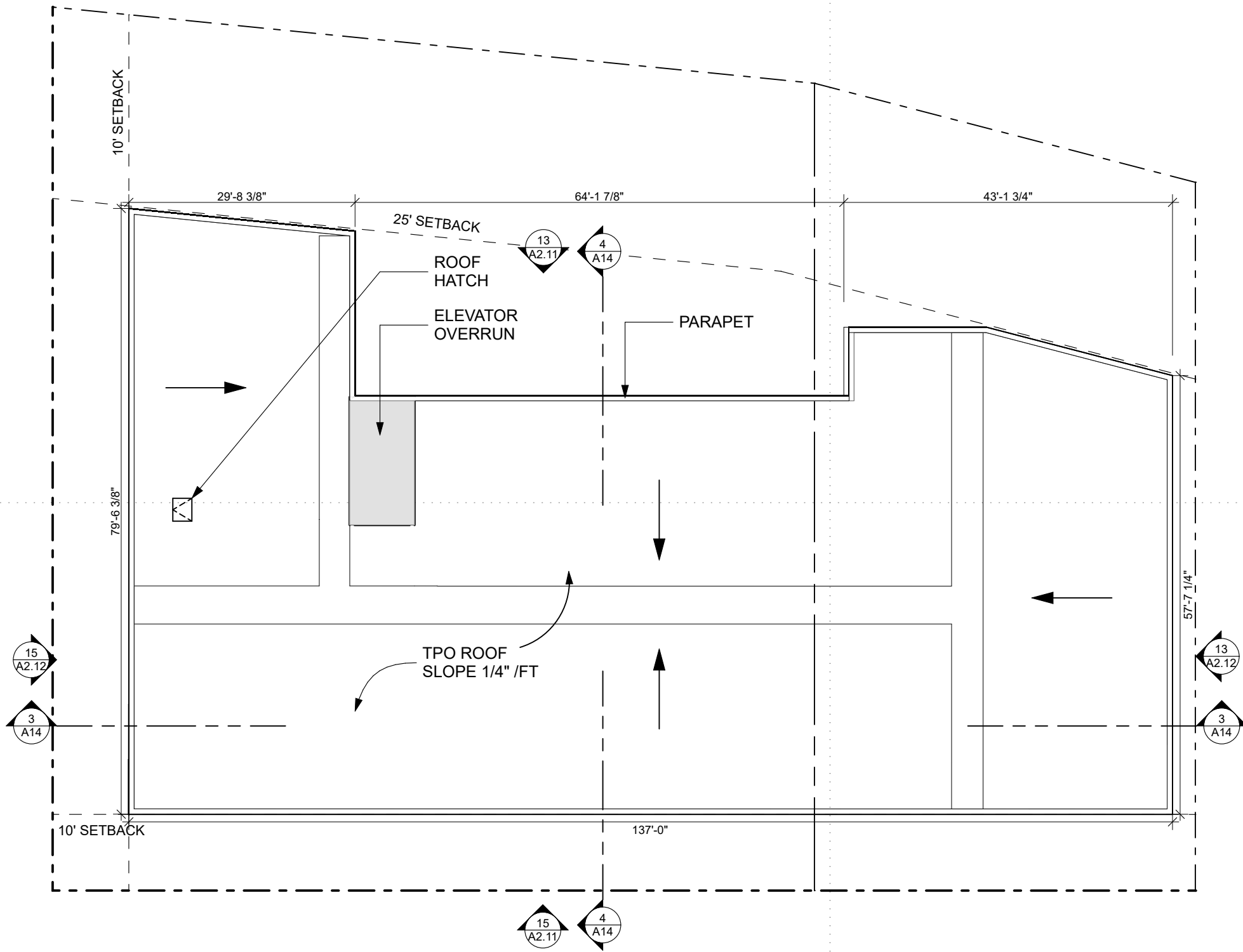
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ROOF PLAN

SHEET:

A7

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3 PLAN - ROOF

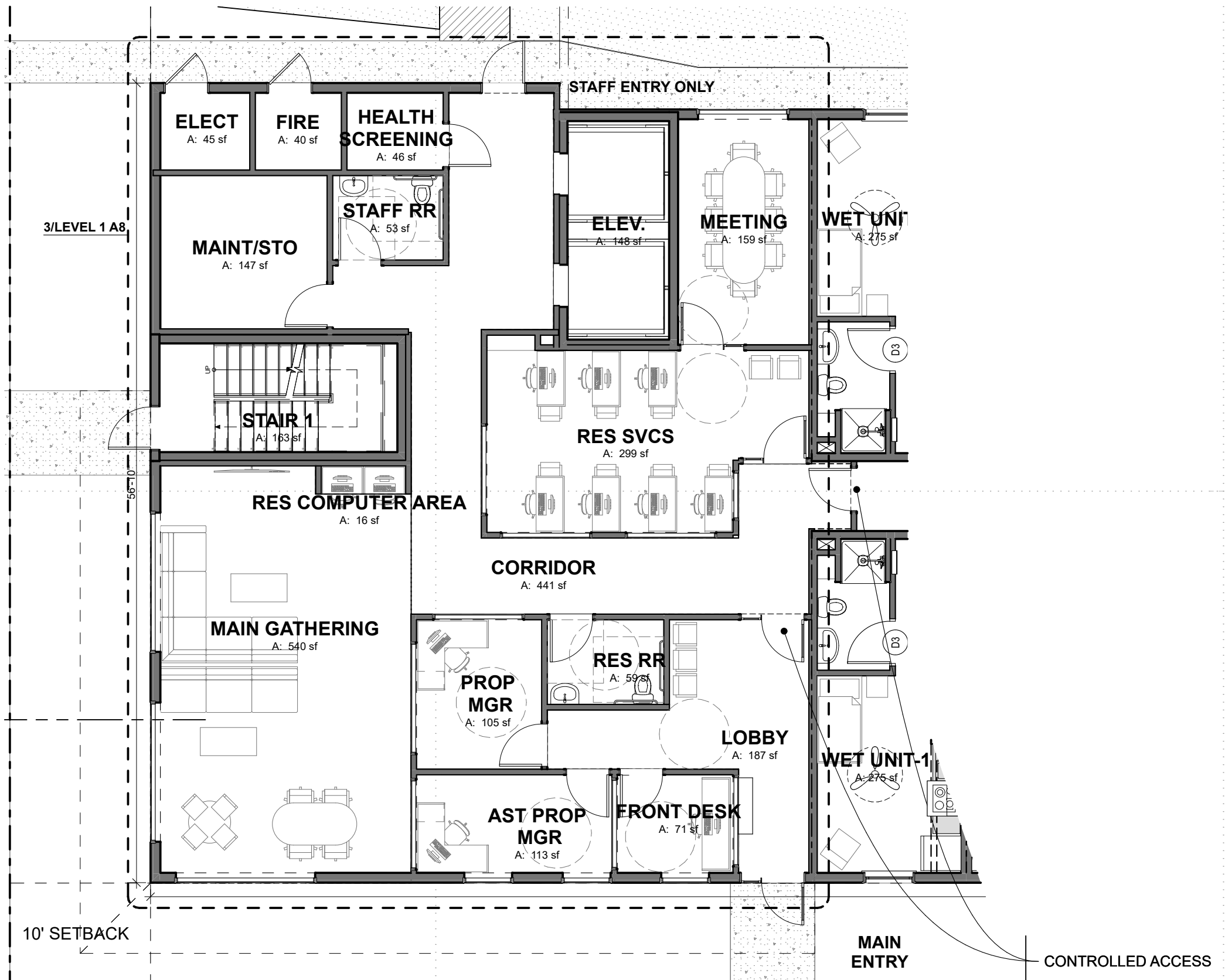
SCALE: 1/16" = 1'-0"





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3 ENLARGED PLAN - COMMON SPACE

SCALE: 1/8" = 1'-0"



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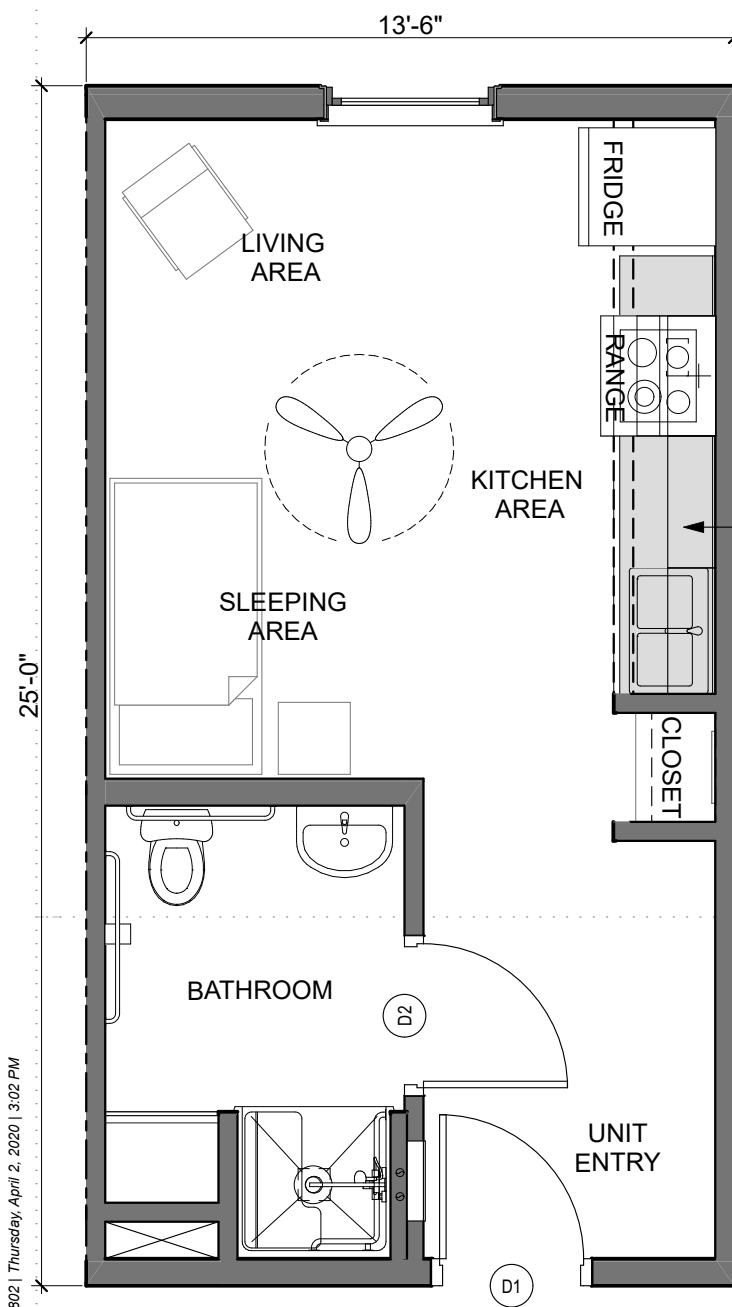
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ENLARGED PLAN -
COMMON SPACE
SHEET:

A8



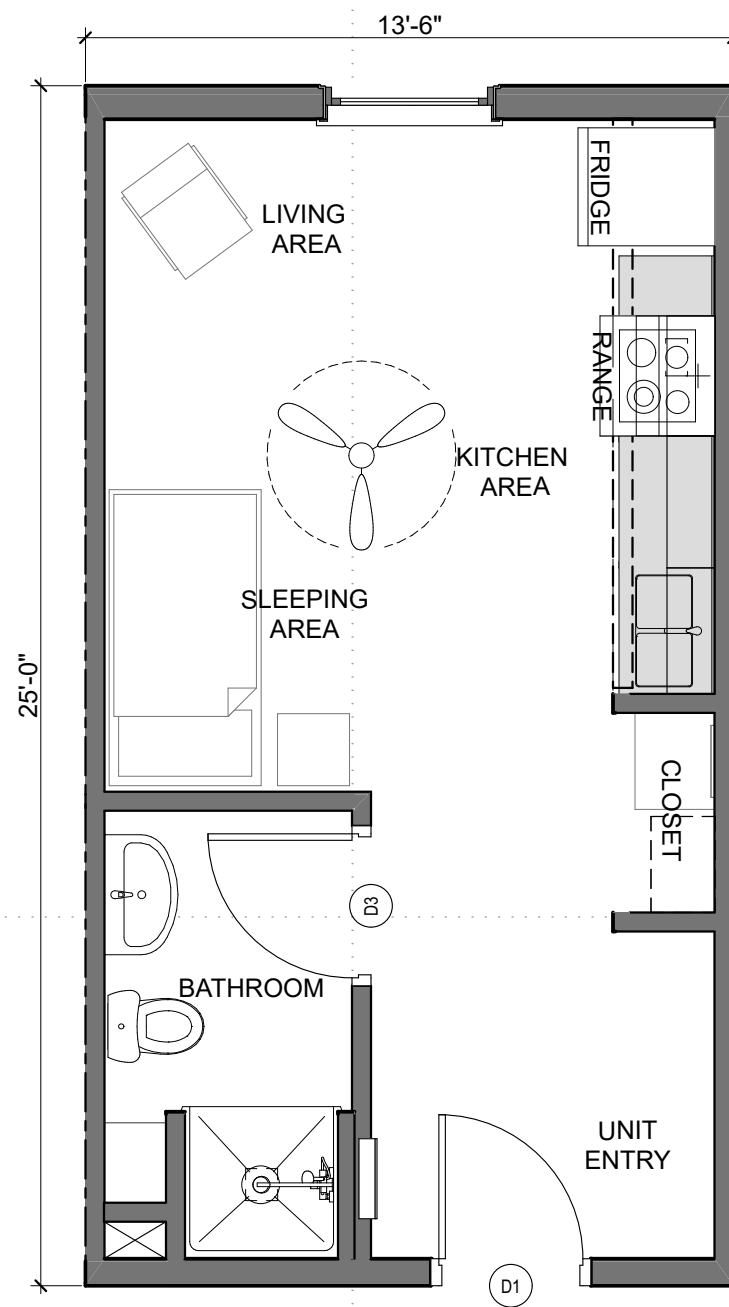
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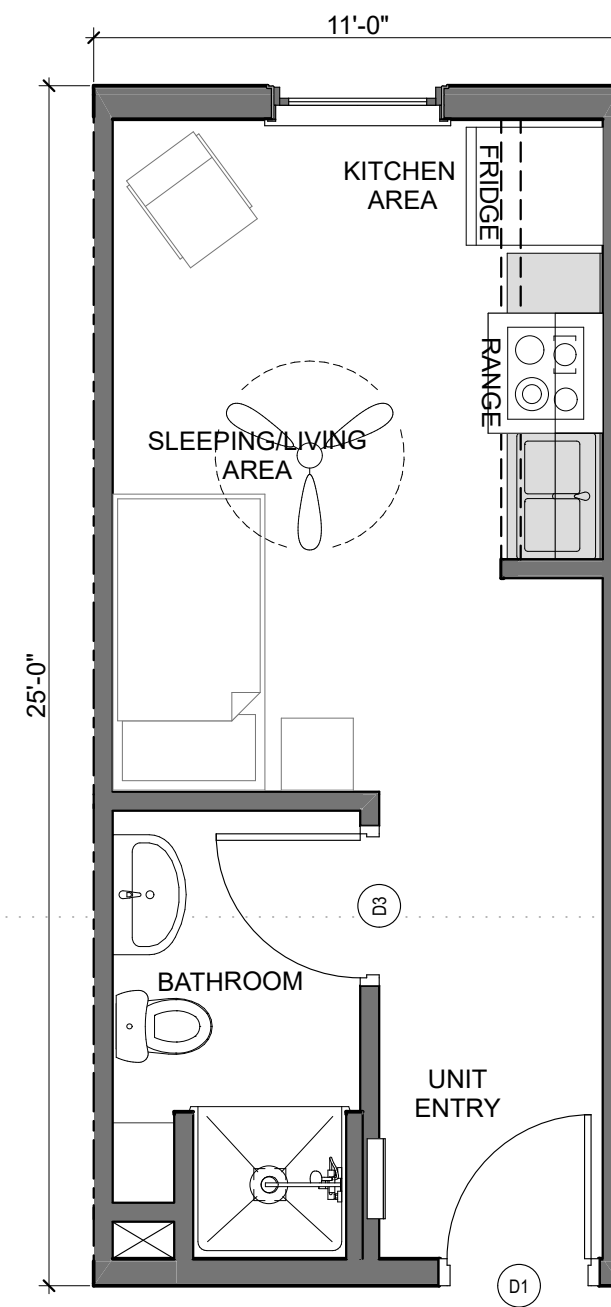


FULLY ACCESSIBLE UNIT - 337 SF
SCALE: 1/4" = 1'-0"

1. PROVIDE ACCESSIBLE ROUTE TO OPERABLE WINDOW. PROVIDE HARDWARE WITHIN REACH LIMIT (15" AFF-48" AFF), TYP.
2. PROVIDE SWITCH FOR EXHAUST HOOD IN ALL "ADA" ACCESSIBLE UNITS, BLANK PRE-WIRED FACE PLATE IN ALL OTHER UNITS.
3. PROVIDE DOOR CHIME AND VISUAL SIGNAL IN HVI UNITS, 84" AFF TYP.
4. AUDIBLE AND VISUAL ALARM AT SMOKE DETECTORS IN HVI UNITS



FHA-1 COMPLIANT UNIT - 337 SF
SCALE: 1/4" = 1'-0"



WET-1 UNIT - 275 SF
SCALE: 1/4" = 1'-0"

GENERAL UNIT PLAN NOTES

1. UNIT FLOORING TO BE VINYL OR BETTER.
2. CEILING HEIGHTS TO BE 9'-0" IN LIVING AND SLEEPING AREAS.

REV DATE DESCRIPTION

ISSUE:
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APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
TYPICAL UNIT PLANS

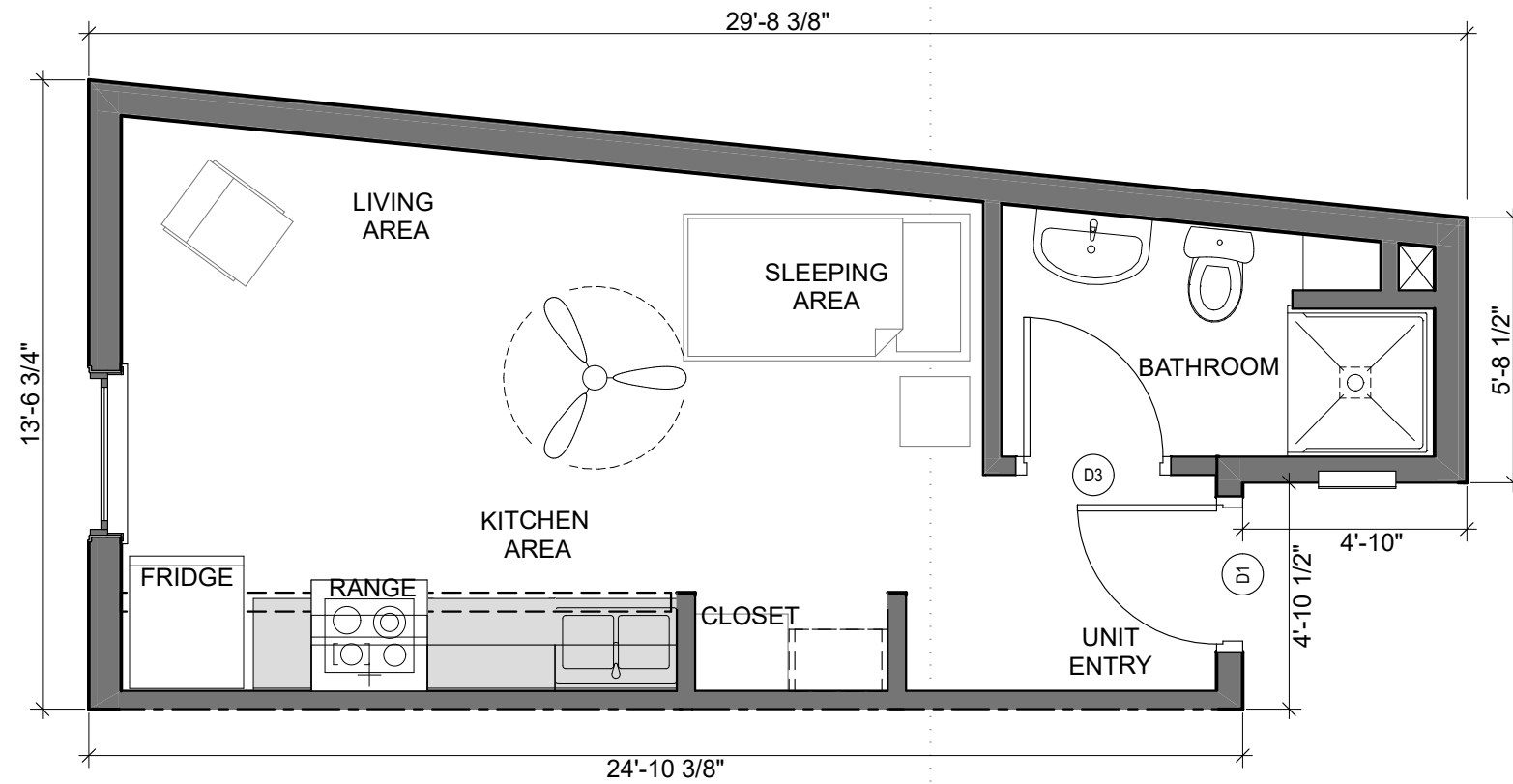
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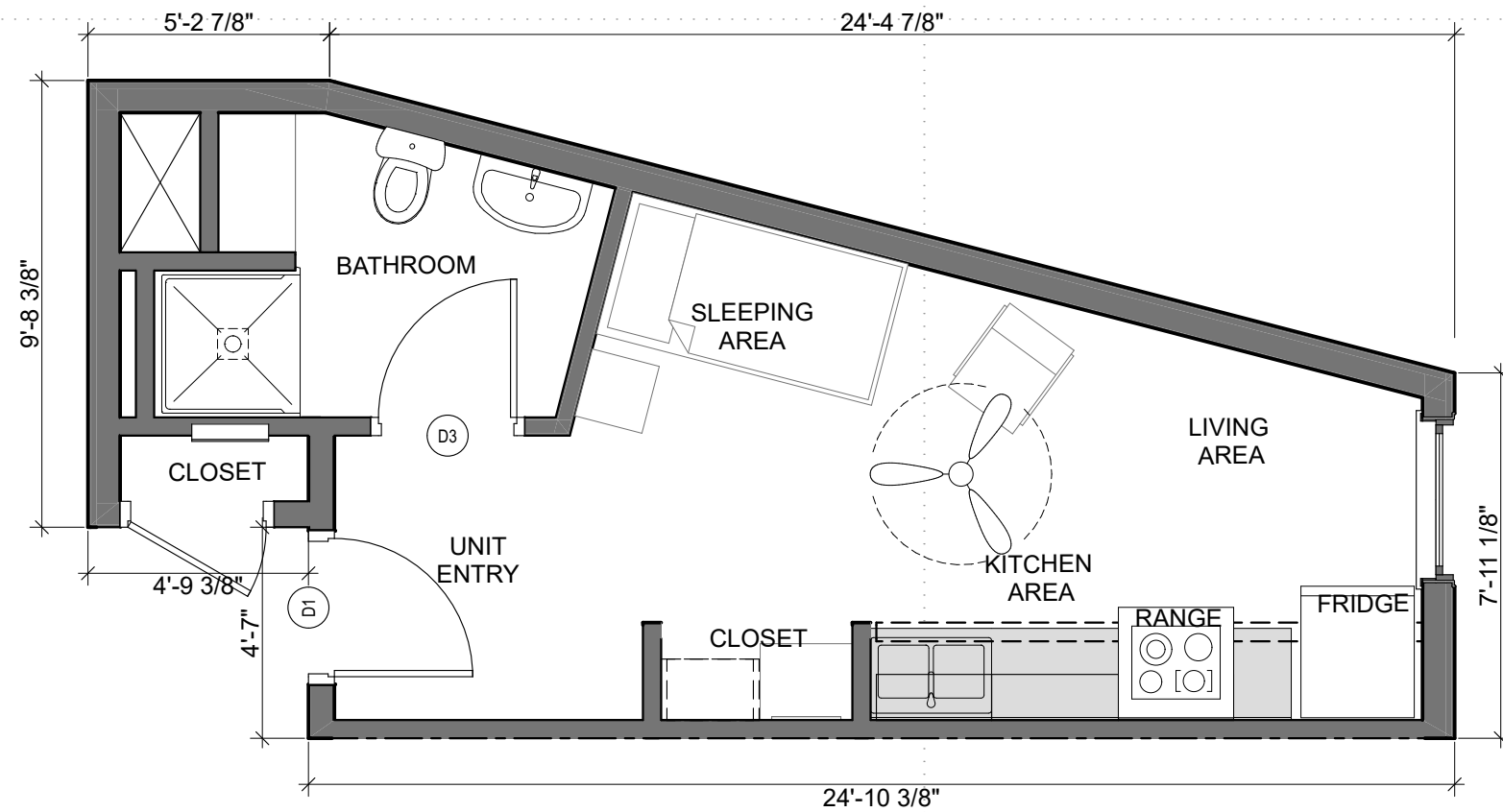


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FHA-3 COMPLIANT UNIT - 325 SF
SCALE: 1/4" = 1'-0"



FHA-2 COMPLIANT UNIT - 324 SF
SCALE: 1/4" = 1'-0"

- GENERAL UNIT PLAN NOTES**
1. UNIT FLOORING TO BE VINYL OR BETTER.
 2. CEILING HEIGHTS TO BE 9'-0" IN LIVING AND SLEEPING AREAS.

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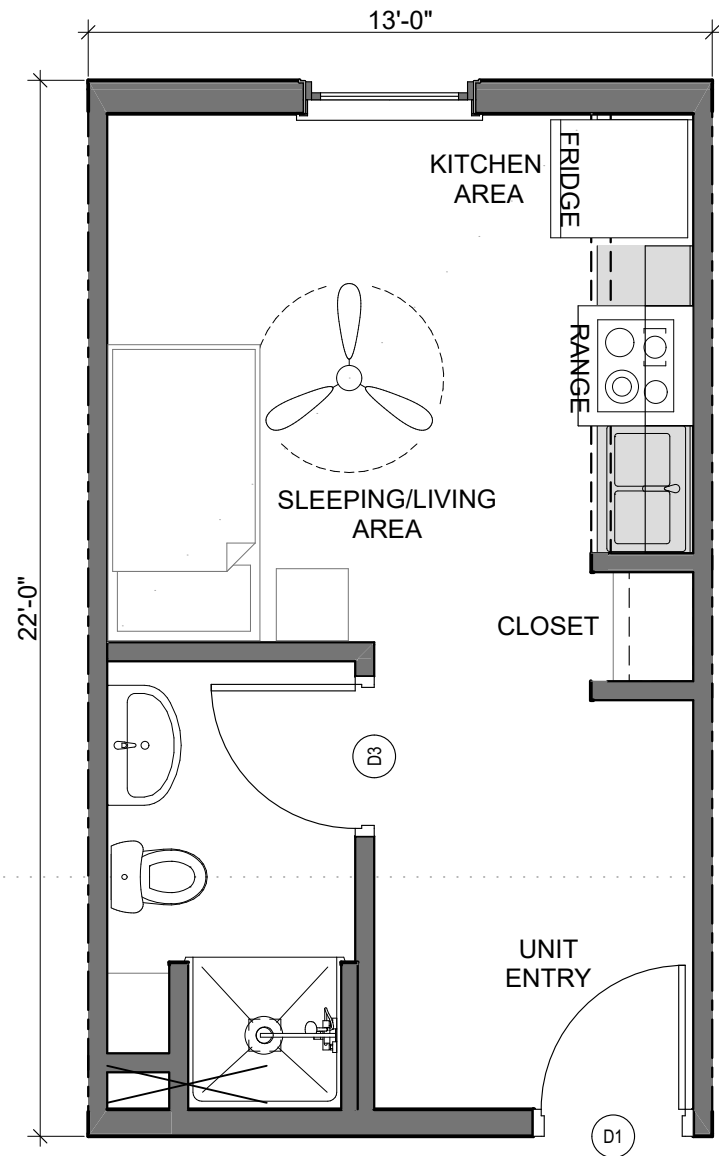
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APPLICATION
DATE:
11/15/19
PROJECT NUMBER:
2019-0025
SHEET TITLE:
TYPICAL UNIT PLANS 2
SHEET:

A10

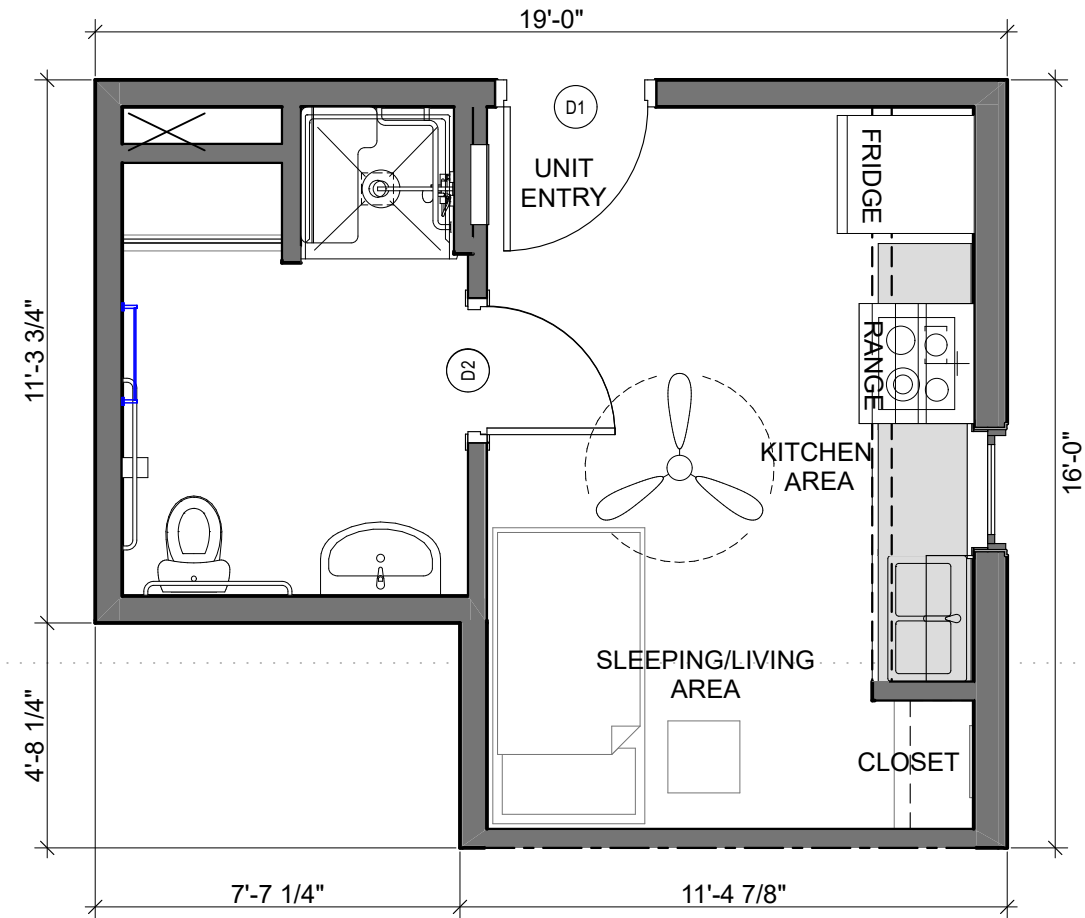


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WET-2 UNIT - 286 SF
SCALE: 1/4" = 1'-0"



WET-3 UNIT - 266 SF
SCALE: 1/4" = 1'-0"

1. PROVIDE ACCESSIBLE ROUTE TO OPERABLE WINDOW. PROVIDE HARDWARE WITHIN REACH LIMIT (15" AFF-48" AFF), TYP.
2. PROVIDE SWITCH FOR EXHAUST HOOD IN ALL "ADA" ACCESSIBLE UNITS, BLANK PRE-WIRED FACE PLATE IN ALL OTHER UNITS.

GENERAL UNIT PLAN NOTES

1. UNIT FLOORING TO BE VINYL OR BETTER.
2. CEILING HEIGHTS TO BE 9'-0" IN LIVING AND SLEEPING AREAS.

REV DATE DESCRIPTION

ISSUE:
FUNDING
APPLICATION

DATE:
11/15/19

PROJECT NUMBER:
2019-0025

SHEET TITLE:
TYPICAL UNIT PLANS 3

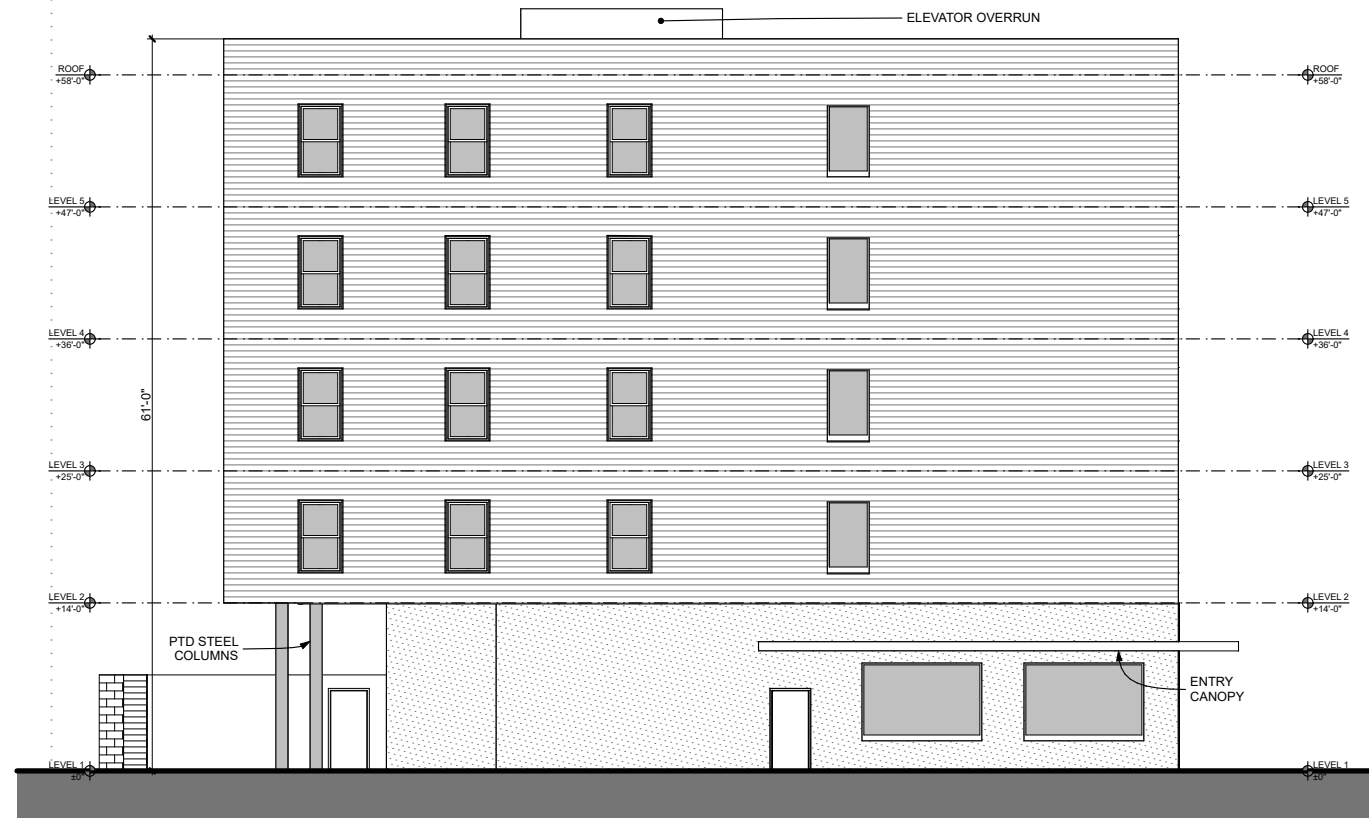
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A11



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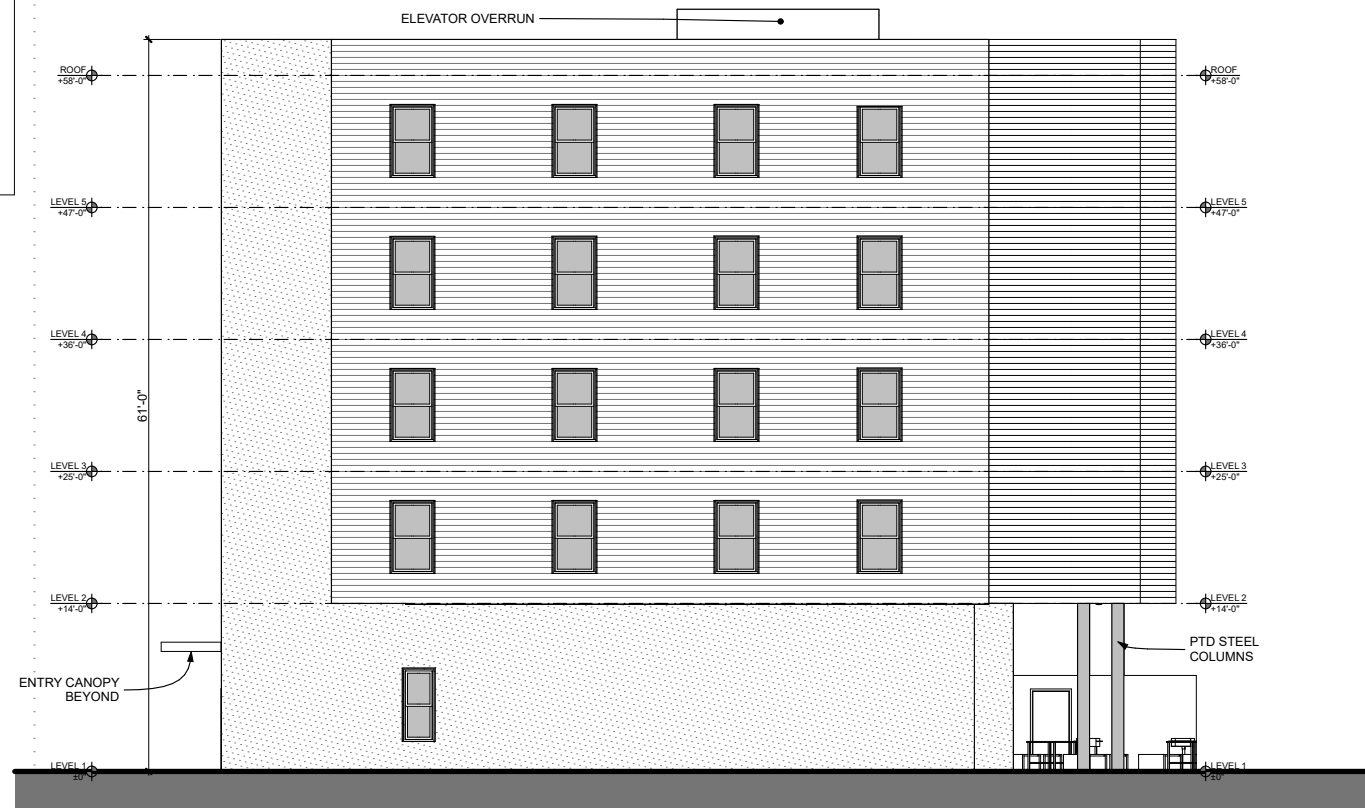
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4 WEST ELEVATION
SCALE: 1/16" = 1'-0"

EXTERIOR FINISHES

MATERIAL	NORTH	SOUTH	EAST	WEST	TOTAL (SF)	%
FIBER CEMENT SIDING	5,964	4,736	2,945	3,387	17,032	67%
CEMENT STUCCO	1,601	2,428	1,333	743	6,105	24%
GLAZING	630	945	357	466	2,398	9%
					25,535	



3 EAST ELEVATION
SCALE: 1/16" = 1'-0"

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ISSUE:
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APPLICATION**

DATE:
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PROJECT NUMBER:
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SHEET TITLE:
BUILDING ELEVATIONS

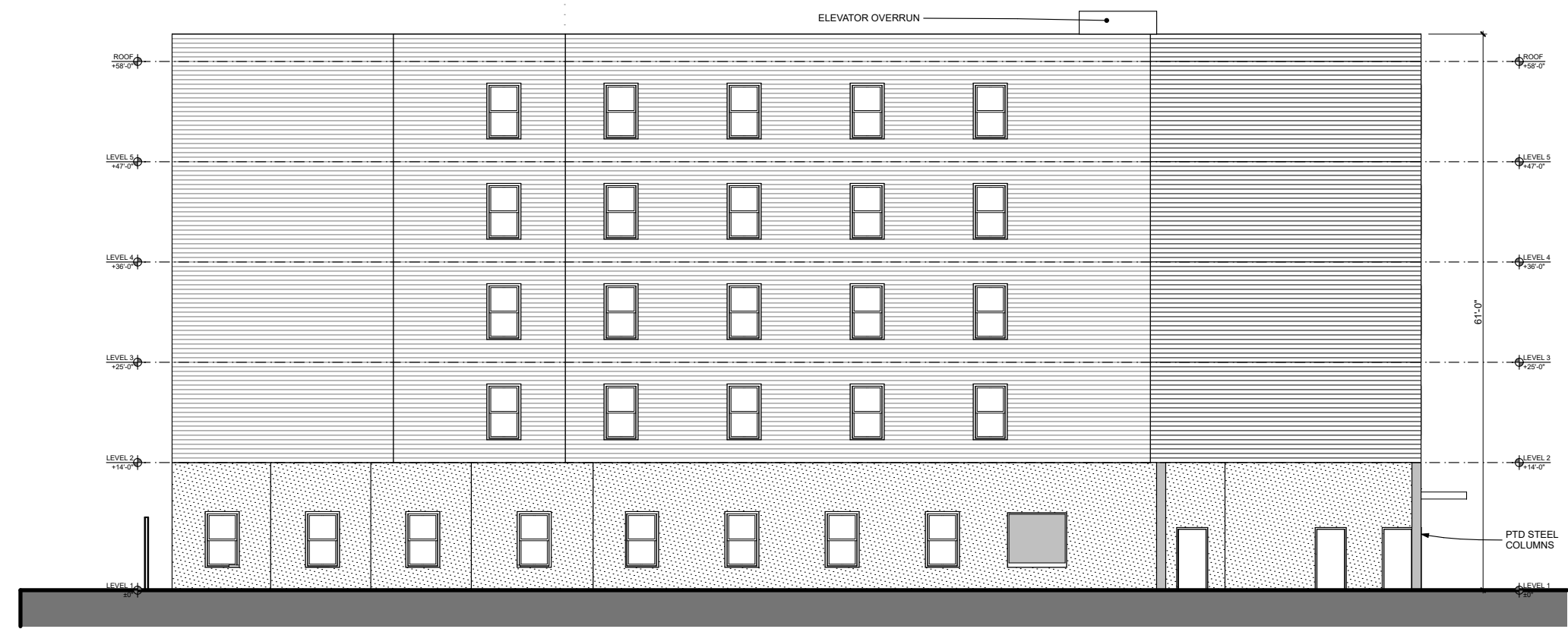
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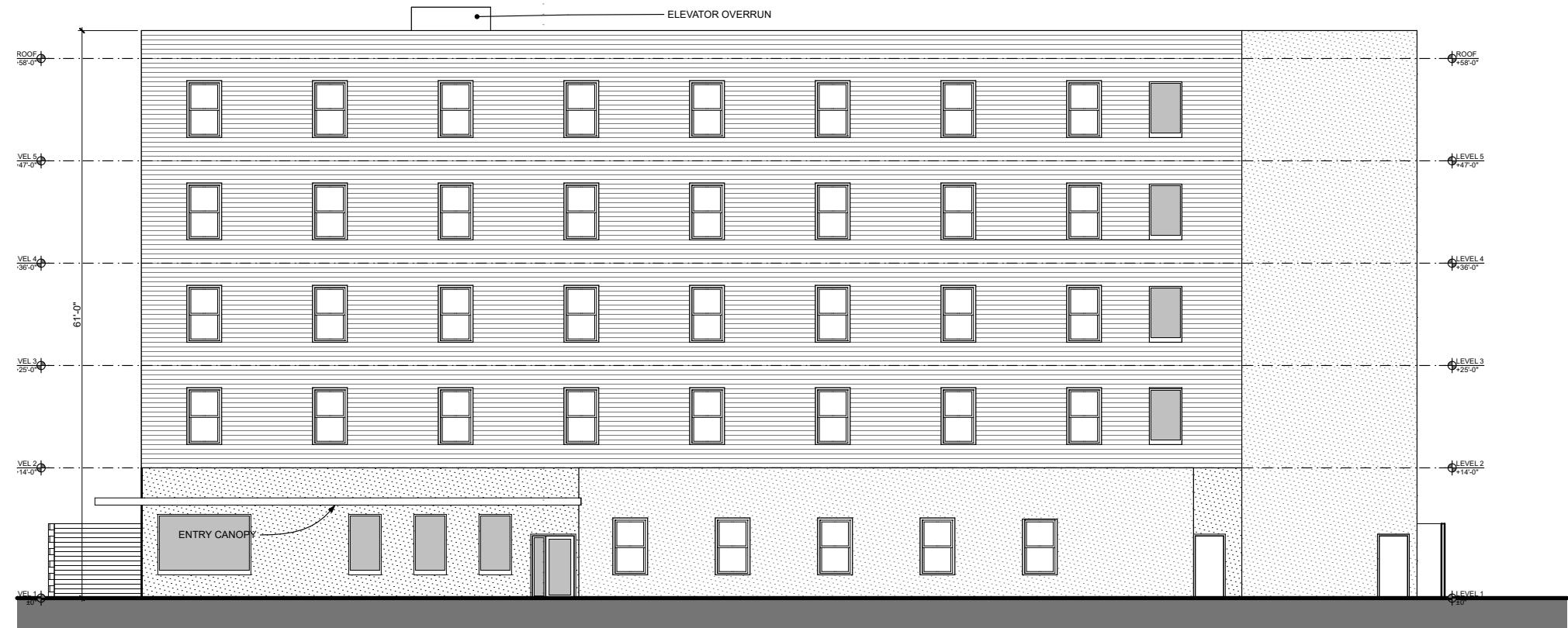


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4 NORTH ELEVATION
SCALE: 1/16" = 1'-0"



3 SOUTH ELEVATION
SCALE: 1/16" = 1'-0"

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SHEET TITLE:
BUILDING ELEVATIONS

SHEET:

A13

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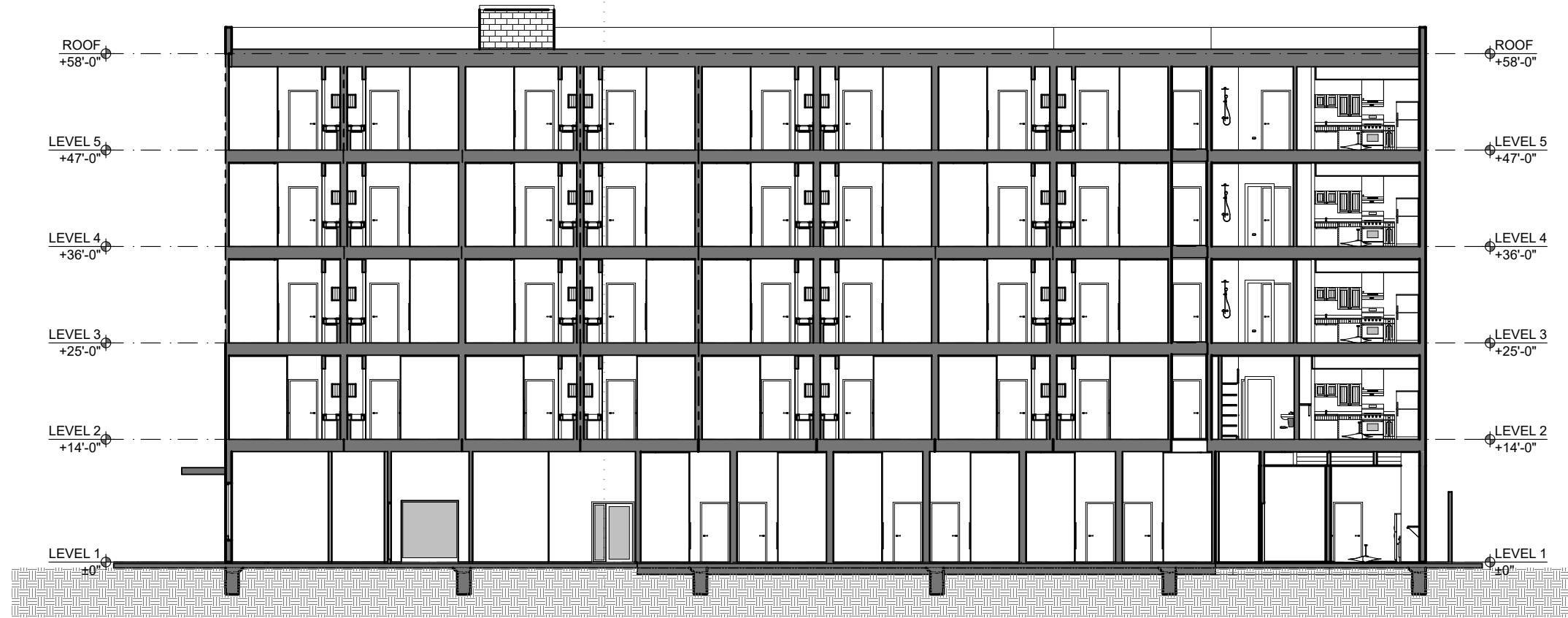


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4 N-S BUILDING SECTION
SCALE: 1/16" = 1'-0"



3 E-W BUILDING SECTION
SCALE: 1/16" = 1'-0"

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SHEET TITLE:
BUILDING SECTIONS

SHEET:

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
SEPTEMBER 3, 2020

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

RECOMMENDED ACTION

WHEREAS, eight 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 eight 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 that can possibly 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. The collapse occurred on August 17, 2020 (given that the 15th was a weekend), and there was approximately \$1.5 billion in applications requesting volume cap, with approximately \$1.3 billion of those requests being for multifamily. There was approximately \$370 million in unreserved volume cap

that collapsed, leaving approximately \$900 million unreserved and waiting for volume cap to be released through currently reserved applications that are withdrawn.

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% HTC (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.

The Reservations from the BRB for the developments described herein were 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.

20466 Blue Water Garden Apartments

The project proposes the acquisition and rehabilitation of 132 units located at 612 North Irving Street in Hereford, Deaf Smith County. The multifamily development was originally built in 1972, and a rehabilitation was completed after receiving an award of 4% Housing Tax Credits on April 8, 2004. The general population will continue to be served and all of the units will be rent and income restricted at 60% of AMFI, which is consistent with the existing restrictions in the housing tax credit LURA. The Section 8 HAP contract is expected to continue for all of the units as well. The Panhandle Regional Housing Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: \$738,553

20415 Avenue on 34th

Avenue on 34th is a new construction development of 70 units that will serve the general population. The development is proposed to be located at 2136 West 34th Street in Houston, Harris County. The applicant has elected to utilize the income averaging set-aside and the application reflects that six units will be rent and income restricted at 30% of AMFI, 15 units will be rent and income restricted at 50% of AMFI, 24 units will be rent and income restricted at 60% AMFI, 11 units will be rent and income restricted at 80% AMFI, and 14 units will be leased at market rate. The Houston Housing Finance Corporation is serving as the bond issuer.

Undesirable Site Feature - Railroad Track: The applicant disclosed that the development site is located within 500 feet of an active railroad track. One of the exceptions included in the QAP allows the Undesirable Site Feature if 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. The applicant has affirmed that a noise assessment has been performed by a Third Party, and that the mitigation will conform to 10 TAC §11.101(a)(2)(E)(ii) of the 2020 QAP.

Recommended HTC Amount: \$333,845

20473 Agave East Apartments

The project proposes the new construction of 240 units to be built west of the intersection of Elroy Road and McAngus Road in the extraterritorial jurisdiction of Austin, Travis County. The general population will be served and the applicant has elected to utilize the income averaging minimum set-aside as 86 units will be rent and income restricted at 50% of AMFI, 116 units will be rent and income restricted at 60% of AMFI, and 38 units will be rent and income restricted at 70% of AMFI. The Travis County Housing Finance Corporation will issue the bonds.

School: The applicant disclosed that the development will be located within the attendance zone of Popham Elementary, which was given a rating of “F” by the TEA for 2019. Mitigation for an underperforming school is required pursuant to 10 TAC §11.101(a)(3)(D)(iv) of the 2020 QAP. However, at the Board meeting of April 23, 2020, the Board waived the requirement for mitigation relating to school performance for the remainder of 2020 due to the effects of the COVID-19 pandemic on local governments and other entities. This waiver is applicable to those 4% HTC applications submitted under the 2020 QAP that receive a Reservation from the Bond Review Board in the 2020 calendar year.

Recommended HTC Amount: \$1,355,697

20454 South Terrace

The South Terrace Apartments project involves the acquisition and rehabilitation of 250 units located at 100 Kennedy Circle in Waco, McLennan County. The multifamily development was built in 1969, and is converting to Section 8 rental assistance through the Rental Assistance Demonstration (RAD) program administered by HUD. The development will continue to serve the general population. The development will include 75% of the units that have RAD Project Based Vouchers (PBV) and the remaining 25% that will be non-RAD PBV. The applicant has elected to utilize the income averaging minimum set-aside as eight units will be rent and income restricted at 30% of AMFI, 234 units will be rent and income restricted at 60% of AMFI, and the remaining eight units will be rent and income restricted at 80% of AMFI. The bond issuer is Waco Public Facility Corporation II.

There are two Neighborhood Risk Factors (NRF) associated with South Terrace Apartments relating to poverty rate and school performance. 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.

Poverty: The development is located in a census tract (019.00) that has a poverty rate of 61.4%, according to the 2020 Site Demographic Characteristics Report, 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 Waco has been provided that meets the requirements of 10 TAC §11.101(a)(3)(D)(i).

Schools: The applicant disclosed the underperformance of the elementary and middle school. The site is within the attendance zone of South Waco Elementary and Cesar Chavez Middle School, and thus would typically require an NRF report, pursuant to 10 TAC §11.101(a)(3) of the QAP. However, in response to the COVID-19 pandemic, at the Board meeting of April 23, 2020, the Board granted a waiver regarding the requirement for mitigation relating to school performance for the remainder of the 2020 program year. This waiver is applicable to those 4% HTC applications submitted under the 2020 QAP that receive a Reservation from the Bond Review Board in the 2020 calendar year.

Recommended HTC Amount: \$1,445,826

20475 Northview Apartments

The Northview Apartments development involves the new construction of 156 units to serve the general population to be located at 23142 U.S. Highway 281 in San Antonio, Bexar County. The applicant has elected to utilize the income averaging minimum set-aside as 16 of the units will be rent and income restricted at 30% of AMFI, 92 of the units will be rent and income restricted at 60% of AMFI, and the remaining 48 units will be rent and income restricted at 70% of AMFI. The San Antonio Housing Trust Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: \$1,270,215

20411 Kitty Hawk Flats

Kitty Hawk Flats is the proposed new construction of 212 units to be located at the northeast corner of O'Connor Road and Kitty Hawk Road in the extraterritorial jurisdiction of San Antonio, Bexar County. The general population will be served and the applicant has elected to utilize the income averaging minimum set-aside. The development will offer 22 units rent and income restricted at 30% of AMFI, 135 units rent and income restricted at 60% of AMFI, and 55 units rent and income restricted at 70% of AMFI. The Las Varas Public Facility Corporation is serving as the bond issuer.

The applicant disclosed an NRF involving the underperformance of the elementary school. The site is within the attendance zone of Montgomery Elementary School, and thus would typically require an NRF report, pursuant to 10 TAC §11.101(a)(3) of the QAP. However, in response to the COVID-19 pandemic, at the Board meeting of April 23, 2020, the Board granted a waiver regarding the requirement for mitigation relating to school performance for the remainder of the 2020 program year. This waiver is applicable to those 4% HTC applications submitted under the 2020 QAP that receive a Reservation from the Bond Review Board in the 2020 calendar year.

Recommended HTC Amount: \$1,359,994

20478 Vera at Odessa

The project proposes the new construction of 288 units located at approximately 491 Highway 191 from the west end of Mission Boulevard in Odessa, Midland County. The general population will be served. The income averaging minimum set-aside has been elected and the application reflects that 16 units will be rent and income restricted at 30% of AMFI, 42 units will be rent and income restricted at 40% of AMFI, 85 units will be rent and income restricted at 50% of AMFI, 126 units will be rent and income restricted at 70% of AMFI, and 19 units will be rent and income restricted at 80% of AMFI. The Odessa Housing Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: \$1,389,149

20483 Shady Oaks Manor

The development involves the acquisition and rehabilitation of 138 units located at 6148 San Villa Drive in Fort Worth, Tarrant County. Shady Oaks Manor was originally built in 1979 and was rehabilitated in 2003 utilizing 4% Housing Tax Credits that were awarded on August 8, 2002. All of the units are proposed to be rent and income restricted at 50% of AMFI, which is consistent with the existing restrictions in the housing tax credit LURA. The development will serve the elderly population (elderly preference), however, it will be necessary to amend the existing LURA to reflect the HUD definition of elderly. The Texas State Affordable Housing Corporation is serving as the bond issuer.

Accessibility: A waiver has been requested for 10 TAC §11.101(b)(8) of the 2020 Qualified Allocation Plan, relating to development accessibility requirements. Multifamily apartments that are not elevator-served must distribute accessible units throughout the development on the first floor, or the distribution must comply with local code. According to Dyke Nelson, the Architect for the project, significant elevation changes exist on the southeast side of the property and it is infeasible to distribute the accessible mobility units and provide accessible routes throughout the entire development site. The Architect has determined that the best placement of the accessible mobility units and accessible routes is near the Leasing Office and site amenities, which are all located on the north side of the subject property. Upon further review of the site plan and development site, given the limitations that exist and that this Development is not subject to the accessibility requirements in the Fair Housing Act, staff has determined that the proposed distribution of accessible units and the planned accessible route is

acceptable, and that a specific waiver is not necessary. Moreover, staff notes that the proposed distribution of the accessible units and accessible routes to the amenities is acceptable, contingent upon the development meeting all other requirements under 10 TAC Chapter 1, Subchapter B, of the 2020 QAP.

Recommended HTC Amount: \$654,862

EXHIBIT A
Previous Participation Results

Application Number	Development Name	Category	PPR Conditions
20466	Blue Water Gardens	1	N/A
20415	Avenue on 34th	2	Owner is required to designate a person or persons to receive Compliance correspondence and ensure that this person or persons will provide timely responses to the Department for and on behalf of the proposed Development and all other Developments subject to TDHCA LURAs over which the Owner has the power to exercise Control.
20473	Agave East	1	N/A
20454	South Terrace	1	N/A
20475	Northview Apartments	1	N/A
20411	Kitty Hawk	2	N/A
20478	Vera at Odessa	1	N/A
20483	Shady Oaks	3	No changes since last approval. In accordance with §1.301(f)(1) the compliance history is deemed acceptable.



4% (Non-Competitive) Housing Tax Credit Program 2020 Application Status Log

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
20600		Oaks on Clark	San Antonio	4/23/2020	Closed	80	80	\$ 12,000,000	\$ 607,290	\$ 597,284
20605	19608	Reserve at San Marcos	San Marcos	3/26/2020	Closed	376	320	\$ 41,000,000	\$ 1,857,733	\$ 1,857,733
20448	18458; 19431	Scharbauer Flats	Midland	2/20/2020	Closed	300	300	\$ 40,000,000	\$ 2,895,615	\$ 2,895,615
20410		Traders Flats	San Antonio	5/21/2020	Closed	324	324	\$ 38,000,000	\$ 1,863,629	\$ 1,863,629
20465	19428	Riverstone	San Marcos	11/7/2019	Closed	336	336	\$ 50,000,000	\$ 2,349,942	\$ 2,349,942
20414		The Arbor at Wayforest	Houston	3/26/2020	Closed	192	192	\$ 20,000,000	\$ 1,262,807	\$ 1,262,807
20420		Pan American	San Antonio	4/23/2020	Closed	100	100	\$ 15,000,000	\$ 674,355	\$ 674,355
20429	19452	Las Palmas	La Feria	1/16/2020	Closed	36	35	\$39,120,000 (portfolio)	\$ 87,983	\$ 87,983
20422	19445	Brush Country Cottages	Dilley	1/16/2020	Closed	28	28	-	\$ 89,069	\$ 89,069
20423	19446	Chula Vista	San Diego	1/16/2020	Closed	44	44	-	\$ 149,982	\$ 149,982
20424	19447	Cielo Lindo	Edcouch	1/16/2020	Closed	34	34	-	\$ 101,022	\$ 101,022
20425	19448	La Estancia	Sebastian	1/16/2020	Closed	32	32	-	\$ 101,210	\$ 101,210
20426	19449	La Posada I & II	Ela	1/16/2020	Closed	74	74	-	\$ 208,076	\$ 208,076
20427	19450	La Reina	La Villa	1/16/2020	Closed	30	30	-	\$ 65,586	\$ 65,586
20428	19451	La Sombra	Donna	1/16/2020	Closed	50	50	-	\$ 118,354	\$ 118,354
20430	19453	Leuty Avenue	Justin	1/16/2020	Closed	24	24	-	\$ 80,261	\$ 80,261
20432	19455	Los Naranjos	Alton	1/16/2020	Closed	30	30	-	\$ 67,810	\$ 67,810
20433	19456	Oak Haven	Donna	1/16/2020	Closed	24	24	-	\$ 63,090	\$ 63,090
20434	19457	Raintree	Alamo	1/16/2020	Closed	32	32	-	\$ 82,925	\$ 82,925
20435	19458	Seagraves Gardens	Seagraves	1/16/2020	Closed	32	32	-	\$ 91,709	\$ 91,709
20436	19459	Silver Trail	Menard	1/16/2020	Closed	24	24	-	\$ 67,091	\$ 67,091
20437	19460	The Village	Tomball	1/16/2020	Closed	64	64	-	\$ 172,768	\$ 172,768
20438	19461	Valley View	Valley View	1/16/2020	Closed	24	24	-	\$ 78,834	\$ 78,834
20439	19462	Villa Vallarta	Rio Grande City	1/16/2020	Closed	40	40	-	\$ 122,529	\$ 122,529
20440	19463	Vista Verde	Cotulla	1/16/2020	Closed	24	24	-	\$ 82,514	\$ 82,514
20441	19464	Willowick	Gainesville	1/16/2020	Closed	60	60	-	\$ 171,018	\$ 171,018
20442	19465	Windmill	Giddings	1/16/2020	Closed	28	28	-	\$ 77,926	\$ 77,926
20443	19466	Windwood I & II	Kingsland	1/16/2020	Closed	68	68	-	\$ 151,618	\$ 151,618
20407		New Hope Housing Avenue J	Houston	2/20/2020	Closed	100	100	\$ 23,000,000	\$ 1,290,647	\$ 1,290,467
20401		Palladium Port Aransas	Port Aransas	4/23/2020	Closed	183	165	\$ 19,000,000	\$ 1,155,074	\$ 1,155,074
20408		Vi Collina	Austin	4/23/2020	Closed	170	170	\$ 24,000,000	\$ 1,340,220	\$ 1,340,220
20611	20402	333 Holly	The Woodlands	5/21/2020	Closed	332	332	\$ 36,800,000	\$ 2,484,301	\$ 2,484,301
20612	20403	The Pines	The Woodlands	5/21/2020	Closed	152	152	\$ 22,000,000	\$ 1,469,273	\$ 1,469,273
20604	19468	The Walzem	San Antonio	5/21/2020	Closed	200	200	\$ 20,000,000	\$ 1,326,147	\$ 1,280,892
20603	19612	Scott Street Lofts	Houston	5/21/2020	Closed	123	98	\$ 18,000,000	\$ 741,693	\$ 711,964
20416		The Estates at Owen Tech	Austin	5/21/2020	Closed	174	174	\$ 20,000,000	\$ 1,213,610	\$ 1,213,610
20409		McKinney Flats	McKinney	3/26/2020	Closed	205	205	\$ 32,000,000	\$ 1,393,849	\$ 1,393,849
20404		Tampico Apartments	San Antonio	3/26/2020	Closed	200	136	\$ 23,000,000	\$ 739,670	\$ 739,670
20418		Park at 38 Thirty	San Antonio	3/26/2020	Closed	196	196	\$ 25,000,000	\$ 1,027,837	\$ 1,027,837
20412		1604 Lofts Apartments	San Antonio	5/21/2020	Closed	324	324	\$ 38,000,000	\$ 1,895,702	\$ 1,895,702
20452		Enclave at Lake Pointe	Houston	6/25/2020	Closed	132	132	\$ 14,200,000	\$ 723,725	\$ 723,725
20458		Kinwood Apartments	McKinney	6/25/2020	Closed	200	200	\$ 30,000,000	\$ 1,245,289	\$ 1,240,383
20405		Gala at Fate	Fate	5/21/2020	Closed	185	185	\$ 25,000,000	\$ 1,166,285	\$ 1,166,285
20421	19442	Richcrest Apartments	Houston	3/26/2020	Closed	288	286	\$ 30,000,000	\$ 1,974,441	\$ 1,974,441
20456		The Hollows	Channelview CDP	7/23/2020	Closed	192	192	\$ 20,000,000	\$ 1,043,287	\$ 1,043,287
20461		Cascade at Onion Creek	Austin	6/25/2020	Closed	264	264	\$ 35,000,000	\$ 1,431,091	\$ 1,422,168
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	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
20446	19432	St. Johns Square	San Antonio	3/26/2020	Approved	252	54	\$ 50,000,000	\$ 473,449	\$ 449,524
20601	19611	Granada Terrace Apartments	Houston	4/23/2020	Approved	156	156	\$ 12,000,000	\$ 882,061	\$ 882,061
20449	19469	EMLI at Pecan Creek	Aubrey	4/23/2020	Approved	254	254	\$ 20,000,000	\$ 1,484,333	\$ 1,484,333
20447	19472	Franklin Park	Austin	5/21/2020	Approved	163	163	\$ 15,000,000	\$ 737,361	\$ 737,361
20413		Residences at Merritt Hill	Rowlett	5/21/2020	Approved	260	260	\$ 33,000,000	\$ 1,888,671	\$ 1,888,671
20400		Palladium West Francis	Midland	5/21/2020	Approved	240	188	\$ 25,000,000	\$ 1,596,885	\$ 1,596,885
20450		Mira Vista	San Antonio	5/21/2020	Approved	312	312	\$ 28,000,000	\$ 1,783,385	\$ 1,783,385
20406		Gala at Central Park Apartments	Hurst	6/25/2020	Approved	94	94	\$ 15,000,000	\$ 486,783	\$ 486,783
20444		Plano Kathryn Senior Living	Plano	6/25/2020	Approved	252	252	\$ 30,000,000	\$ 1,774,750	\$ 1,774,750
20419		Woodway Village	Austin	6/25/2020	Approved	160	160	\$ 30,000,000	\$ 1,196,513	\$ 1,168,103
20457		Pinewood Apartments	Houston	6/25/2020	Approved	240	240	\$ 30,000,000	\$ 1,174,359	\$ 1,106,302
20459		Spring Villas	Austin	6/25/2020	Approved	304	302	\$ 45,000,000	\$ 2,295,642	\$ 2,295,524
20602	03438	The Vermillion	Houston	7/23/2020	Approved	260	260	\$ 29,000,000	\$ 1,372,549	\$ 1,375,437
20609		Pecan Grove	Seguin	7/23/2020	Approved	198	198	\$ 26,000,000	\$ 1,353,160	\$ 1,353,160
20467		Greenline North	San Antonio	7/23/2020	Approved	292	292	\$ 50,000,000	\$ 1,930,015	\$ 1,930,015
20471		Northwood	Houston ETJ	7/23/2020	Approved	288	288	\$ 40,000,000	\$ 2,378,498	\$ 2,378,498
20415		Avenue on 34th Apartments	Houston	9/3/2020	Approved	70	56	\$ 12,000,000	\$ 333,845	\$ 333,845
20466		Blue Water Gardens	Hereford	9/3/2020	Approved	132	132	\$ 16,750,000	\$ 738,553	\$ 738,553
20411		Kitty Hawk Flats Apartments	San Antonio	9/3/2020	Approved	239	239	\$ 28,000,000	\$ 1,359,994	\$ 1,359,994
20606	19610	Fish Pond at Corpus Christi	Corpus Christi	9/3/2020	Approved	112	111	\$ 10,000,000	\$ 682,849	\$ 682,849
20454		South Terrace	Waco	9/3/2020	Approved	250	250	\$ 25,000,000	\$ 1,452,219	\$ 1,445,826
20473		Agave East	Austin ETJ	9/3/2020	Approved	240	240	\$ 35,000,000	\$ 1,355,697	\$ 1,355,697
20478		Vera at Odessa	Odessa	9/3/2020	Approved	288	288	\$ 35,000,000	\$ 1,389,149	\$ 1,389,149

20475		Northview Apartments	San Antonio	9/3/2020	Approved	156	156	\$	25,000,000	\$	1,270,215	\$	1,270,215
20483	02412	Shady Oaks	Fort Worth	9/3/2020	Approved	138	138	\$	15,000,000	\$	654,862	\$	654,862
						10,570	10,152	\$	1,258,000,000	\$	65,485,116	\$	65,268,495
20477		Sphinx at Throckmorton Villas	McKinney	10/8/2020	Active	220	216	\$	28,000,000	\$	1,670,582	\$	-
20455		Redwood	San Marcos	10/8/2020	Active	296	296	\$	50,000,000	\$	2,107,712	\$	-
20474		Canyon Pass	San Antonio	10/8/2020	Active	264	264	\$	35,000,000	\$	2,003,601	\$	-
20476		Grand Station Apartments	Austin	10/8/2020	Active	216	216	\$	35,000,000	\$	1,380,252	\$	-
20479		The Oaks	Dallas	10/8/2020	Active	260	243	\$	35,000,000	\$	1,488,978	\$	-
20480		Bridge at Turtle Creek	Austin	10/8/2020	Active	307	307	\$	44,000,000	\$	\$2,332,344	\$	-
20484		The Lantana	San Marcos	10/8/2020	Active	216	216	\$	26,000,000	\$	\$1,750,669	\$	-
20490		2100 Memorial	Houston	11/5/2020	Active	197	159	\$	35,000,000	\$	\$1,640,803	\$	-
20462		Sunland County Apartments	Harlingen	11/5/2020	Active	166	166	\$	20,000,000	\$	\$941,981	\$	-
20486		Old Manor Senior	Austin	11/5/2020	Active	207	207	\$	30,000,000	\$	\$1,632,397	\$	-
20463		Trinity Oaks	Sulpher Springs	11/5/2020	Active	48	48	\$	2,129,000	\$	497,000	\$	-
20464		Pine Terrace	Mount Pleasant	11/5/2020	Active	76	76	\$	3,371,000	\$	210,127	\$	-
20482		W. Leo Daniels Towers	Houston	11/5/2020	Active	100	100	\$	15,000,000	\$	833,142	\$	-
20489		Horizon Pointe	San Antonio	11/5/2020	Active	312	312	\$	35,000,000	\$	\$2,045,672	\$	-
20488		Wildhorse Flats	Austin	11/5/2020	Active	310	310	\$	50,000,000	\$	\$2,786,158	\$	-
20613		Riverside Senior	Fort Worth	11/5/2020	Active	264	264	\$	40,000,000	\$	1,818,482	\$	-
						3,459	3,400	\$	483,500,000	\$	25,139,900	\$	
20610		Terrace at Southern Oaks	Dallas	5/21/2020	Pre-Application	300	300	\$	45,000,000	\$	2,000,114	\$	-
20615		The Montage	San Antonio ETJ	6/25/2020	Pre-Application	216	216	\$	35,000,000	\$	1,454,238	\$	-
20617	02469	Murdeaux Villas	Dallas	6/25/2020	Pre-Application	280	280	\$	35,000,000	\$	17,294,118	\$	-
20619		The Citadel	Houston	7/23/2020	Pre-Application	74	67	\$	15,000,000	\$	914,051	\$	-
20620		Oso Bay Apartments	Corpus Christi	7/23/2020	Pre-Application	104	104	\$	14,000,000	\$	701,367	\$	-
20621	05044	Copperwood	The Woodlands	7/23/2020	Pre-Application	300	300	\$	60,000,000	\$	2,563,139	\$	-
20622	04108	Tamarac Pines	The Woodlands	7/23/2020	Pre-Application	300	300	\$	60,000,000	\$	2,360,422	\$	-
20623	04101	Pleasant Hill	Austin	7/23/2020	Pre-Application	100	100	\$	20,000,000	\$	874,194	\$	-
20624	534284	Cedar Ridge	Leander	7/23/2020	Pre-Application	152	152	\$	18,000,000	\$	567,459	\$	-
20625	04147	Shiloh Village	Dallas	7/23/2020	Pre-Application	168	168	\$	25,000,000	\$	1,234,715	\$	-
20626		Palladium Mountain Creek	Dallas	9/3/2020	Pre-Application	152	152	\$	14,750,000	\$	1,044,403	\$	-
20627		Palladium Simpson Stuart	Dallas	9/3/2020	Pre-Application	270	270	\$	25,750,000	\$	1,864,956	\$	-
20628		Mayhill Road	Denton	9/3/2020	Pre-Application	360	360	\$	30,000,000	\$	2,247,493	\$	-
20629		Residences at Merritt Hill	Rowlett	9/3/2020	Pre-Application	260	260	\$	50,000,000	\$	2,206,067	\$	-
						6,759	6,693	\$	971,000,000	\$	64,285,118	\$	-
20417		St. Joe Apartments	Houston	3/19/2020	Withdrawn	307	307	\$	51,757,648	\$	4,596,000	\$	-
20468		Preserve at the Port	San Antonio	7/23/2020	Withdrawn	384	384	\$	37,000,000	\$	1,654,968	\$	-
20431	19454	Los Laureles	Edcouch	1/16/2020	Withdrawn	23	23	\$	-	\$	88,153	\$	88,153
20481		Echo East	San Antonio	9/3/2020	Withdrawn	192	192	\$	20,000,000	\$	1,306,258	\$	-
						906	906	\$	108,757,648	\$	7,645,379	\$	88,153
TOTAL*						17,641	17,157	\$	2,264,000,000	\$	131,815,906	\$	65,268,495

*Totals include Closed, Approved, Active and Pre-Application Status

20466 Blue Water Garden - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 5, 2020

PROPERTY IDENTIFICATION	
Application #	20466
Development	Blue Water Garden
City / County	Hereford / Deaf Smith
Region/Area	1 / Rural
Population	General
Set-Aside	General
Activity	Acquisition/Rehab (Built in 1972)

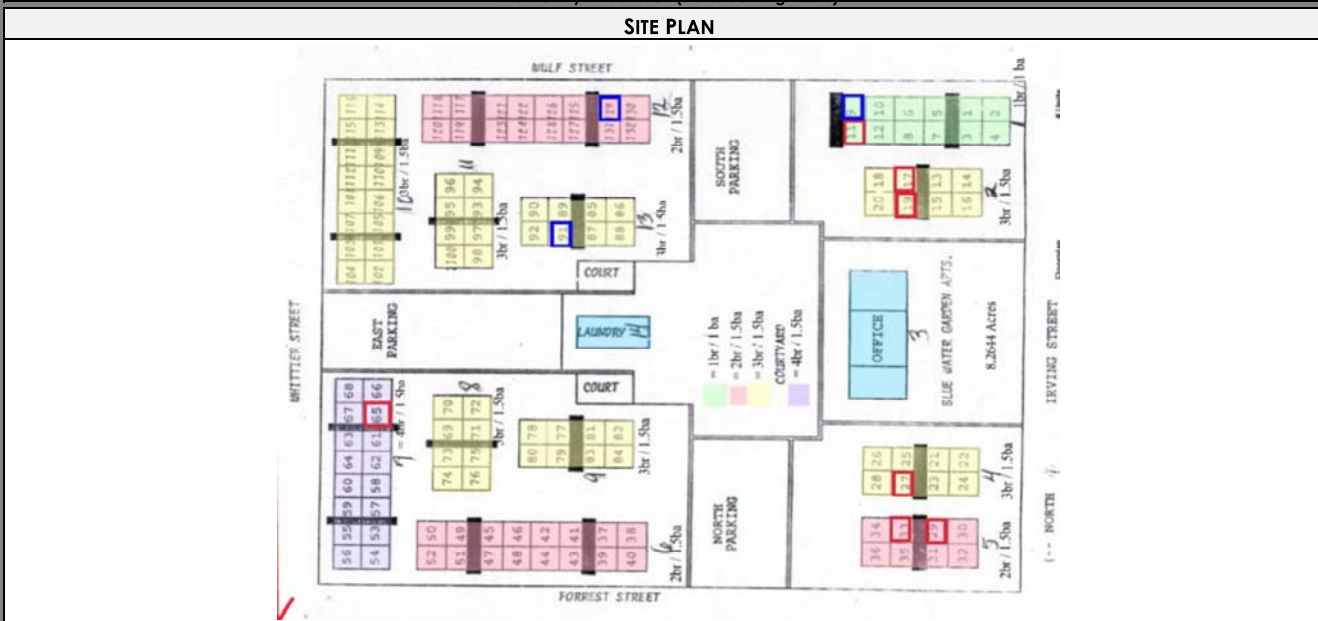
RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	\$738,553	\$738,553	\$5,595/Unit	\$0.93

KEY PRINCIPALS / SPONSOR		
KCG Development, LLC Robert J Pasquesi II - President Ina K. Spokas - VP Development		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	12	9%	40%	-	0%
2	40	30%	50%	-	0%
3	64	48%	60%	132	100%
4	16	12%	MR	-	✓
TOTAL	132	100%	TOTAL	132	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	Expense Ratio	49.9%
Breakeven Occ.	88.1%	Breakeven Rent	\$958
Average Rent	\$1,034	B/E Rent Margin	\$76
Property Taxes	\$500/unit	Exemption/PILOT	0%
Total Expense	\$5,964/unit	Controllable	\$4,054/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (30% Maximum)			N/A
Highest Unit Capture Rate	N/A	N/A	###
Dominant Unit Cap. Rate	N/A	3 BR/60%	64
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	132	100% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten	TDHCA's Costs - Based on PCA		
Avg. Unit Size	898 SF	Density	16.0/acre
Acquisition		\$65K/unit	\$8,525K
Building Cost	\$46.14/SF	\$41K/unit	\$5,467K
Hard Cost		\$50K/unit	\$6,560K
Total Cost		\$163K/unit	\$21,521K
Developer Fee	\$2,515K	(33% Deferred)	Paid Year: 7
Contractor Fee	\$918K	30% Boost	Yes

REHABILITATION COSTS / UNIT				
Site Work	\$2K	4%	Finishes/Fixture	\$18K 37%
Building Shell	\$13K	27%	Amenities	\$K 0%
HVAC	\$7K	15%	Total Exterior	\$15K 36%
Appliances	\$2K	3%	Total Interior	\$27K 64%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Regions Bank Immediate MTEB	17/35	3.30%	\$13,600,000	1.17	Good Faith Deposit / COI Reimb	0/0	0.00%	\$217,600	1.17	Regions Bank	\$6,868,543
TOTAL DEBT (Must Pay)			\$13,600,000		CASH FLOW DEBT / GRANTS			\$217,600		KCG Development, LLC	\$835,103
TOTAL EQUITY SOURCES											\$7,703,646
TOTAL DEBT SOURCES											\$13,817,600
TOTAL CAPITALIZATION											\$21,521,246

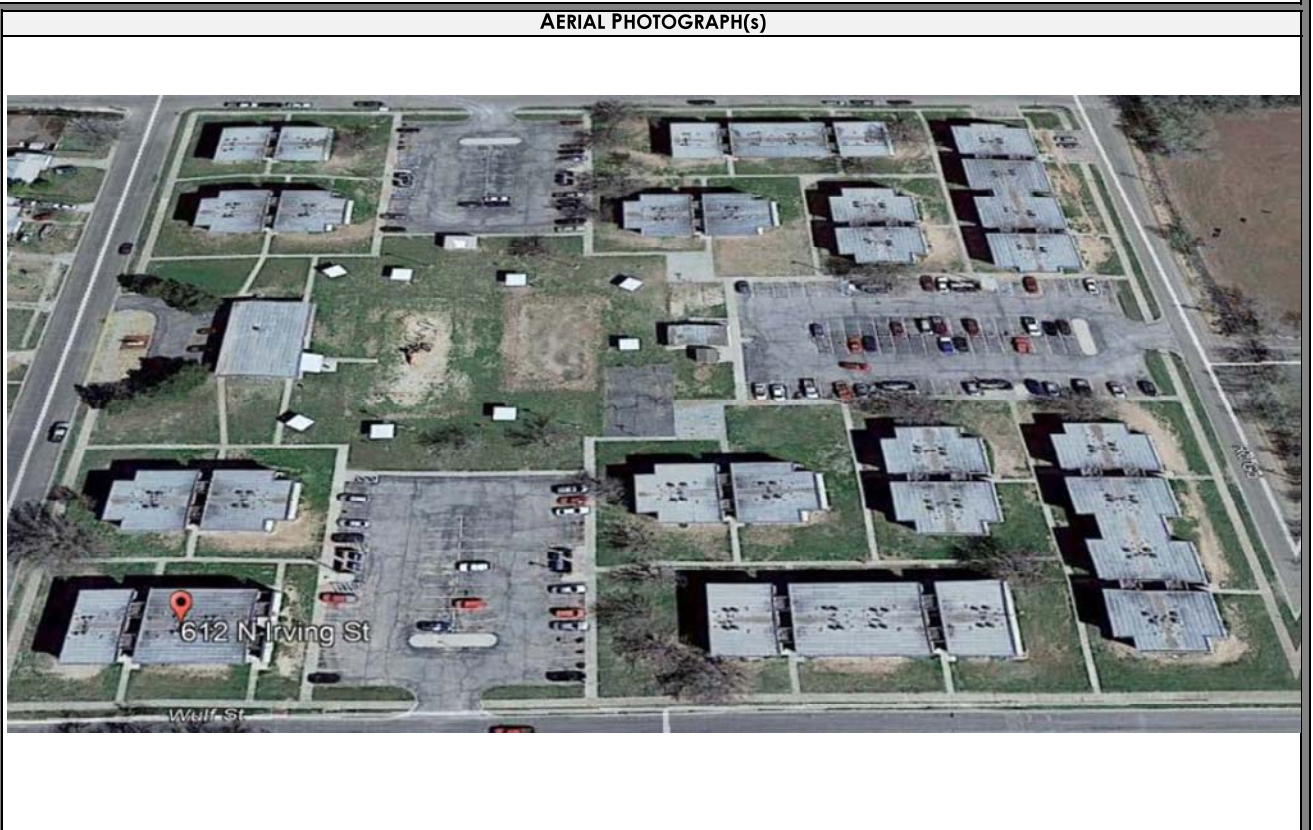
CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
 - Renewed HAP Contract or documentation from the third party administrator evidencing their approval of the Contract Rents presented in this application.
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification by the Architect or accessibility specialist that all requirements for compliance with the Department's accessibility requirements pursuant to Chapter 1, Subchapter B and §11.101(b)(8) were identified and included in the scope of work.
 - b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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	Panhandle Regional HFC
Expiration Date	8/25/2020
Bond Amount	\$16,750,000
BRB Priority	Priority 3
Bond Structure	Regions Bank Immediate MTEB
% Financed with Tax-Exempt Bonds	78.1%

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
<ul style="list-style-type: none"> ▫ Low expense-to-income ratio ▫ \$76 break-even rent margin ▫ HAP Contract covering all units 	
WEAKNESSES/RISKS	
<ul style="list-style-type: none"> ▫ Low DCR ▫ Potential unexpected cost in rehab 	



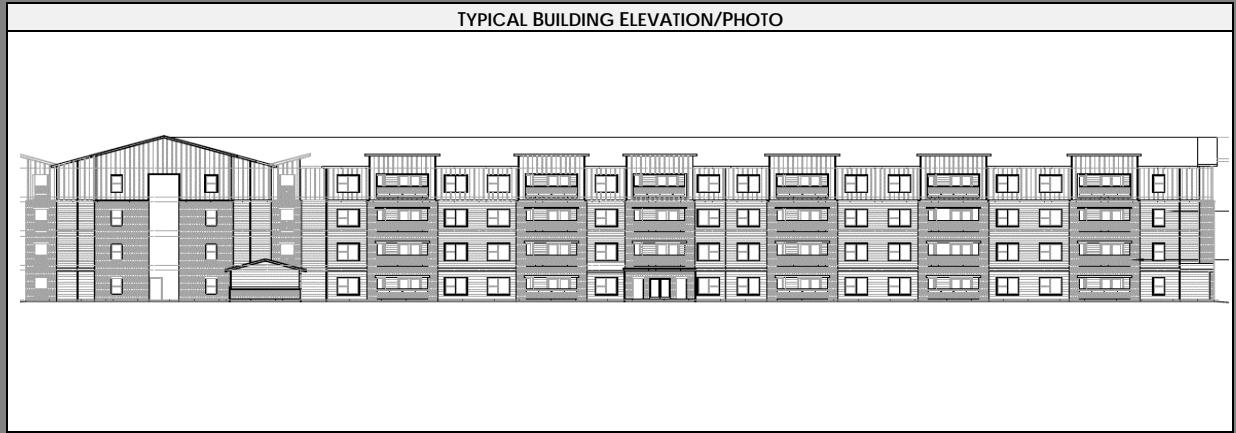
20415 Avenue on 34th - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 27, 2020

PROPERTY IDENTIFICATION	
Application #	20415
Development	Avenue on 34th
City / County	Houston / Harris
Region/Area	6 / Urban
Population	General
Set-Aside	General
Activity	New Construction

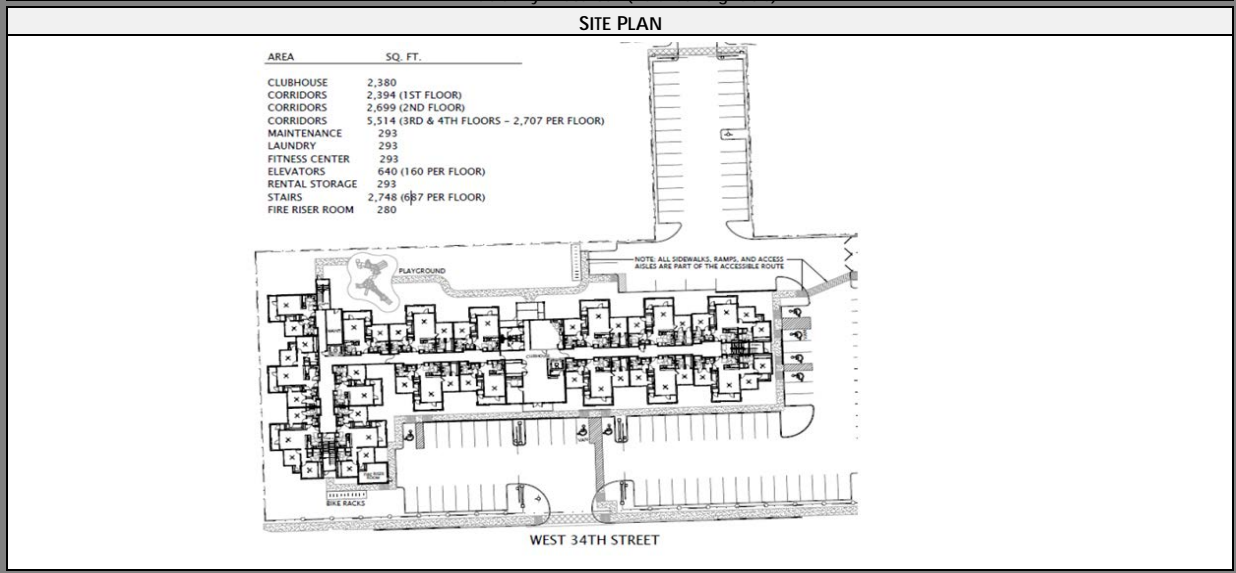
RECOMMENDATION			
TDHCA Program	Request	Recommended	
LIHTC (4% Credit)	\$333,845	\$333,845	\$4,769/Unit \$0.92

KEY PRINCIPAL / SPONSOR		
Avenue CDC - Jason Holubeck Mary Lawler		
Related Parties	Contractor - TBD	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	6	9%
1	23	33%	40%	-	0%
2	27	39%	50%	15	21%
3	20	29%	60%	24	34%
4	-	0%	MR	14	20%
TOTAL	70	100%	TOTAL	59	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.22	Expense Ratio	53.8%
Breakeven Occ.	84.8%	Breakeven Rent	\$943
Average Rent	\$1,031	B/E Rent Margin	\$88
Property Taxes	\$814/unit	Exemption/PILOT	0%
Total Expense	\$6,272/unit	Controllable	\$3,297/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			0.6%
Highest Unit Capture Rate	2%	2 BR/60%	9
Dominant Unit Cap. Rate	2%	2 BR/60%	9
Premiums (↑60% Rents)	Yes		\$263/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,002 SF	Density	33.2/acre
Acquisition	\$55K/unit		\$3,852K
Building Cost	\$111.65/SF		\$7,835K
Hard Cost		\$139K/unit	\$9,703K
Total Cost		\$260K/unit	\$18,188K
Developer Fee	\$900K	(0% Deferred)	Paid Year: 1
Contractor Fee	\$1,350K	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
HHFC Bond/Amegy Loan	18/35	3.75%	\$6,026,264	1.22	HCDD DR Loan	40/0	1.00%	\$9,090,000	1.22	Hunt Capital Partners	\$3,071,374
TOTAL DEBT (Must Pay)			\$6,026,264		CASH FLOW DEBT / GRANTS			\$9,090,000		TOTAL EQUITY SOURCES	\$3,071,374
										TOTAL DEBT SOURCES	\$15,116,264
										TOTAL CAPITALIZATION	\$18,187,638

CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
 - a: Formal approval of the \$9M CDBG award by City of Houston..
 - b: Term sheet stating all terms and conditions reflecting the award of the CDBG funds from the City of Houston to a conduit entity that will in turn loan the funds to the Applicant.
 - c: Term sheet stating all terms and conditions reflecting a non-forgivable loan of the CDBG funds from the conduit entity to the Applicant.
 - d: A revised Org Chart correctly allocating 100% of the GP ownership.
- 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.
 - b: Certification that testing for asbestos and lead-based paint was performed on the existing structure(s) 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	Houston Housing Finance Corporation
Expiration Date	12/29/2020
Bond Amount	\$12,000,000
BRB Priority	Priority 3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	74.6%

RISK PROFILE

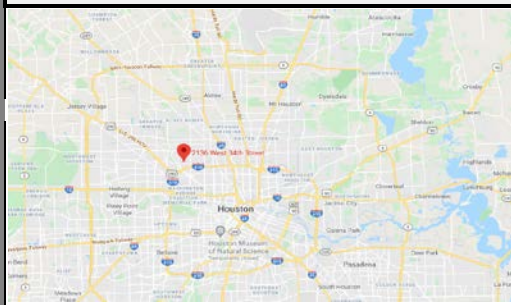
STRENGTHS/MITIGATING FACTORS

- Developer experience
- Overall feasibility indicators
- Capture rate

WEAKNESSES/RISKS

- Market rental rate exposure on 20% of the total units (14 units)
- Inefficient parking

AREA MAP



AERIAL PHOTOGRAPH(S)



20473 Agave East - Application Summary

REAL ESTATE ANALYSIS DIVISION

August 26, 2020

PROPERTY IDENTIFICATION	
Application #	20473
Development	Agave East
City / County	Austin / Travis
Region/Area	7 / Urban
Population	General
Set-Aside	General
Activity	New Construction

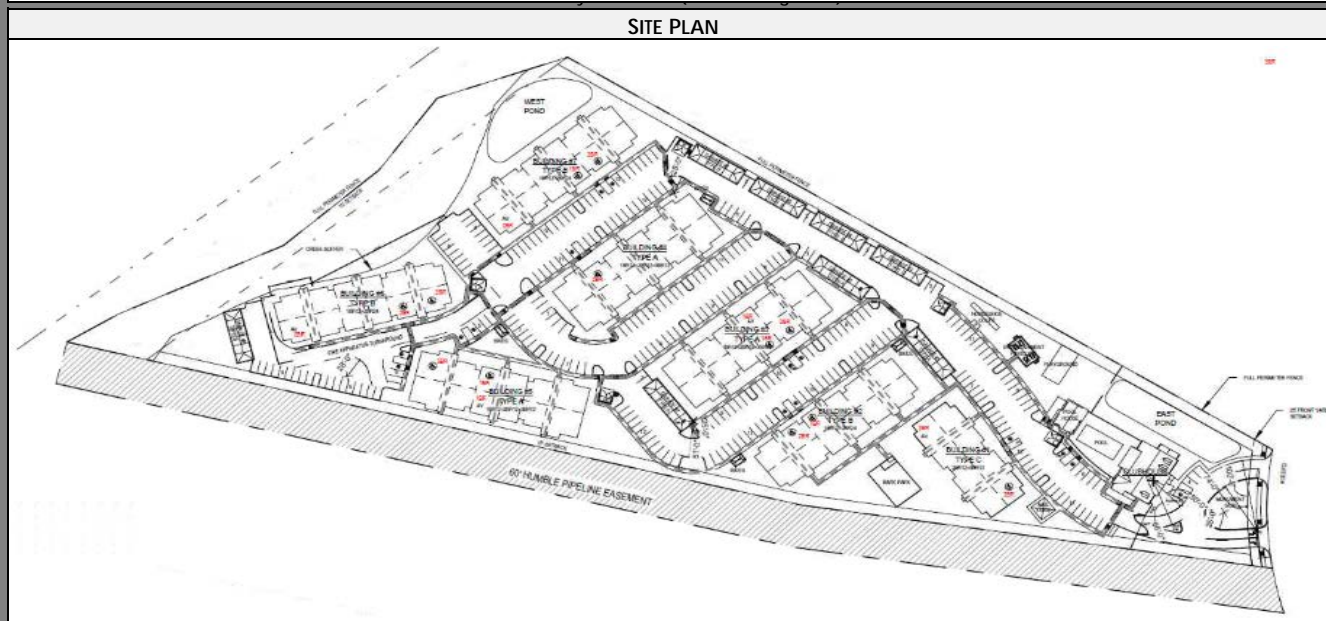
RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$1,355,697	\$1,355,697	\$5,649/Unit	\$0.95	

KEY PRINCIPALS / SPONSOR		
Jeffrey L. Kittle, Exec VP and Managing Director Herman & Kittle Properties, Inc.		
and		
Jessica Mullins, Director of Development Herman & Kittle Properties, Inc.		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	72	30%	40%	-	0%
2	120	50%	50%	86	36%
3	48	20%	60%	116	48%
4	-	0%	MR	-	
TOTAL	240	100%	TOTAL	202	100%

PRO FORMA FEASIBILITY INDICATORS					
Pro Forma Underwritten			Applicant's Pro Forma		
Debt Coverage	✓ 1.27	Expense Ratio	✓ 30.6%		
Breakeven Occ.	✓ 78.8%	Breakeven Rent	\$924		
Average Rent	\$1,091	B/E Rent Margin	✓ \$167		
Property Taxes	Exempt	Exemption/PILOT	100%		
Total Expense	\$3,840/unit	Controllable	\$2,550/unit		



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	✓ 7.3%		
Highest Unit Capture Rate	① 51%	3 BR/60%	32
Dominant Unit Cap. Rate	① 12%	2 BR/50%	54
Premiums (↑60% Rents)	Yes ①	\$196/Avg.	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	986 SF	Density	20.4/acre
Acquisition		\$09K/unit	\$2,044K
Building Cost	\$93.83/SF	\$93K/unit	\$22,212K
Hard Cost		\$116K/unit	\$27,839K
Total Cost		\$208K/unit	\$49,830K
Developer Fee	\$5,738K	(43% Deferred)	Paid Year: 5
Contractor Fee	\$3,115K	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	
Key Bank	15/35	3.55%	\$32,207,000	1.27						Tax Credit Equity - Regions Bank	\$12,943,728	
										Deferred Developer Fee	\$2,453,641	
					GP Contribution	0/0	0.00%	\$100	1.27			
					Interim Income	0/0	0.00%	\$1,581,114	1.27	TOTAL EQUITY SOURCES	\$15,397,369	
					Rate Lock Deposit	0/0	0.00%	\$644,140	1.27	TOTAL DEBT SOURCES	\$34,432,354	
TOTAL DEBT (Must Pay)			\$32,207,000		CASH FLOW DEBT / GRANTS				\$2,225,354		TOTAL CAPITALIZATION	\$49,829,723

CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
- a: Evidence of a parking variance specifying that 1.30 parking spaces per unit (312 spaces total) would be sufficient to satisfy City of Austin requirements.
 - b: A revised term sheet from permanent lender that acknowledges Supportive Services pursuant to §11.302(d)(2)(K)(ii)
 - c: Clarification from the ESA provider as to whether the "evidence of Riverine (R2SBC) wetlands along the northwestern Site boundary" requires any further investigation or certification.
 - d: A revised survey clearly delineating the location of the floodplain and indicating whether any portion of the development will be located within the floodplain.
- 2 Receipt and acceptance by Cost Certification:
- a: Certification from Appraisal District that the property qualifies for property tax exemption.
 - b: Certification that testing for asbestos and lead-based paint was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
 - c: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

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		AERIAL PHOTOGRAPH(S)	
Issuer	County Housing Finance Corporation		
Expiration Date	10/5/2020		
Bond Amount	\$34,000,000		
BRB Priority	Priority 3		
Bond Structure	Tax-Exempt Loan (TEL)		
% Financed with Tax-Exempt Bonds	79.8%		
RISK PROFILE			
STRENGTHS/MITIGATING FACTORS			
<ul style="list-style-type: none"> ▫ Overall Feasibility Indicators ▫ Expense-to-income ratio 30% ▫ Attached garages should compete well ▫ 100% Tax Exemption 			
WEAKNESSES/RISKS			
<ul style="list-style-type: none"> ▫ Limited parking. ▫ High unit capture rates at 60% AMI 			
AREA MAP			

20454 South Terrace - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 26, 2020

PROPERTY IDENTIFICATION	
Application #	20454
Development	South Terrace
City / County	Waco / McLennan
Region/Area	8 / Urban
Population	General
Set-Aside	General
Activity	Acquisition/Rehab (Built in 1969)

RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	\$1,452,219	\$1,445,826	\$5,783/Unit	\$0.92

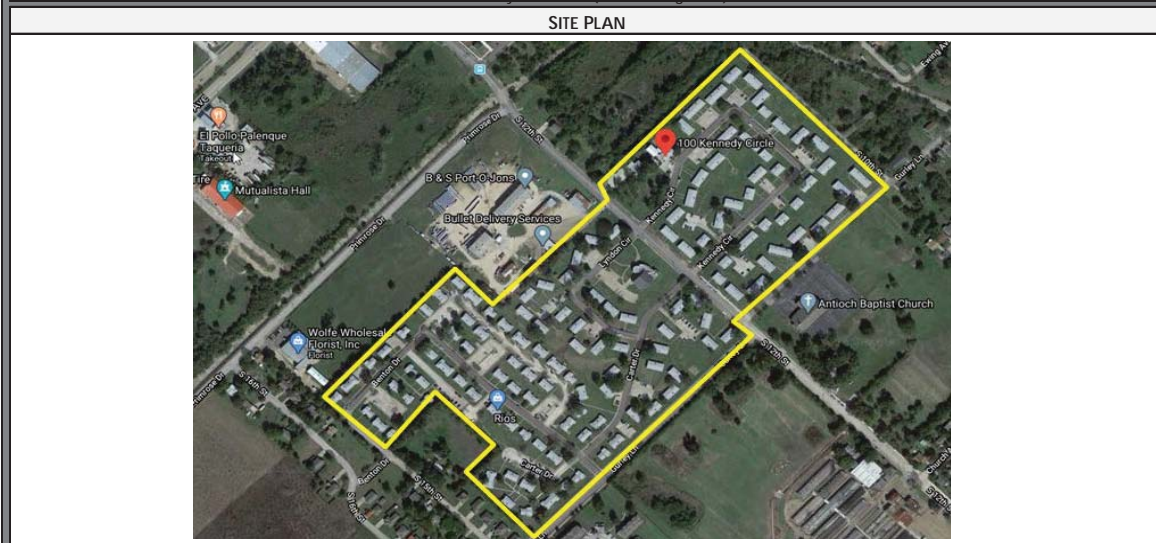
KEY PRINCIPALS / SPONSOR		
Waco Public Facility Corporation		
Brinshore Development		
Purple Martin Real Estate - Audrey Martin (Consultant)		
Related Parties	Contractor - No	Seller - Yes



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	8	3%
1	68	27%	40%	-	0%
2	94	38%	50%	-	0%
3	64	26%	60%	234	94%
4	24	10%	MR	-	0%
TOTAL	250	100%	TOTAL	242	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.21	Expense Ratio	53.4%
Breakeven Occ.	85.1%	Breakeven Rent	\$700
Average Rent	\$764	B/E Rent Margin	\$63
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,680/unit	Controllable	\$3,368/unit



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	N/A
Highest Unit Capture Rate	N/A
Dominant Unit Cap. Rate	N/A 2 BR/60% 90
Premiums (↑60% Rents)	N/A
Rent Assisted Units	250 100% Total Units

DEVELOPMENT COST SUMMARY

Costs Underwritten	TDHCA's Costs - Based on PCA	
Avg. Unit Size	851 SF	Density 6.7/acre
Acquisition	\$58K/unit	\$14,615K
Building Cost	\$59.88/SF	\$51K/unit \$12,732K
Hard Cost	\$66K/unit	\$16,444K
Total Cost	\$177K/unit	\$44,192K
Developer Fee	\$3,361K	(42% Deferred) Paid Year: 7
Contractor Fee	\$2,302K	30% Boost Yes

REHABILITATION COSTS / UNIT

Site Work	\$6K 10%	Finishes/Fixtures	\$24K 36%
Building Shell	\$19K 29%	Amenities	\$2K 4%
HVAC	\$7K 11%	Total Exterior	\$28K 46%
Appliances	\$1K 2%	Total Interior	\$32K 54%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
Citi Bank (Tranche A)	16/35	4.00%	\$15,872,000	1.21	Seller Note	40/0	0.00%	\$13,600,000	1.21	Richman Group	\$13,300,266	
										South Terrace Waco	\$1,419,929	
										TOTAL EQUITY SOURCES	\$14,720,195	
										TOTAL DEBT SOURCES	\$29,472,000	
TOTAL DEBT (Must Pay)			\$15,872,000		CASH FLOW DEBT / GRANTS			\$13,600,000		TOTAL CAPITALIZATION		\$44,192,195

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- Revision to the Scope and Cost Review addressing §11.306(d)(4-6).

2 Receipt and acceptance by Cost Certification:

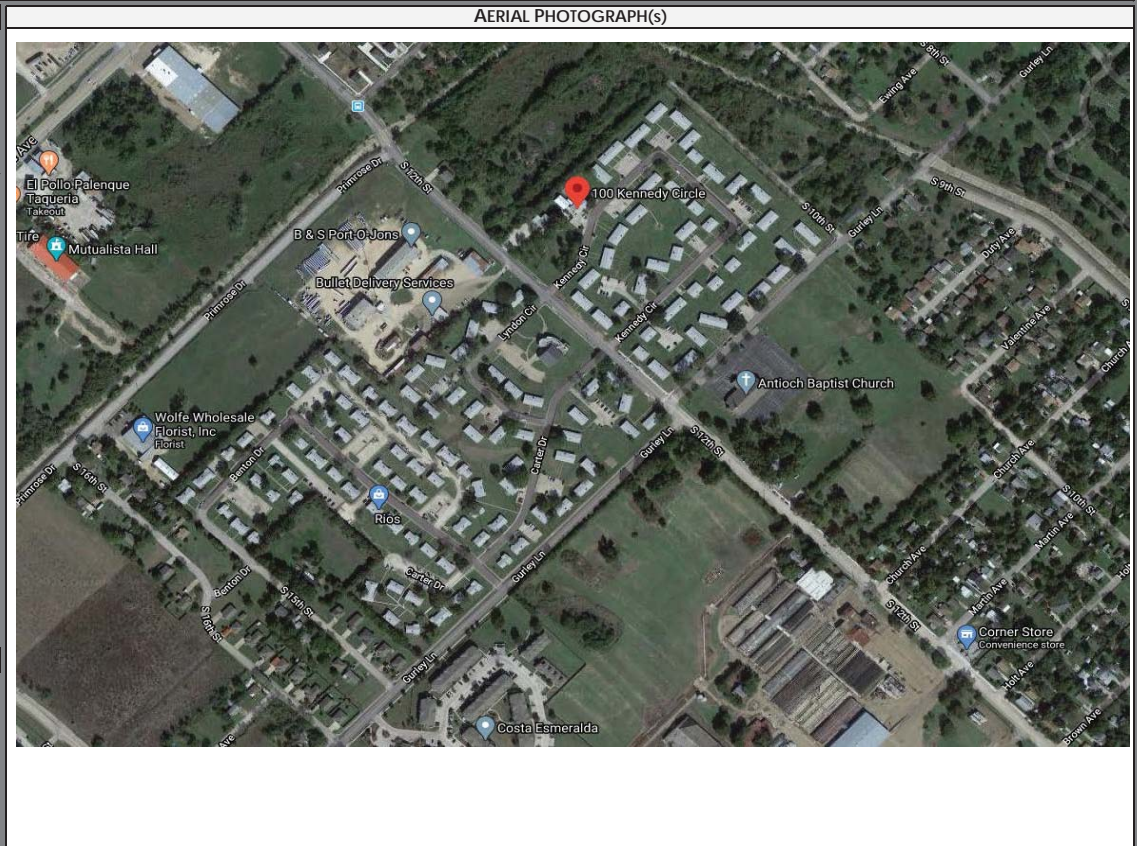
a: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials or lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

b: Certification of completion of an ALTA Survey depicting the Special Flood Hazard Area (SFHA) boundary on the northern corner of the subject property and that any resulting recommendations were incorporated into the development plan.

For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering both the buildings and the residents' personal property; and certification from the owner that flood insurance for the buildings and for the residents' personal property will remain in force as long as the site remains a designated floodplain.

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	Waco Public Facility Corporation II
Expiration Date	11/23/2020
Bond Amount	\$25,000,000
BRB Priority	3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	65.5%
RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
<ul style="list-style-type: none"> 100% RAD rental assistance/project-based vouchers Currently 100% occupied Owned by Housing Authority 	
WEAKNESSES/RISKS	
<ul style="list-style-type: none"> Developer experience Historically higher expenses Potential increased cost due to unknown asbestos conditions 	
AREA MAP	

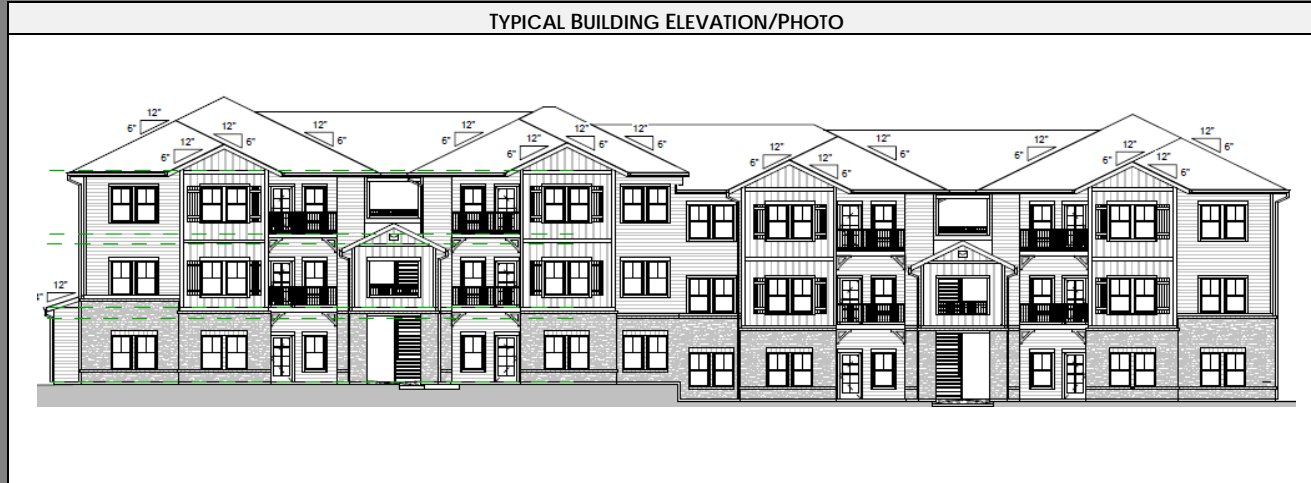


20475 Northview Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 26, 2020

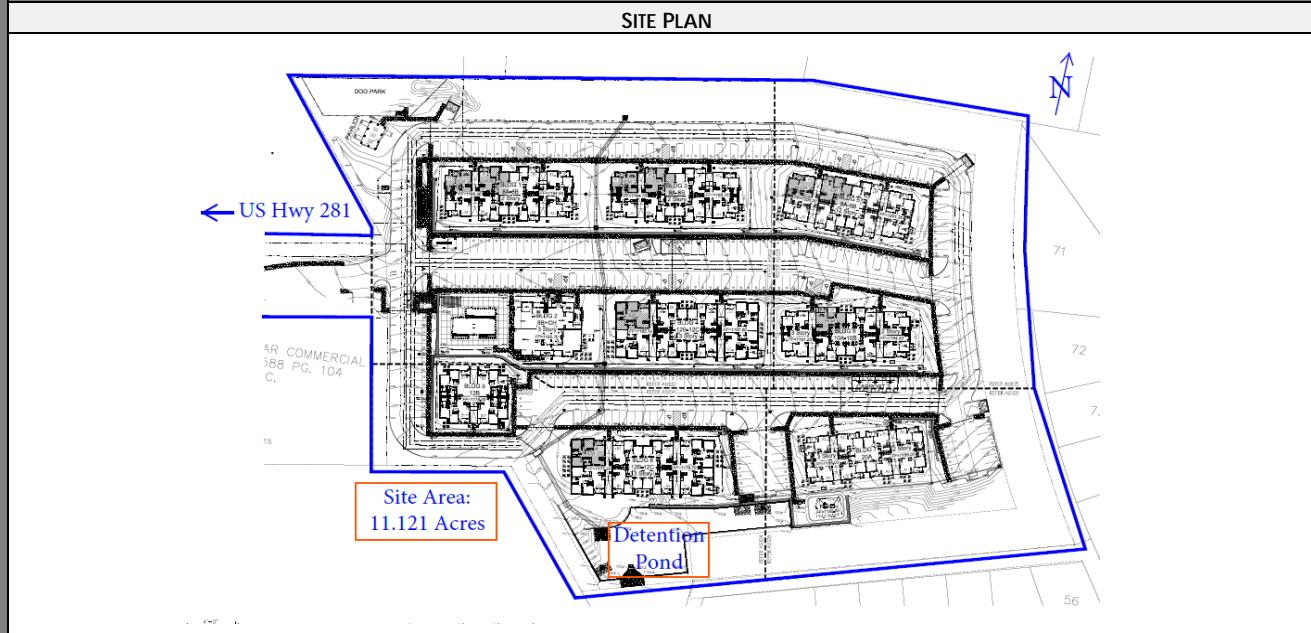
PROPERTY IDENTIFICATION		RECOMMENDATION				
Application #	20475	TDHCA Program	Request	Recommended		
Development	Northview Apartments			LIHTC (4% Credit)	\$1,270,215	\$1,270,215
City / County	San Antonio / Bexar					
Region/Area	9 / Urban					
Population	General					
Set-Aside	Income Averaging					
Activity	New Construction					

KEY PRINCIPALS / SPONSOR		
<ul style="list-style-type: none"> • Thomas Crowe, Jean Latsha & Craig Lintner: Village Capital Corp. (Pedcor Affiliate) / Pedcor Housing Corp. • San Antonio Housing Trust Public Facility Corp.: Partnership GP 		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME AVERAGING		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	16	10%
1	54	35%	40%	-	0%
2	78	50%	50%	-	0%
3	24	15%	60%	92	59%
4	-	0%	MR	-	0%
TOTAL	156	100%	TOTAL	108	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.30	Expense Ratio	37.5%
Breakeven Occ.	79.0%	Breakeven Rent	\$745
Average Rent	\$876	B/E Rent Margin	\$130
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$3,725/unit	Controllable	\$2,859/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	5.3%		
Highest Unit Capture Rate	29%	2 BR/60%	46
Dominant Unit Cap. Rate	29%	2 BR/60%	46
Premiums (↑60% Rents)	N/A	N/A	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	948 SF	Density	14.0/acre
Acquisition		\$19K/unit	\$2,988K
Building Cost	\$91.85/SF	\$87K/unit	\$13,584K
Hard Cost		\$133K/unit	\$20,720K
Total Cost		\$229K/unit	\$35,739K
Developer Fee	\$4,117K	(71% Deferred)	Paid Year: 12
Contractor Fee	\$2,901K	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
United Fidelity Bank	35/35	2.63%	\$17,250,000	1.61						Pedcor Funding Corp.	\$11,557,799
United Fidelity Bank	35/35	2.63%	\$4,000,000	1.30						Pedcor Development Associates	\$2,930,994
TOTAL DEBT (Must Pay)			\$21,250,000		CASH FLOW DEBT / GRANTS			\$0		TOTAL EQUITY SOURCES	\$14,488,793
										TOTAL DEBT SOURCES	\$21,250,000
										TOTAL CAPITALIZATION	\$35,738,793

CONDITIONS

- 1 Receipt and acceptance by Cost Certification:
 - a: Evidence that the property qualifies for 100% property tax exemption.
 - b: Documentation of a biological assessment, as recommended in the ESA, to determine whether any endangered or threatened species habitat is present on the site, and if so, that all necessary mitigation measures were followed.

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	10/20/2020
Bond Amount	\$25,000,000
BRB Priority	Priority 3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	70.0%

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
Overall market occupancy reported at 98% with the only other HTC property in the PMA at 100%	
Breakeven occupancy occurs with 33 units vacant (underwritten at 12)	
New construction with attractive design should enhance marketability	
Developer/Owner's experience with construction and management of similar HTC properties in San Antonio and other Texas markets	

WEAKNESSES/RISKS	
29% capture rate on 2BR/60% units	
Feasibility relies on 100% property tax exemption	
Low visibility with single point of ingress/egress	



AERIAL PHOTOGRAPH(S)



20411 Kitty Hawk Flats - Application Summary

REAL ESTATE ANALYSIS DIVISION

August 26, 2020

PROPERTY IDENTIFICATION	
Application #	20411
Development	Kitty Hawk Flats
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)	\$1,359,994	\$1,359,994	\$6,415/Unit	\$0.93	

KEY PRINCIPALS / SPONSOR		
San Antonio Housing Facility Corporation David Nisivoccia		
The NRP Group Mike Zelenkofske		
Related Parties	Contractor - Yes	Seller - No

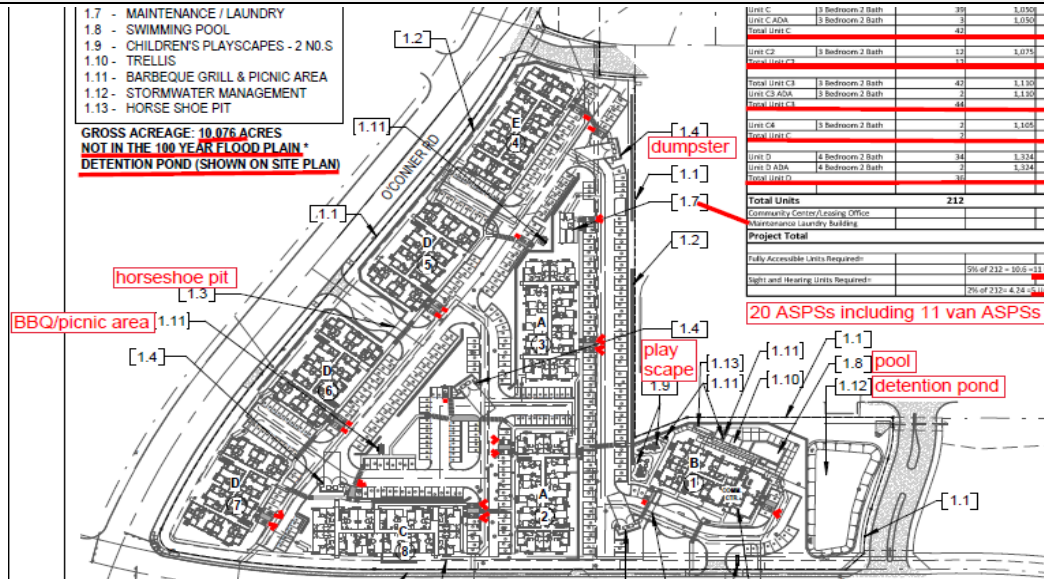
TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME AVERAGING		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	22	10%
1	6	3%	40%	-	0%
2	70	33%	50%	-	0%
3	100	47%	60%	135	64%
4	36	17%	MR	-	
TOTAL	212	100%	TOTAL	157	100%

PRO FORMA FEASIBILITY INDICATORS					
Pro Forma Underwritten			Applicant's Pro Forma		
Debt Coverage	1.16	Expense Ratio	39.9%		
Breakeven Occ.	85.0%	Breakeven Rent	\$892		
Average Rent	\$972	B/E Rent Margin	\$81		
Property Taxes	Exempt	Exemption/PILOT	100%		
Total Expense	\$4,392/unit	Controllable	\$3,225/unit		

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	2.2%		
Highest Unit Capture Rate	15%	3 BR/60%	0
Dominant Unit Cap. Rate	15%	3 BR/60%	0
Premiums (↑60% Rents)	N/A	N/A	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,050 SF	Density	21.0/acre
Acquisition		\$12K/unit	\$2,548K
Building Cost	\$72.61/SF	\$76K/unit	\$16,167K
Hard Cost		\$106K/unit	\$22,429K
Total Cost		\$193K/unit	\$40,843K
Developer Fee	\$4,430K	(71% Deferred)	Paid Year: 11
Contractor Fee	\$2,858K	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
Las Varas/Key Bank	15/35	3.50%	\$24,475,000	1.16	Cash Flow	0/0	0.00%	\$500,000	1.16	Boston Financial	\$12,714,675
										Deferred Developer Fee	\$3,153,387
TOTAL DEBT (Must Pay)			\$24,475,000		CASH FLOW DEBT / GRANTS			\$500,000		TOTAL EQUITY SOURCES	\$15,868,063
										TOTAL DEBT SOURCES	\$24,975,000
										TOTAL CAPITALIZATION	\$40,843,063

CONDITIONS

1 Receipt and acceptance by Cost Certification:

- Executed ground lease with SAHA 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 Corporation
Expiration Date	10/18/2020
Bond Amount	\$28,000,000
BRB Priority	Priority 3
Bond Structure	Freddie Mac Tax-Exempt Loan (TEL)
% Financed with Tax-Exempt Bonds	74.1%

RISK PROFILE

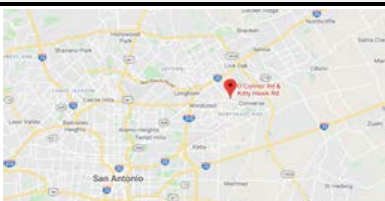
STRENGTHS/MITIGATING FACTORS

- Experienced Developers
- Market Occupancy

WEAKNESSES/RISKS

- Site Topography
- Unit mix
- Marginal debt coverage
- 11 years to repay deferred Developer Fee

AREA MAP



AERIAL PHOTOGRAPH(S)



20478 Vera in Odessa - Application Summary

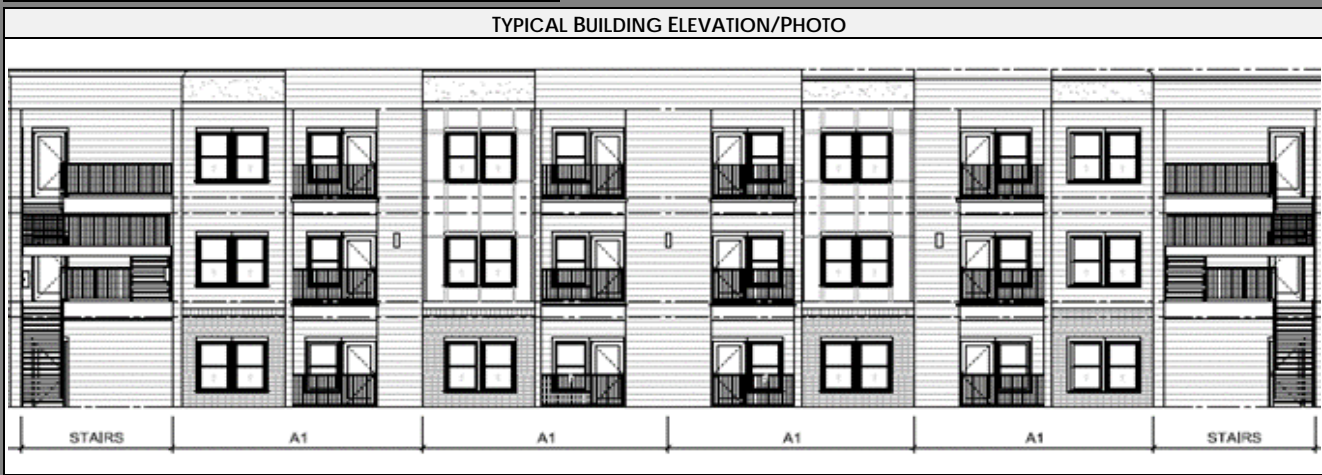
REAL ESTATE ANALYSIS DIVISION

August 26, 2020

PROPERTY IDENTIFICATION	
Application #	20478
Development	Vera in Odessa
City / County	Odessa / Midland
Region/Area	12 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$1,389,149	\$1,389,149	\$4,823/Unit	\$0.89	

KEY PRINCIPALS / SPONSOR		
Cardinal MF, LLC-SLP/75% Developer Steve Sanders (Guarantor) and Bryan Brown		
Odessa Housing Finance Corp-GP, Landlord, 25% Developer		
Streamline Realty Partners-Consultant- Valery Kedroff, Joel Pollack		
Related Parties	Contractor - No	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	16	6%
1	174	60%	40%	42	15%
2	96	33%	50%	85	30%
3	18	6%	60%	-	0%
4	-	0%	MR	-	
TOTAL	288	100%	TOTAL	143	100%

PRO FORMA FEASIBILITY INDICATORS					
Pro Forma Underwritten			Applicant's Pro Forma		
Debt Coverage	1.16	Expense Ratio	39.0%		
Breakeven Occ.	84.9%	Breakeven Rent	\$915		
Average Rent	\$998	B/E Rent Margin	\$84		
Property Taxes	Exempt	Exemption/PILOT	100%		
Total Expense	\$4,420/unit	Controllable	\$2,875/unit		

SITE PLAN

HQ MATRIX							
Type 1	Type 2	Type 3	Type 4	Type 5	Type 6	Type 7	No. of Units
0	0	0	0	0	0	0	0
0	2	0	2	0	2	2	10
18	18	18	18	18	18	18	136
5	5	4	4	4	4	4	43
1	0	2	0	2	0	0	5
0	6	4	6	6	0	0	30
6	0	0	0	6	6	0	18
5	0	0	0	0	6	0	17
1	0	0	0	0	0	0	1
							288

1.5 stalls per 3 bed unit
 2.0 stalls per unit larger than 3-bed

	QTY FACTOR	SUBTOTAL
3000 UNIT	174	293
3000 UNIT	96	172
3000 UNIT	18	35
Req. Required		499

	STANDARD	INC	VAN
Req. (Secured)	549	23	3
Req. (Not Secured)	4	1	1
Req. Provided			579

MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	3.9%		
Highest Unit Capture Rate	9%	1 BR/40%	30
Dominant Unit Cap. Rate	9%	1 BR/50%	40
Premiums (↑60% Rents)	#DIV/0!	#DIV/0!	
Rent Assisted Units	N/A		
DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	856 SF	Density	22.2/acre
Acquisition		\$08K/unit	\$2,231K
Building Cost	\$96.52/SF	\$83K/unit	\$23,806K
Hard Cost		\$102K/unit	\$29,256K
Total Cost		\$171K/unit	\$49,168K
Developer Fee	\$5,506K	(6% Deferred)	Paid Year: 2
Contractor Fee	\$3,327K	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
HUD 221(d)(4) - Berkadia	40/40	3.25%	\$36,502,438	1.16						Affordable Housing Partners,	\$12,360,956
										Cardinal	\$304,298
TOTAL DEBT (Must Pay)			\$36,502,438		CASH FLOW DEBT / GRANTS			\$0		TOTAL EQUITY SOURCES	\$12,665,254
										TOTAL DEBT SOURCES	\$36,502,438
										TOTAL CAPITALIZATION	\$49,167,692

CONDITIONS

1 Receipt and acceptance by Cost Certification:

- a: Executed ground lease with OHFC Vera Land, LLC, clearly specifying all terms and conditions, including who will retain ownership of land and improvements at the end of the lease.
- b: 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	Odessa Housing Finance Corp.
Expiration Date	10/5/2020
Bond Amount	\$35,000,000
BRB Priority	Priority 3
Bond Structure	FHA 221(d)(4)/Short-Term Cash Collateralized
% Financed with Tax-Exempt Bonds	84.9%

RISK PROFILE

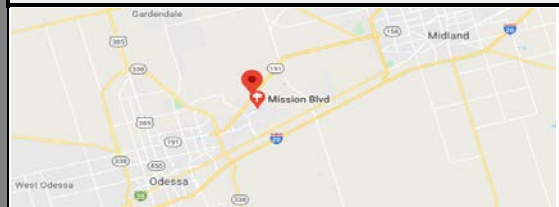
STRENGTHS/MITIGATING FACTORS

- Low expense ratio/tax exemption
- Range of qualifying incomes
- High affordable occupancies/waitlists

WEAKNESSES/RISKS

- Low DCR
- 50% of units are 70% and 80% AML; rental rate risk
- Many affordable units under construction in Midland
- Lack of LIHTC experience

AREA MAP



AERIAL PHOTOGRAPH(S)



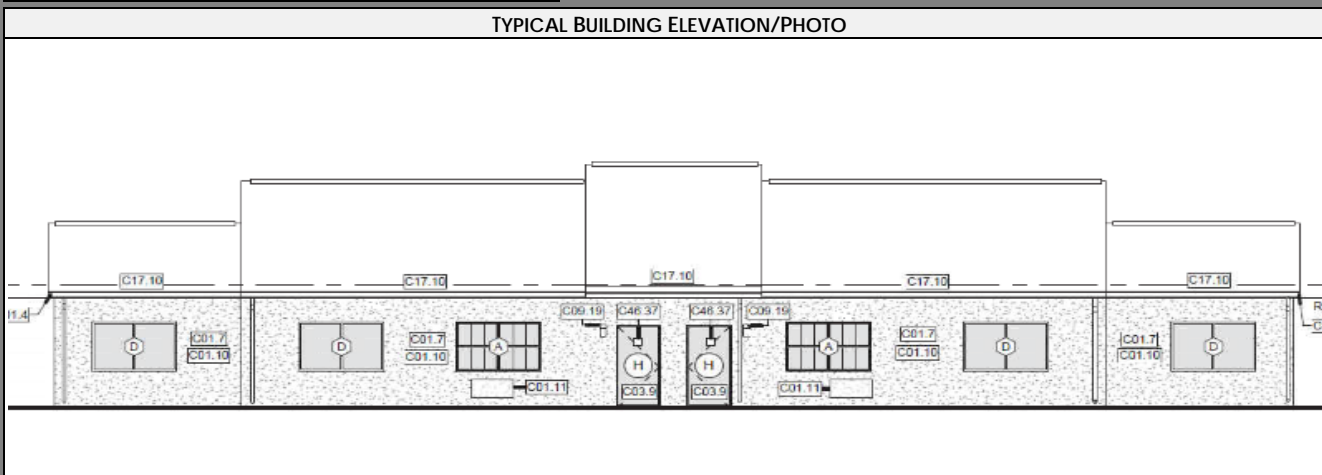
20483 Shady Oaks Manor - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 26, 2020

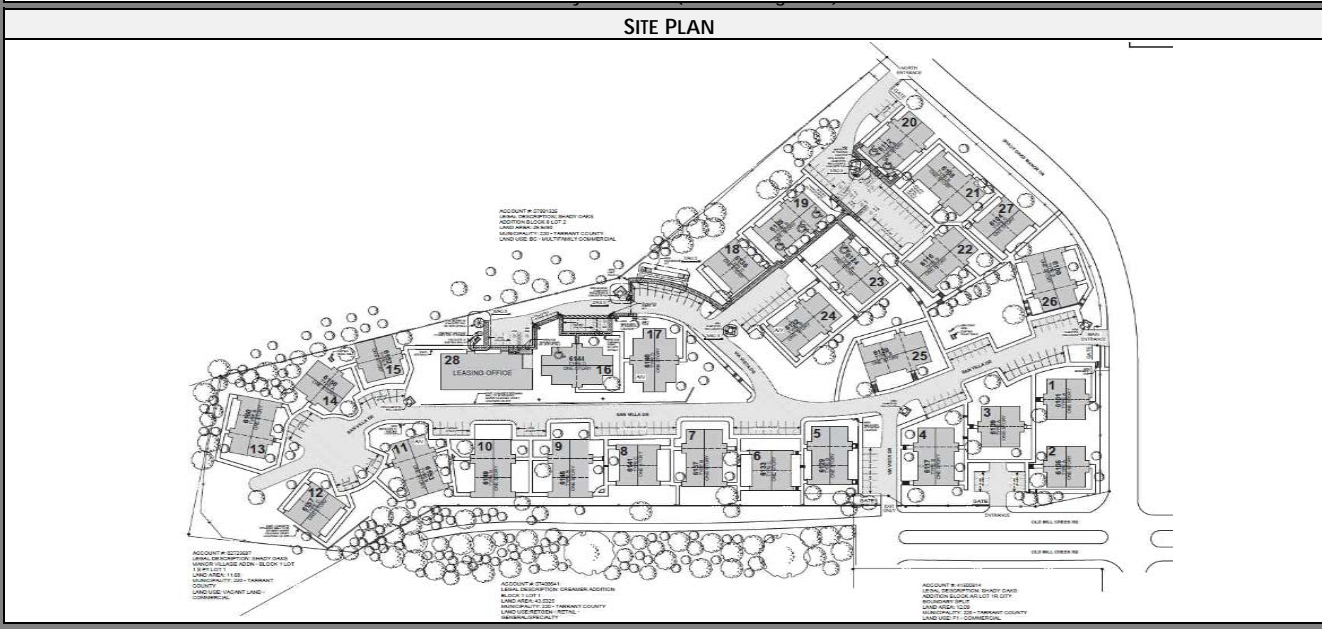
PROPERTY IDENTIFICATION	
Application #	20483
Development	Shady Oaks Manor
City / County	Fort Worth / Tarrant
Region/Area	3 / Urban
Population	Elderly Preference
Set-Aside	General
Activity	Acquisition/Rehab (Built in 1979)

RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$654,862	\$654,862	\$4,745/Unit	\$0.87	

KEY PRINCIPALS / SPONSOR		
Tyler Hunt and Forrest Yarbrough		
Engolve Communities, LLC		
Related Parties	Contractor - No	Seller - Yes



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	130	94%	40%	-	0%
2	8	6%	50%	138	100%
3	-	0%	60%	-	0%
4	-	0%	MR	-	0%
TOTAL	138	100%	TOTAL	138	100%



PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.30	Expense Ratio	45.3%
Breakeven Occ.	82.9%	Breakeven Rent	\$888
Average Rent	\$1,019	B/E Rent Margin	\$131
Property Taxes	\$1,378/unit	Exemption/PILOT	0%
Total Expense	\$5,308/unit	Controllable	\$2,712/unit

MARKET FEASIBILITY INDICATORS

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

DEVELOPMENT COST SUMMARY

Costs Underwritten	TDHCA's Costs - Based on PCA		
Avg. Unit Size	569 SF	Density	14.6/acre
Acquisition		\$89K/unit	\$12,230K
Building Cost	\$51.97/SF	\$30K/unit	\$4,083K
Hard Cost		\$35K/unit	\$4,772K
Total Cost		\$164K/unit	\$22,597K
Developer Fee	\$1,543K	(29% Deferred)	Paid Year: 3
Contractor Fee	\$668K	30% Boost	Yes

REHABILITATION COSTS / UNIT

Site Work	\$1K	3%	Finishes/Fixtures	\$11K	33%
Building Shell	\$11K	33%	Amenities	\$1K	2%
HVAC	\$5K	15%	Total Exterior	\$13K	42%
Appliances	\$2K	5%	Total Interior	\$18K	58%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
BWE Private Placement	15/40	4.10%	\$13,050,000	1.30	Seller Note	17/N/A	2.00%	\$3,400,000	1.30	Hunt Capital Partners	\$5,696,730	
										Envolve Communities	\$450,699	
TOTAL DEBT (Must Pay)			\$13,050,000		CASH FLOW DEBT / GRANTS			\$3,400,000		TOTAL EQUITY SOURCES	\$6,147,429	
											TOTAL DEBT SOURCES	\$16,450,000
											TOTAL CAPITALIZATION	\$22,597,429

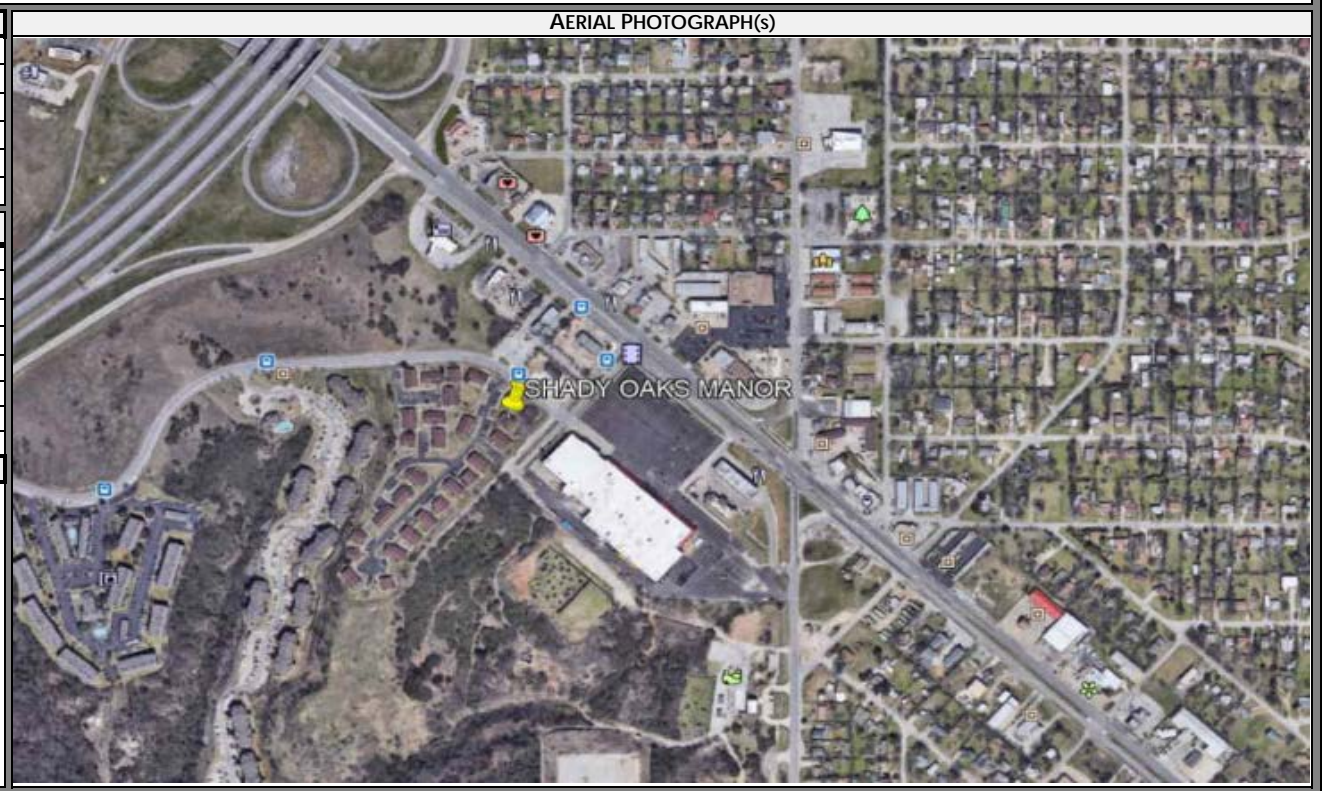
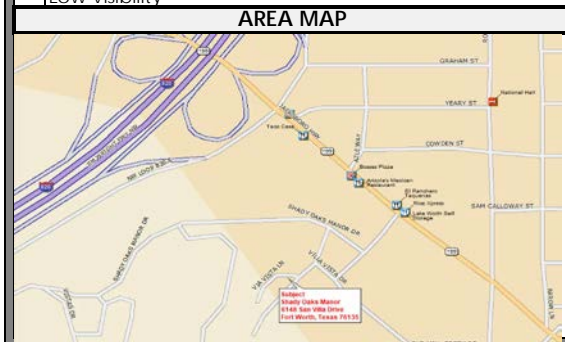
CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
 - a: Evidence of HUD approval or documentation from the third party administrator evidencing their approval of the proposed HAP Rent increases presented in this application.
 - b: Revision to the Capital Needs Assessment / Scope and Cost Review addressing §11.306(d)(6)
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - b: Certification of comprehensive testing for lead in drinking water, and 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	State Affordable Housing Corporation
Expiration Date	11/23/2020
Bond Amount	\$15,000,000
BRB Priority	Priority 3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	68.6%

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	100% Section 8 HAP Contract
▫	Overall Feasibility Indicators
▫	Fully occupied with little expected turnover.
WEAKNESSES/RISKS	
▫	Feasibility dependent on increased HAP rents
▫	Small unit sizes
▫	Low visibility



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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action on a waiver of 10 TAC §13.3(d)(2)(A) (#20501 Samano, Brownsville)

RECOMMENDED ACTION

WHEREAS, the Department has received Application #20501 (Samano) requesting Direct Loan funds under the Soft Repayment set-aside that is proposing the Adaptive Reuse of a commercial building in Brownsville;

WHEREAS, 10 TAC §13.3(d)(2)(A) lists Adaptive Reuse Developments as an ineligible activity;

WHEREAS, the rule was intended to prohibit historic tax credit-layered transactions from requesting Direct Loan funds due to the complex ownership structures that are typically utilized to maximize the benefits of the historic tax credits and housing tax credits, which often do not align with the requirements of and commitment timeline for the Department's Direct Loan funds;

WHEREAS, Samano will not be utilizing historic tax credits in this transaction and, therefore, has a fairly simple ownership structure;

WHEREAS, Samano is in a historic building and the architectural plans have not yet been reviewed for compliance with the Department of the Interior's Historic Rehabilitation Standards;

WHEREAS, Samano has requested a waiver of 10 TAC §13.3(d)(2)(A) in accordance with 10 TAC §11.207(1) and (2) as a result of the limited development opportunities in downtown Brownsville that could support a Supportive Housing population;

WHEREAS, staff finds that the need for the waiver was not preventable given the Supportive Housing development opportunities in downtown Brownsville; and

WHEREAS, staff believes that, by granting this waiver, the Department will better serve the policies and purposes articulated in Tex. Gov't Code, §§2306.001 with respect to addressing the problem of homelessness and coordinating interagency efforts to address homelessness;

NOW, therefore, it is hereby

RESOLVED, the waiver of 10 TAC §13.3(d)(2)(A) is hereby granted on the condition that, if awarded, the Development is able to provide by contract execution, architectural plans that meet the federal and state requirements for New Construction under National Housing Trust Fund program and Department rules.

BACKGROUND

Samano is a proposed 40-unit Adaptive Reuse Development serving a Supportive Housing population in downtown Brownsville. The applicant, Community Development Corporation of Brownsville (CDCB), is a nonprofit that develops affordable housing in Cameron and Willacy counties. CDCB has recognized a need for a Supportive Housing development in the Brownsville area to address the housing needs of homeless populations and was recently able to obtain site control for the subject property, located downtown and near essential services. CDCB plans to redevelop the currently vacant and unused Samano Securities Building (originally the First National Bank) into a small 6,000-square foot grocery store with 39 studio apartments, a one bedroom unit for the manager, and a small rooftop hydroponics vegetable/herb farm.

CDCB is requesting a waiver of the Direct Loan rule that prohibits Adaptive Reuse developments. Staff would normally not be amenable to such a waiver request but, because the ownership structure contemplated does not appear to require any additional waivers, staff is recommending the applicant's waiver request be approved. Additionally, the potential Direct Loan fund source for this application, should it be recommended for an award, is National Housing Trust Fund, for which the Department has a commitment deadline in July 2021. Staff has also confirmed with HUD staff that this activity would not be considered rehabilitation by HUD. However, before contract execution the Applicant must present architectural plans that meet the federal and state standards for New Construction, thereby allowing the Department to commit 2019 funds to this application under this NOFA, should it be recommended for award.



901 East Levee Street
Brownsville, Texas 78520

8/11/2020

Marni Holloway
Multifamily Finance Director
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
(512) 475-1676

Greetings Marni,

The Community Development Corporation of Brownsville requests a rule waiver of 10 TAC §13.3(d)(2)(A). The SAMANO Building is Located in Downtown Brownsville and similar to many urban communities is home to a large number of homeless individuals. The SAMANO project is designed to serve homeless people, many of whom live with mental health disabilities. Public services that are traditionally accessed by this population are also located in Downtown Brownsville - not within the sprawling suburbs. Moving the project outside of Downtown would deprive the residents of transportation, goods and services that are required for this population to live independently. There is virtually no vacant land of relative size in Downtown Brownsville nor are there empty apartments suited for rehab. This project cannot be completed without the waiver.

Granting the waiver would:

1. Provide for the housing needs of homeless individuals who have very low or extremely low income
2. Contribute to the redevelopment of downtown Brownsville
3. Address the problem of Homelessness
4. Provide a decent, safe, and affordable living environment for homeless people
5. Provide life skills and job training to homeless individuals aiding area unemployment
6. Provide the only supportive housing project in the Rio Grande Valley

We hope this letter provides adequate support that the need for this waiver is not within the control of cdcb. By granting this waiver the adaptive reuse of SAMANO better serves policies and purposes articulated in Tex. Gov't Code, §2306.001 §2306.002, §2306.359, and §2306.6701, than not granting the waiver.

Thank you kindly.
Best,

Chloe' Dotson

Chloe Dotson
Director of Development
Cdcb



**901 East Levee Street
Brownsville, Texas 78520**

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action on the Sixth Amendment to the 2020-1 Multifamily Direct Loan Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, the Board previously approved the 2020-1 Multifamily Direct Loan Notice of Funding Availability (2020-1 NOFA), which included \$13,846,168 in HOME funds;

WHEREAS, the Board previously approved the First Amendment to the 2020-1 NOFA reprogramming \$5,385,999.20 in National Housing Trust Fund (NHTF) into the Soft Repayment Set-Aside of the 2020-1 NOFA;

WHEREAS, the Board previously approved the Second Amendment to the 2020-1 NOFA reprogramming \$4,123,858 in NHTF into the Soft Repayment Set-Aside of the 2020-1 NOFA;

WHEREAS, the Board previously approved the Third Amendment to the 2020-1 NOFA reprogramming \$3,000,000 in NHTF into the Soft Repayment Set-Aside of the 2020-1 NOFA;

WHEREAS, the Board previously approved the Fourth Amendment to the 2020-1 NOFA, which moved \$4,733,439 in HOME funds from the CHDO Set-Aside to the General set-aside of the 2020-1 NOFA;

WHEREAS, the Board previously approved the Fifth Amendment to the 2020-1 NOFA, which added \$2,000,000 in unrequested NHTF from a previous NOFA and \$14,956,117.20 in Program Year (PY) 2020 non-administrative NHTF;

WHEREAS, the Fifth Amendment only allowed Applications requesting less than or equal to the amount available in a Development Site's region under the Regional Allocation Formula (RAF) to be submitted through October 12, 2020;

WHEREAS, staff believes that the Department will have the ability to more quickly commit these funds and meet the July 12, 2021 and August 31, 2022, NHTF commitment deadlines by extending the application submission deadline to October 13, 2020, and allowing Applications to be received through that date that request greater than the amount available in a Development Site's region under the RAF, with those

applications being prioritized after the Applications that request less than or equal to the RAF amount in Development Site's region;

WHEREAS, staff recommends extending the application submission deadline under the 2020-1 NOFA to October 13, 2020; and

WHEREAS, staff recommends allowing Applications that request greater than the amount available in a Development Site's region under the RAF to be considered with an Application Acceptance Date of October 13, 2020, and that they will be reviewed after Applications that request less than or equal to the RAF amount in the Development Site's region;

NOW, therefore, it is hereby

RESOLVED, that the application submission deadline under the 2020-1 NOFA is extended to October 13, 2020;

FURTHER RESOLVED, that Applications that request greater than the amount available in a Development Site's region under the RAF from September 11, 2020, through October 13, 2020, will be considered with an Application Acceptance Date of October 13, 2020, to the extent that funds remain available; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are 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

On December 12, 2019, the Board approved the 2020-1 NOFA. On December 27, 2019, the 2020-1 NOFA was published in the *Texas Register* announcing the availability of up to \$13,846,168 in HOME funds for the development of affordable multifamily rental housing. On February 27, 2020, the Board approved the First Amendment to the 2020-1 NOFA reprogramming \$5,385,999 in available NHTF into the 2020-1 Soft Repayment S-Aside. The Amended 2020-1 NOFA was published in the *Texas Register* on March 13, 2020. On April 23, 2020, the Board approved the Second Amendment to the 2020-1 NOFA reprogramming \$4,123,858 in NHTF from the 2020-2B Special Purpose NOFA into the Soft Repayment Set-Aside. The Amended 2020-1 NOFA was published in the *Texas Register* on May 8, 2020. On May 21, 2020, the Board approved the Third Amendment to the 2020-1 NOFA reprogramming \$3,000,000 in NHTF from the 2020-2B Special Purpose NOFA into the Soft Repayment Set-Aside. The Amended 2020-1 NOFA was published in the *Texas Register* on June 5, 2020. On June 25, 2020, the Board approved the Fourth Amendment to the 2020-1 NOFA moving \$4,733,439 in HOME under the CHDO Set-Aside to the General Set-Aside. On July 23, 2020, the Board approved the Fifth Amendment to the 2020-1 NOFA, adding \$2,000,000 in NHTF from a previous NOFA and up to \$14,956,117.20 in PY 2020 NHTF.

Staff believes that there may be significant demand for NHTF among 4% Housing Tax Credit-layered transactions over the next few weeks that would help the Department in meeting its commitment deadlines for PY 2019 and 2020 NHTF. By extending the Application submission deadline by one day to October 13, 2020, Applications that request greater than the amount available in a Development Site's region under the RAF from September 11, 2020, through October 13, 2020, will be considered eligible and prioritized after Applications that request less than or equal to the RAF amount in the Development Site's region.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
SIXTH AMENDMENT
EFFECTIVE SEPTEMBER 4, 2020

THIS AMENDMENT EXTENDS THE APPLICATION ACCEPTANCE PERIOD TO 5:00 P.M. AUSTIN LOCAL TIME ON OCTOBER 13, 2020. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTIONS 1, 2, 3C, AND 6A. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED, OR AS OTHERWISE PUBLISHED IN THE FIRST, SECOND, THIRD, FOURTH, OR FIFTH AMENDMENTS TO THE 2020-1 NOFA.

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **\$43,312,142.40** in total HOME¹ and NHTF funding for the development of affordable multifamily rental housing for low-income Texans. Applications under the CHDO and General Set-Asides of the 2020-1 NOFA will be accepted from January 13, 2020 through **October 13, 2020** (if sufficient funds remain). Applications under the Soft Repayment Set-Aside of the 2020-1 NOFA will be accepted February 28, 2020 through **October 13, 2020** (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

a. Texas Administrative Code

10 TAC Chapter 1 (Administration)

10 TAC Chapter 2 (Enforcement)

10 TAC Chapter 10 (Uniform Multifamily Rules)

10 TAC Chapter 11 (Qualified Allocation Plan)

10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)

10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

b. Texas Government Code

Tex. Gov't. Code Chapter 2306

¹ HOME funds under this NOFA may only be awarded to Applications with Development Sites in non-Participating Jurisdictions.

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>

- c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))
24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))

- d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19
<https://www.tdhca.state.tx.us/fair-housing/index.htm>

- e. Other Federal laws and regulations that may apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME and NSP1 PI must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME and NSP1 PI funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

- f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

2) **Set-Asides.** All funds under the General and CHDO set-asides will be subject to the HOME Regional Allocation Formula (HOME RAF, located in Attachment A) until February 13, 2020, and then available on a statewide basis within each Set-Aside. \$14,956,117.20 in NHTF will be subject to the NHTF RAF located in Attachment B from September 11, 2020, through October 12, 2020, and then available statewide, should funds remain, on October 13, 2020. For the Soft Repayment Set-Aside: Applications under any and all Set-Asides may or may not be layered with 9% or 4% Housing Tax Credits (HTC). The funds made available under this NOFA are available under the following Set-Asides:

a. **Community Housing Development Organization (CHDO) Set-Aside.** At least \$0 in HOME funds are reserved for nonprofit organizations that can be certified as Community Housing Development Organizations (CHDOs).

b. **Soft Repayment Set-Aside.** Up to \$29,465,974.40 in NHTF is available in this Set-Aside, \$14,509,857.20 of which is available statewide through September 10, 2020, and \$14,956,117.20 of which will become available on September 11, 2020, and be subject to the NHTF RAF in Appendix B through October 12, 2020. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93. Applicants in this Set-Aside must meet the Supportive Housing requirements in 10 TAC §11.1(d)(122) including the underwriting considerations for Supportive Housing Developments in 10 TAC §11.302(g)(4) or the requirements in 10 TAC §13.4(a)(1)(A)(ii).

i. If this Set-Aside is oversubscribed at 5:00 pm Austin local time on September 10, 2020, but undersubscribed for the funds made available September 11, 2020, through October 13, 2020, the Department will add the funding to the amount available for Applications with an Application Acceptance Date on or before 5:00 pm on September 10, 2020.

ii. If this Set-Aside is undersubscribed at 5:00 pm Austin local time on September 10, 2020, the Department will add the remaining funding to the amount available on October 13, 2020, and if scoring is utilized, all Applicants will be held to the point selections made in the Application

iii. If this Set-Aside is oversubscribed on September 10, 2020, and also on October 13, 2020, the Department will treat any Applications received on or before September 10, 2020, that it cannot fully fund based on requests made as of September 10, 2020, as if these Applications had an October 13, 2020, Application Acceptance Date and all Applicants will be held to all point selections made in the Application.

c. **General Set-Aside.** HOME funds in the amount of \$13,846,168 is available in this Set-Aside.

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	\$0	\$0
Soft Repayment	A/NC, NC	NHTF	Up to \$29,465,974.40 ²	\$3,000,000
General	NC, A/R, R	HOME	\$13,846,168	\$3,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93)

A/R – Acquisition/Rehabilitation

R – Rehabilitation

A/NC – Acquisition/New Construction

3) Priorities within Set-Asides

c. Priority 3

Applications under the Soft Repayment Set-Aside may only apply under of the following sub-priorities under Priority 3.

- i. Applications submitted after April 1, 2020, through October 13, 2020, in the General Set-Aside and after April 1, 2020, through September 10, 2020, in the Soft Repayment Set-Aside, will have an Application Acceptance Date on the business day of receipt, in accordance with 10 TAC §13.5(c).
- ii. Applications submitted under the Soft Repayment Set-Aside September 11, 2020, through October 12, 2020, that request less than or equal to the amount of NHTF available in the Development Site’s region in Appendix B will have an October 12, 2020, Application Acceptance Date. To the extent that more than one Application is received under the Soft Repayment Set-Aside within the same region with those Applications requesting a total amount greater than the amount available in that region from September 11, 2020, through October 12, 2020, Scoring Criteria in 10 TAC §13.6 will be utilized. If scoring is utilized or

² Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition that all NHTF awards under this NOFA may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.

if the total amount of requested funds on October 13, 2020, is greater than the amount available in the Set-Aside, an Applicant will be held to all point selections made in the Application.

- iii. Applications submitted under the Soft Repayment Set-Aside September 11, 2020, through October 13, 2020, that request greater than the amount of NHTF available in the Development Site's region in Appendix B along with Applications that applied under 3.c.ii, and met threshold requirements but were not recommended for an award because of lack of funding in the region will have an October 13, 2020, Application Acceptance Date. To the extent that insufficient funds remain to fund multiple Applications that are received under the Soft Repayment Set-Aside with an October 13, 2020, Application Acceptance Date, Scoring Criteria in 10 TAC §13.6 will be utilized. If scoring is utilized or if the total amount of requested funds on October 13, 2020, is greater than the amount available in the Set-Aside an Applicant will be held to all point selections made in the Application.

6) Application Submission Requirements.

- a. **Application Acceptance Period. Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on January 13, 2020 through October 13, 2020, at 5:00 p.m. Austin local time (if sufficient funds remain).** An Applicant may have only one active Application per Development at a time under this or any other Department NOFA, and may only have that Development apply under one Set-Aside at a time.

Appendix B

**NHT Regional Allocation Formula (Soft Repayment Set-Aside only)
Effective September 11, 2020 through October 12, 2020**

Region	Allocation Amount
1	\$605,795.78
2	\$432,547.33
3	\$3,117,852.97
4	\$560,227.22
5	\$414,255.89
6	\$2,849,253.75
7	\$907,266.22
8	\$604,101.62
9	\$1,115,014.34
10	\$497,702.49
11	\$1,261,272.16
12	\$606,672.12
13	\$1,984,155.32



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
FIFTH AMENDMENT
EFFECTIVE JULY 24, 2020

THIS AMENDMENT ADDS \$16,956,117.20 IN NATIONAL HOUSING TRUST FUND (NHTF) TO THE SOFT REPAYMENT SET-ASIDE, \$14,956,117.20 OF WHICH WILL BE SUBJECT TO REGIONAL ALLOCATION FORMULA IN APPENDIX B, AND EXTENDS THE APPLICATION ACCEPTANCE PERIOD TO 5:00 P.M. AUSTIN LOCAL TIME ON OCTOBER 12, 2020. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTIONS 1, 2, 3C, AND 6A. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED, OR AS OTHERWISE PUBLISHED IN THE FIRST, SECOND, THIRD, OR FOURTH AMENDMENTS TO THE 2020-1 NOFA.

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **\$43,312,142.40** in total HOME¹ and NHTF funding for the development of affordable multifamily rental housing for low-income Texans. Applications under the CHDO and General Set-Asides of the 2020-1 NOFA will be accepted from January 13, 2020 through **October 12, 2020** (if sufficient funds remain). Applications under the Soft Repayment Set-Aside of the 2020-1 NOFA will be accepted February 28, 2020 through **October 12, 2020** (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

a. Texas Administrative Code

10 TAC Chapter 1 (Administration)

10 TAC Chapter 2 (Enforcement)

10 TAC Chapter 10 (Uniform Multifamily Rules)

10 TAC Chapter 11 (Qualified Allocation Plan)

10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)

10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

¹ HOME funds under this NOFA may only be awarded to Applications with Development Sites in non-Participating Jurisdictions.

- b. Texas Government Code
Tex. Gov't. Code Chapter 2306
<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>
- c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))
24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))
- d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19
<https://www.tdhca.state.tx.us/fair-housing/index.htm>

- e. Other Federal laws and regulations that may apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME and NSP1 PI must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME and NSP1 PI funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

- f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

2) **Set-Asides.** All funds under the General and CHDO set-asides will be subject to the HOME Regional Allocation Formula (HOME RAF, located in Attachment A) until February 13, 2020, and then available on a statewide basis within each Set-Aside. \$14,956,117.20 in NHTF will be subject to the NHTF RAF located in Attachment B from September 11, 2020, through October 12, 2020. Applications under any and all Set-Asides may or may not be layered with 9% or 4% Housing Tax Credits (HTC). The funds made available under this NOFA are available under the following Set-Asides:

a. **Community Housing Development Organization (CHDO) Set-Aside.** At least \$0 in HOME funds are reserved for nonprofit organizations that can be certified as Community Housing Development Organizations (CHDOs).

b. **Soft Repayment Set-Aside.** Up to \$29,465,974.40 in NHTF is available in this Set-Aside, \$14,509,857.20 of which is available statewide through September 10, 2020, and \$14,956,117.20 of which will be subject to the NHTF RAF in Appendix B from September 11, 2020, through October 12, 2020, and will include any unrequested funds through September 10, 2020. Applications received from September 11, 2020, through October 12, 2020, that request an amount greater than the amount available within the Development Site’s region during this period are ineligible. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93. Applicants in this Set-Aside must meet the Supportive Housing requirements in 10 TAC §11.1(d)(122) including the underwriting considerations for Supportive Housing Developments in 10 TAC §11.302(g)(4) or the requirements in 10 TAC §13.4(a)(1)(A)(ii).

c. **General Set-Aside.** HOME funds in the amount of \$13,846,168 is available in this Set-Aside.

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	\$0	\$0
Soft Repayment	A/NC, NC	NHTF	Up to \$29,465,974.40 ²	\$3,000,000

² Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition that all NHTF awards under this NOFA may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.

General	NC, A/R, R	HOME	\$13,846,168	\$3,000,000
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Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93)

A/R – Acquisition/Rehabilitation

R – Rehabilitation

A/NC – Acquisition/New Construction

3) Priorities within Set-Asides

c. Priority 3

Applications under the Soft Repayment Set-Aside may only apply under of the following sub-priorities under Priority 3.

- i. Applications submitted after April 1, 2020, through October 12, 2020, in the General Set-Aside and after April 1, 2020, through September 10, 2020, in the Soft Repayment Set-Aside, will have an Application Acceptance Date on the business day of receipt, in accordance with 10 TAC §13.5(c).
- ii. Applications submitted under the Soft Repayment Set-Aside September 11, 2020, through October 12, 2020, will be limited to the amount of NHTF available in the Development Site’s region in Appendix B and will have an October 12, 2020, Application Acceptance Date. To the extent that more than one Application is received under the Soft Repayment Set-Aside within the same region with those Applications requesting a total amount greater than the amount available in that region from September 11, 2020, through October 12, 2020, Scoring Criteria in 10 TAC §13.6 will be utilized. If scoring is utilized, an Applicant will be held to all point selections made in the Application.

6) Application Submission Requirements.

- a. **Application Acceptance Period.** Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on January 13, 2020 through October 12, 2020, at 5:00 p.m. Austin local time (if sufficient funds remain). An Applicant may have only one active Application per Development at a time under this or any other Department NOFA, and may only have that Development apply under one Set-Aside at a time.

Attachment B

**NHT Regional Allocation Formula (Soft Repayment Set-Aside only)
Effective September 11, 2020 through October 12, 2020**

Region	Allocation Amount
1	\$605,795.78
2	\$432,547.33
3	\$3,117,852.97
4	\$560,227.22
5	\$414,255.89
6	\$2,849,253.75
7	\$907,266.22
8	\$604,101.62
9	\$1,115,014.34
10	\$497,702.49
11	\$1,261,272.16
12	\$606,672.12
13	\$1,984,155.32



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
FOURTH AMENDMENT
EFFECTIVE JUNE 26, 2020

THIS AMENDMENT MOVES \$4,733,439 IN HOME FUNDS FROM THE CHDO SET-ASIDE TO THE GENERAL SET-ASIDE. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTION 2. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED, OR AS OTHERWISE PUBLISHED IN THE FIRST, SECOND, OR THIRD AMENDMENTS TO THE 2020-1 NOFA.

- 2) **Set-Asides.** All funds will be subject to the Regional Allocation Formula (RAF, located in Attachment A) until February 13, 2020, and then available on a statewide basis within each Set-Aside. Applications under any and all Set-Asides may or may not be layered with 9% or 4% Housing Tax Credits (HTC). The funds made available under this NOFA are available under the following Set-Asides:
- a. **Community Housing Development Organization (CHDO) Set-Aside.** At least \$0 in HOME funds are reserved for nonprofit organizations that can be certified as Community Housing Development Organizations (CHDOs).
 - b. **Soft Repayment Set-Aside.** \$12,509,857.20 in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93. Applicants in this Set-Aside must meet the Supportive Housing requirements in 10 TAC §11.1(d)(122) including the underwriting considerations for Supportive Housing Developments in 10 TAC §11.302(g)(4) or the requirements in 10 TAC §13.4(a)(1)(A)(ii).
 - c. **General Set-Aside.** HOME funds in the amount of \$13,846,168 is available in this Set-Aside.

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	\$0	\$0
Soft Repayment	A/NC, NC	NHTF	\$12,509,857.20 ¹	\$3,000,000
General	NC, A/R, R	HOME	\$13,846,168	\$3,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93)

A/R – Acquisition/Rehabilitation

R – Rehabilitation

A/NC – Acquisition/New Construction

¹ Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition all NHTF awards under this NOFA, that the award of NHTF funds may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
THIRD AMENDMENT
EFFECTIVE MAY 22, 2020

THIS AMENDMENT ADDS \$3,000,000 IN NATIONAL HOUSING TRUST FUND (NHTF) TO THE SOFT REPAYMENT SET-ASIDE AND INCREASES THE MAXIMUM PER APPLICATION REQUEST IN THE SOFT REPAYMENT SET-ASIDE TO \$3,000,000. ALL NHTF IS AVAILABLE ON A STATEWIDE BASIS. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTIONS 1, 2B, AND THE TABLE IN SECTION 2. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED, OR AS OTHERWISE PUBLISHED IN THE FIRST AMENDMENT TO THE 2020-1 NOFA.

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **\$26,356,025.20 in total HOME¹ and NHTF funding** for the development of affordable multifamily rental housing for low-income Texans. Applications under the CHDO and General Set-Asides of the 2020-1 NOFA will be accepted from January 13, 2020 through August 31, 2020 (if sufficient funds remain). Applications under the Soft Repayment Set-Aside of the 2020-1 NOFA will be accepted February 28, 2020 through August 31, 2020 (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

a. Texas Administrative Code

- 10 TAC Chapter 1 (Administration)
- 10 TAC Chapter 2 (Enforcement)
- 10 TAC Chapter 10 (Uniform Multifamily Rules)
- 10 TAC Chapter 11 (Qualified Allocation Plan)
- 10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)
- 10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

b. Texas Government Code

¹ HOME funds under this NOFA may only be awarded to Applications with Development Sites in non-Participating Jurisdictions.

Tex. Gov't. Code Chapter 2306

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>

- c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))
24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))

- d. Fair Housing

Federal Fair Housing Act, 42 U.S.C. 3601-19

<https://www.tdhca.state.tx.us/fair-housing/index.htm>

- e. Other Federal laws and regulations that may apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME and NSP1 PI must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME and NSP1 PI funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

- f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

2) **b. Soft Repayment Set-Aside.** \$12,509,857.20 in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93. Applicants in this Set-Aside must meet the Supportive Housing requirements in 10 TAC §11.1(d)(122) including the underwriting considerations for Supportive Housing Developments in 10 TAC §11.302(g)(4) or the requirements in 10 TAC §13.4(a)(1)(A)(ii).

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	\$4,733,439	\$3,000,000
Soft Repayment	A/NC, NC	NHTF	\$12,509,857.20 ²	\$3,000,000
General	NC, A/R, R	HOME	\$9,112,729	\$3,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93)

A/R – Acquisition/Rehabilitation

R – Rehabilitation

A/NC – Acquisition/New Construction

² Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition all NHTF awards under this NOFA, that the award of NHTF funds may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
SECOND AMENDMENT
EFFECTIVE APRIL 24, 2020

THIS AMENDMENT ADDS \$4,123,858 IN NATIONAL HOUSING TRUST FUND (NHTF) TO THE SOFT REPAYMENT SET-ASIDE. ALL NHTF IS AVAILABLE ON A STATEWIDE BASIS. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTIONS 1, 2B, AND THE TABLE IN SECTION 2. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED, OR AS OTHERWISE PUBLISHED IN THE FIRST AMENDMENT TO THE 2020-1 NOFA.

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **\$23,356,025.20** in total HOME¹ and NHTF funding for the development of affordable multifamily rental housing for low-income Texans. Applications under the CHDO and General Set-Asides of the 2020-1 NOFA will be accepted from January 13, 2020 through August 31, 2020 (if sufficient funds remain). Applications under the Soft Repayment Set-Aside of the 2020-1 NOFA will be accepted February 28, 2020 through August 31, 2020 (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

a. Texas Administrative Code

10 TAC Chapter 1 (Administration)

10 TAC Chapter 2 (Enforcement)

10 TAC Chapter 10 (Uniform Multifamily Rules)

10 TAC Chapter 11 (Qualified Allocation Plan)

10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)

10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

b. Texas Government Code

Tex. Gov't. Code Chapter 2306

¹ HOME funds under this NOFA may only be awarded to Applications with Development Sites in non-Participating Jurisdictions.

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>

- c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))
24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))

- d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19
<https://www.tdhca.state.tx.us/fair-housing/index.htm>

- e. Other Federal laws and regulations that may apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME and NSP1 PI must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME and NSP1 PI funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

- f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

2) **b. Soft Repayment Set-Aside.** \$9,509,857.20 in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93. Applicants in this Set-Aside must meet the Supportive Housing requirements in 10 TAC §11.1(d)(122) including the underwriting considerations for Supportive Housing Developments in 10 TAC §11.302(g)(4) or the requirements in 10 TAC §13.4(a)(1)(A)(ii).

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	\$4,733,439	\$3,000,000
Soft Repayment	A/NC, NC	NHTF	\$9,509,857.20 ²	\$2,000,000
General	NC, A/R, R	HOME	\$9,112,729	\$3,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93)

A/R – Acquisition/Rehabilitation

R – Rehabilitation

A/NC – Acquisition/New Construction

² Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition all NHTF awards under this NOFA, that the award of NHTF funds may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
FIRST AMENDMENT
EFFECTIVE FEBRUARY 28, 2020

THIS AMENDMENT ADDS \$5,385,999.20 IN NATIONAL HOUSING TRUST FUND (NHTF) TO THE SOFT REPAYMENT SET-ASIDE AND INCREASES THE MAXIMUM REQUEST UNDER THE SOFT REPAYMENT SET-ASIDE FROM \$1,000,000 TO \$2,000,000. NONE OF THIS \$5,385,999.20 IN NHTF WILL BE SUBJECT TO THE REGIONAL ALLOCATION FORMULA, THEREFORE ALL NHTF IS AVAILABLE ON A STATEWIDE BASIS. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTIONS 1, 2B, AND THE TABLE IN SECTION 2. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED.

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **\$19,232,167.20** in HOME funds¹ and NHTF funding for the development of affordable multifamily rental housing for low-income Texans. Applications under the CHDO and General Set-Asides of the 2020-1 NOFA will be accepted from January 13, 2020 through August 31, 2020 (if sufficient funds remain). **Applications under the Soft Repayment Set-Aside of the 2020-1 NOFA will be accepted February 28, 2020 through August 31, 2020 (if sufficient funds remain).** The availability and use of these funds are subject to the following rules, as applicable:

a. Texas Administrative Code

10 TAC Chapter 1 (Administration)

10 TAC Chapter 2 (Enforcement)

10 TAC Chapter 10 (Uniform Multifamily Rules)

10 TAC Chapter 11 (Qualified Allocation Plan)

10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)

10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

¹ HOME funds under this NOFA may only be awarded to Applications with Development Sites in non-Participating Jurisdictions.

- b. Texas Government Code
Tex. Gov't. Code Chapter 2306
<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>
- c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))
24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))
- d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19.
<https://www.tdhca.state.tx.us/fair-housing/index.htm>
- e. Other Federal laws and regulations may that apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME and NSP1 PI must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME and NSP1 PI funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

- f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

- 2) **b. Soft Repayment Set-Aside.** \$5,385,999.20 in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93. Applicants in this Set-Aside must meet the Supportive Housing requirements in 10 TAC §11.1(d)(122) including the underwriting considerations for Supportive Housing Developments in 10 TAC §11.302(g)(4) or the requirements in 10 TAC §13.4(a)(1)(A)(ii).

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	\$4,733,439	\$3,000,000
Soft Repayment	NC	NHTF	\$5,385,999.20 ²	\$2,000,000
General	NC, A/R, R	HOME	\$9,112,729	\$3,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93) A/R – Acquisition/Rehabilitation

R – Rehabilitation

² Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition all NHTF awards under this NOFA, that the award of NHTF funds may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of **\$13,846,168**¹ in HOME funds² and any unrequested NHTF funds remaining out of the 2020-2 NOFA for Multifamily Direct Loan funding for the development of affordable multifamily rental housing for low-income Texans. Applicants under the 2020-1 NOFA will be accepted from January 13, 2020 through August 31, 2020 (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

a. Texas Administrative Code

10 TAC Chapter 1 (Administration)

10 TAC Chapter 2 (Enforcement)

10 TAC Chapter 10 (Uniform Multifamily Rules)

10 TAC Chapter 11 (Qualified Allocation Plan)

10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)

10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

b. Texas Government Code

Tex. Gov't. Code Chapter 2306

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>

c. U.S. Department of Housing and Urban Development (HUD) Program Regulations

24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))

¹ Final amount to be determined on January 7, 2020, after the amount of NHTF requested under 2020-2 NOFA is known.

² HOME funds under this NOFA may only be awarded to Applications with Development sites in non-Participating Jurisdictions.

24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))

d. Fair Housing

Federal Fair Housing Act, 42 U.S.C. 3601-19.

<https://www.tdhca.state.tx.us/fair-housing/index.htm>

e. Other Federal laws and regulations may that apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME, and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

2) Set-Asides. All funds will be subject to the Regional Allocation Formula (RAF, located in Attachment A) until February 13, 2020, and then available on a statewide basis within each Set-Aside. Applications under any and all Set-Asides may or may not be layered with 9% or 4% Housing Tax Credits (HTC). The funds made available under this NOFA are available under the following Set-Asides:

- a. **Community Housing Development Organization (CHDO) Set-Aside.** At least \$4,733,439 in HOME funds are reserved for nonprofit organizations that can be certified as Community Housing Development Organizations (CHDOs).
- b. **Soft Repayment Set-Aside.** \$ _____³ in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93..
- c. **General Set-Aside.** HOME funds in the amount of \$9,112,729 is available in this Set-Aside; currently anticipated to be \$9,112,729.

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request ⁴
CHDO	NC, A/R, R	HOME	\$4,733,439	\$3,000,000
Soft Repayment	NC	NHTF	\$ _____	\$1,000,000
General	NC, A/R, R	HOME	\$9,112,729	\$3,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93) A/R– Acquisition/Rehabilitation
R – Rehabilitation

3) Priorities within Set-Asides. Priority 1 Applications will be subject to various Application Acceptance Dates depending on the criteria described below. The Application Acceptance Dates are those that exist in 10 TAC §13.4(c) for Priority 2 or Priority 3 Applications. The Department will utilize the Scoring Criteria in 10 TAC §13.6.

a. Priority 1.

- i. **Applications submitted in the General and CHDO Set-Asides by February 13, 2020, that request less than RAF amount for the subregion in which the Development Site is located.** Applications submitted under the CHDO Set-Aside that request less than or equal to the amount listed for the subregion in which the Development Site

³ Amount to be determined on January 7, 2020, after the amount of NHTF requested under 2020-2 NOFA is known.
⁴ This total includes any other Multifamily Direct Loan Funds previously awarded to the Applicant by the Department for the Development, including any outstanding loan balances that will remain after the Direct Loan closing.

is located January 13, 2020, through February 13, 2020, will have an Application Acceptance Date of February 13, 2020. Applications submitted in the General Set-Aside, that request less than or equal to the amount listed for the subregion in which the Development Site is located January 13, 2020 through February 13, 2020, will have an Application Acceptance Date of February 14, 2020.

- ii. **4% HTC-layered Applications with TDHCA as the Bond Issuer that request greater than RAF amount for the subregion in which the Development Site is located, where TDHCA is the Bond Issuer and were not recommended for an award under 3) a i. of this NOFA, or where TDHCA is the Bond Issuer and the Application is submitted under the Soft-Repayment Set-Aside.** Applications submitted under all Set-Asides that meet all of the following requirements will have an Application Acceptance Date of March 30, 2020:
 1. The Application is layered with 2020 4% HTC in which TDHCA is the Bond Issuer;
 2. The Application was not recommended for an award under Section 3(a)(i) of this NOFA; and
 3. The Application is submitted January 13, 2020, through March 30, 2020.
- iii. **Applications that did not apply for or were not recommended for awards under Section 3(a)(i) and (ii), and submitted Applications January 13, 2020 through March 31, 2020, will have an Application Acceptance Date of March 31, 2020.**

- b. **Priority 2.** Applications applying contemporaneously for current year 9% HTC will have an Application Acceptance Date of April 1, 2020.
- c. **Priority 3.** Applications submitted after April 1, 2020, will have Application Acceptance Date on the business day of receipt, in accordance with 10 TAC §13.5(c).

4) Interest Rates.

- a. **Construction-to-Permanent Loans.** All Direct Loan requests structured as construction-to-permanent loans will be required to use the minimum required interest rate listed in the table below depending on the Set-Aside, Activity, whether or not HTC are also being requested, and whether or not the Direct Loan will be in first lien position during the permanent period. If the Debt Coverage Ratio is less than the minimum 1.15 with the minimum required interest rate as applicable, staff will make adjustments to the financing structure in accordance with 10 TAC §11.302(d)(4)(D)(i), with the exception of 10 TAC §11.302(d)(4)(D)(i)(II)(-a-).

Set-Aside and Priority	Activity	HTC layered	Direct Loan 1 st Lien during Permanent Period	Minimum Required Interest Rate

CHDO or General – 4% HTC with TDHCA as Bond Issuer	NC, A/R, R	Y	Y or N	0%
CHDO or General – all other Applications	NC, A/R, R	Y	Y	2.0%
			N	2.50%
		N	Y	2.75%
			N	3.0%
Soft Repayment	NC only	Y or N	Y or N	0%

- b. **Construction-Only Loans.** All Direct Loan requests structured as construction only loans, regardless of the Set-Aside and Activity, may request an interest rate as low as 0% with the principal amount of the Direct Loan due upon the end of the construction loan term as established in 10 TAC §13.8(e)(1).

5) Maximum Per Unit Subsidy Limits and Maximum Rehabilitation Per-Unit Subsidy Limits.

- a. The maximum per unit subsidy limits that an Applicant can use to determine the amount of Direct Loan funds they may request are listed in the 2020 Maximum Per Unit Subsidy Limits table provided in this Section 5:

2020 Maximum Per Unit Subsidy Limits		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$142,411	\$149,868
1 bedroom	\$164,203	\$171,802
2 bedroom	\$198,034	\$208,913
3 bedroom	\$253,490	\$270,266
4 bedroom or more	\$282,398	\$296,666

Smaller per unit subsidies are allowable and incentivized as point scoring items in 10 TAC §13.6.

- b. The Maximum Rehabilitation Per Unit Subsidy Limit is \$38,717 for Applications proposing rehabilitation.

6) Application Submission Requirements.

- a. **Application Acceptance Period.** Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on January 13, 2020 through August 31, 2020, at 5:00 p.m. Austin local time (if sufficient funds remain). An Applicant may have only one active Application per Development at a time under this or any other Department NOFA, and may only have that Development apply under one Set-Aside at a time.

- b. **Application Submission Materials.** All Application materials including manuals, NOFAs, program guidelines, and rules will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the requirements in effect at the time of the Application submission including any requirements of federal rules that may apply and subsequent guidance provided by HUD.
- c. An Application must be on forms provided by the Department, and cannot be altered or modified, and must be in final form before submitting it to the Department. An Applicant must submit the Application materials as detailed in the Multifamily Programs Procedures Manual (MPPM) in effect at the time the Application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the MPPM in effect at the time the Application is submitted.
 - i. If an Applicant has an active Application (i.e. the Board has not made a Direct Loan Award), but wishes to apply for additional funds, it must withdraw that Application and submit a new Application.
 - ii. Applicants for Developments that have received an award of Multifamily Direct Loan Funds or Housing Tax Credits prior to the date of the Application under this NOFA, should consult 10 TAC §13.5(h) regarding Eligibility Criteria, and provide the additional information required by 10 TAC §13.5(h)(2)(B), including clear evidence of the circumstances beyond their control that materially impair their ability to provide affordable housing. Evidence will include information from verifiable third-party sources that allows the Board to make an informed decision regarding eligibility.
- d. **Minimum Requests.** The request for funds under the CHDO, Soft Repayment, and General Set-Asides may not be less than \$300,000 regardless of the Set-Aside under which an application is being submitted. However, if the underwriting report indicates that the Development will be feasible with an award of less than \$300,000, staff may recommend a lower award.
- e. **Match Submission Requirements.** All Applicants must provide Match in the amount of **at least 7.5%** of the Direct Loan funds requested. Except for Match in the form of the net present value of a below market interest rate loan or a property tax exemption under Sections 11.111, 11.18, 11.181, 11.182, 11.1825, or 11.1827 of Texas Property Tax Code, Match must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Direct Loan funds.
- f. The 2020 CHDO Certification Packet must be submitted with the 2020 Uniform Multifamily Application for Applicants applying under the CHDO Set-Aside.
- g. All 4% HTC-layered applications must provide evidence of a Reservation with submission of the MFDL Application submission.
- h. Each CHDO that is awarded HOME funds may also be eligible to receive a CHDO operating grant of up to \$50,000 for CHDO Operating Expenses, which are defined in 24 CFR §92.208

as including salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials, and supplies. An award of HOME funds under the CHDO Set-Aside does not guarantee that a CHDO will receive a grant for CHDO Operating Expenses.

- i. An Applicant under the CHDO, Soft Repayment, and General Set-Asides who are not also simultaneously applying for 2020 9% or 4% Housing Tax Credits are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$1,000.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Tex. Gov't Code §2306.147(b) requires the Department to waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not a reimbursable cost under the Multifamily Direct Loan Program.
- j. An Application must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §11.201(1)(C).

7) Post Award Requirements. Applicants are strongly encouraged to review the applicable Post Award requirements in 10 TAC Chapter 10, Subchapter E, Post Award and Asset Management Requirements and 10 TAC Chapter 13, as well as the Compliance Monitoring requirements in 10 TAC Chapter 10, Subchapter F and G.

- a. Awarded Applicants may, at the Department's discretion, be charged fees for underwriting, asset management, and ongoing monitoring.
- b. An Applicant will be required to record a Land Use Restriction Agreement (LURA) limiting residents' income and rent for the greater amount of Units required by the Direct Loan Unit Calculation Tool, or as represented in the Application for the term of the LURA.
- c. An Applicant must have a current Data Universal Numbering System (DUNS) number and be registered in the federal System for Award Management prior (SAM) prior to execution of a Direct Loan contract. Applicants may apply for a DUNS number at dnb.com). Once you have the DUNS number, you can [register with the SAM](#).
- d. An awarded Applicant may be required to meet additional documentation requirements in order to draw funds, in accordance with its Previous Participation results.

8) Miscellaneous.

- a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the HOME and NHTF fund sources. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations.
- b. All Applicants must comply with public notification requirements in 10 TAC §11.203.
- c. Waivers of any substantive or procedural provision of this NOFA, if available, will be treated in accordance with 10 TAC §13.1(c). 10 TAC §13.1(c) may not be waived.

- d.** For questions regarding this NOFA, please contact Andrew Sinnott, Multifamily Loan Program Administrator, at andrew.sinnott@tdhca.state.tx.us.

Attachment A

Regional Allocation Formula under the General Set-Aside – URBAN

Region	Subregion Allocation Amount
1	\$132,110.34
2	\$61,876.35
3	\$2,623,497.49
4	\$530,280.89
5	\$261,068.05
6	\$572,849.63
7	\$1,356,613.25
8	\$512,503.83
9	\$426,958.63
10	\$361,847.13
11	\$426,921.60
12	\$305,724.16
13	\$479,353.00

Regional Allocation Formula under the General Set-Aside – RURAL

Region	Subregion Allocation Amount
1	\$475,829.98
2	\$328,085.81
3	\$411,083.33
4	\$1,097,845.12
5	\$731,836.00
6	\$344,737.06
7	\$169,655.09
8	\$472,200.51
9	\$352,582.40
10	\$456,518.42
11	\$658,254.77
12	\$284,917.83
13	\$37,834.33

1h

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action on the Section 8 Program 5-Year and 2021 Annual Public Housing Agency (PHA) Plan for the Housing Choice Voucher Program.

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) operates as a PHA;

WHEREAS, 42 U.S.C §1437(c-1) (a) and (b) require PHAs to submit both a 5-Year Plan and an annual PHA Plan that have been made available for public comment; and

WHEREAS, the Department last prepared a 5-Year Plan in 2016, and therefore needs to prepare and release for comment its 5-Year and 2021 Annual Public Housing Agency (PHA) Plan;

NOW, therefore, it is hereby

RESOLVED, that the Department's 5-Year and 2021 Annual PHA Plan is hereby approved in the form presented to this meeting to be made available for public comment and continues to authorize the Department to identify Project Access as a preference population for vouchers;

FURTHER RESOLVED, that if there are not substantive public comments received requiring reconsideration of the plan, staff is authorized and directed to file the plan as final with the U.S. Department of Housing and Urban Development (HUD) with no further Board review; and

FURTHER RESOLVED, that if there are material public comments, staff is directed to bring the plan, with such comments and any recommended revisions, back to this Board for final consideration.

BACKGROUND

There are two parts to the PHA Plan: the 5-Year Plan and the Annual Plan.

Section 511 of the Quality Housing and Work Responsibility Act of 1998 created the requirement for submission of PHA plans. The PHA Plan is a brief guide to PHA policies, programs, and strategies for meeting local housing needs and goals for the upcoming fiscal year. The 5-Year Plan is required by every PHA and describes the mission of the agency and the long range goals and objectives for achieving the mission over the subsequent 5 years. The Annual Plan, which is

prepared and submitted to HUD every year, provides information about program operations and services for the upcoming fiscal year.

The 2021 Annual Plan will not be adopting any additional preferences for the Department's Housing Choice Voucher Section 8 Program other than continuing the priority for Project Access. The Department's Plan reflects that the Department will continue to:

- seek to expand the range and quality of housing choices available to participants in the PHA tenant-based assistance program;
- implement HUD's revised guidance on inspection of dwelling units for initial inspections, and
- increase utilization of HCV program funds and apply for additional funding when available and appropriate.

To ensure public participation, the Department will appoint annually a Resident Advisory Board, which will consist of all tenants with active Section 8 contracts, to review and comment on the proposed 5-Year and 2021 Annual Plan. The Plan will also be available for personal viewing at 221 East 11th Street, Austin, TX 78701, for review at the Department's Administrative Office by appointment on weekdays between 8:00 am and 5:00 pm; and the Department's website at: www.tdhca.state.tx.us.

Upon Board approval, the Department will publish a notice 45 days prior to scheduling a public hearing to receive public comment on the Plan. If there are no substantive comments, the Plan will be submitted as approved today to HUD. If substantive comments are received, the Plan will be resubmitted to the Board for final approval.

Streamlined Annual PHA Plan (HCV Only PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS and SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																																			
A.1	<p>PHA Name: <u>Texas Department of Housing and Community Affairs</u> PHA Code: <u>TX-901</u> PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>01/2021</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Housing Choice Vouchers (HCVs) <u>1689</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p> <p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at the main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 25%;">Participating PHAs</th> <th style="width: 10%;">PHA Code</th> <th style="width: 25%;">Program(s) in the Consortia</th> <th style="width: 20%;">Program(s) not in the Consortia</th> <th style="width: 20%;">No. of Units in Each Program</th> </tr> </thead> <tbody> <tr> <td>Lead HA:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	Lead HA:																													
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B. Annual Plan.	
B.1	<p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission? Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Housing Needs and Strategy for Addressing Housing Needs. <input type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. <input type="checkbox"/> <input type="checkbox"/> Financial Resources. <input type="checkbox"/> <input type="checkbox"/> Rent Determination. <input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management. <input type="checkbox"/> <input type="checkbox"/> Informal Review and Hearing Procedures. <input type="checkbox"/> <input type="checkbox"/> Homeownership Programs. <input type="checkbox"/> <input type="checkbox"/> Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. <input type="checkbox"/> <input type="checkbox"/> Substantial Deviation. <input type="checkbox"/> <input type="checkbox"/> Significant Amendment/Modification.</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each element(s):</p> <p>See attachments</p>
B.2	<p>New Activities</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year? Y N Project Based Vouchers. <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If this activity is planned for the current Fiscal Year, describe the activities. Provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.</p>
B.3	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit? Y N N/A <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p>
B.4	<p>Civil Rights Certification</p> <p>Form HUD-50077 PHA Certifications of Compliance with the PHA Plans and Related Regulations, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
B.5	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
B.6	<p>Progress Report.</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in its 5-Year PHA Plan.</p> <p>See attachment Progress Report</p>
B.7	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan? Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(a) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>Public hearing will be held October 20, 2020.</p>

Instructions for Preparation of Form HUD-50075-HCV Annual PHA Plan for HCV Only PHAs

A. PHA Information. All PHAs must complete this section. ([24 CFR §903.23\(4\)\(e\)](#))

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **Number of Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. ([24 CFR §943.128\(a\)](#))

B. Annual Plan. All PHAs must complete this section. ([24 CFR §903.11\(c\)\(3\)](#))

B.1 Revision of PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

Housing Needs and Strategy for Addressing Housing Needs. Provide a statement addressing the housing needs of low-income, very low-income families who reside in the PHA’s jurisdiction and other families who are on the Section 8 tenant-based waiting list. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income), (ii) elderly families and families with disabilities, and (iii) households of various races and ethnic groups residing in the jurisdiction or on the waiting list based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. ([24 CFR §903.7\(a\)\(1\)](#) and [24 CFR §903.7\(a\)\(2\)\(i\)](#)). Provide a description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#))

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV. ([24 CFR §903.7\(b\)](#))

Financial Resources. A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

Rent Determination. A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies. ([24 CFR §903.7\(d\)](#))

Operation and Management. A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA. ([24 CFR §903.7\(e\)\(3\)\(4\)](#)).

Informal Review and Hearing Procedures. A description of the informal hearing and review procedures that the PHA makes available to its applicants. ([24 CFR §903.7\(f\)](#))

Homeownership Programs. A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval. ([24 CFR §903.7\(k\)](#))

Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA’s partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA’s partnerships with other entities, and activities under section 3 of the Housing and Community Development Act of 1968 and under requirements for the Family Self-Sufficiency Program and others. Include the program’s size (including required and actual size of the FSS program) and means of allocating assistance to households. ([24 CFR §903.7\(l\)\(i\)](#)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements. ([24 CFR §903.7\(l\)\(iii\)](#)).

Substantial Deviation. PHA must provide its criteria for determining a “substantial deviation” to its 5-Year Plan. ([24 CFR §903.7\(r\)\(2\)\(i\)](#))

Significant Amendment/Modification. PHA must provide its criteria for determining a “Significant Amendment or Modification” to its 5-Year and Annual Plan. Should the PHA fail to define ‘significant amendment/modification’, HUD will consider the following to be ‘significant amendments or modifications’: a) changes to rent or admissions policies or organization of the waiting list; or b) any change with regard to homeownership programs. See guidance on HUD’s website at: [Notice PIH 1999-51](#). ([24 CFR §903.7\(r\)\(2\)\(ii\)](#))

If any boxes are marked “yes”, describe the revision(s) to those element(s) in the space provided.

B.2 New Activity. If the PHA intends to undertake new activity using Housing Choice Vouchers (HCVs) for new Project-Based Vouchers (PBVs) in the current Fiscal Year, mark “yes” for this element, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake this activity, mark “no.” ([24 CFR §983.57\(b\)\(1\)](#) and Section 8(13)(C) of the United States Housing Act of 1937.

Project-Based Vouchers (PBV). Describe any plans to use HCVs for new project-based vouchers. If using PBVs, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.

- B.3 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark “yes” and describe those findings in the space provided. ([24 CFR §903.11\(c\)\(3\)](#), [24 CFR §903.7\(p\)](#))
- B.4 Civil Rights Certification.** Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulation*, must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction’s initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. ([24 CFR §903.7\(o\)](#))
- B.5 Certification by State or Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, including the manner in which the applicable plan contents are consistent with the Consolidated Plans, must be submitted by the PHA as an electronic attachment to the PHA Plan. ([24 CFR §903.15](#))
- B.6 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year PHA Plan. ([24 CFR §903.11\(c\)\(3\)](#), [24 CFR §903.7\(r\)\(1\)](#))
- B.7 Resident Advisory Board (RAB) comments.** If the RAB provided comments to the annual plan, mark “yes,” submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. ([24 CFR §903.13\(c\)](#), [24 CFR §903.19](#))

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 4.5 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

5-Year PHA Plan (for All PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

A.	PHA Information.																																
A.1	<p> PHA Name: _____ PHA Code: _____ </p> <p> PHA Plan for Fiscal Year Beginning: (MM/YYYY): _____ </p> <p> PHA Plan Submission Type: <input type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission </p> <p> Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans. </p> <p> <input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below) </p> <table border="1"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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B.	5-Year Plan. Required for all PHAs completing this form.
B.1	Mission. State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years.
B.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years.
B.3	Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.
B.4	Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.
B.5	Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.
B.6	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the 5-Year PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
B.7	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>

Instructions for Preparation of Form HUD-50075-5Y 5-Year PHA Plan for All PHAs

A. PHA Information [24 CFR §903.23\(4\)\(e\)](#)

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table.

B. 5-Year Plan.

B.1 Mission. State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years. ([24 CFR §903.6\(a\)\(1\)](#))

B.2 Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years. ([24 CFR §903.6\(b\)\(1\)](#)) For Qualified PHAs only, if at any time a PHA proposes to take units offline for modernization, then that action requires a significant amendment to the PHA's 5-Year Plan.

B.3 Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. ([24 CFR §903.6\(b\)\(2\)](#))

B.4 Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. ([24 CFR §903.6\(a\)\(3\)](#))

B.5 Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.

B.6 Resident Advisory Board (RAB) comments.

(a) Did the public or RAB provide comments?

(b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. ([24 CFR §903.17\(a\)](#), [24 CFR §903.19](#))

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average .76 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Annual PHA Plan for Fiscal Year 2021 for
Housing Choice Voucher Section 8 Program

B-1 Attachments

Operation and Management

TDHCA will remove families from the HCVP waiting list if they are found not to qualify for a preference which they have claimed. This change will allow staff the ability quickly and efficiently issue vouchers to eligible households and will also discourage applicants from making false or inaccurate claims.

TDHCA will train staff thoroughly on HUD's Enterprise Income Verification (EIV) system which is a web-based application Income Validation Tool (IVT) that allows PHAs to check employment, wage, unemployment compensation and social security benefit information for Section 8 and Public Housing program participants. The IVT Report replaces the Income Discrepancy Report under the verification reports link located in EIV. The IVT report is updated monthly. It will provide information on tenant reported income, previous reported income from the form HUD-50058, and discrepancies between tenants reported income and information gleaned from HUD data sharing agreements with Health and Human Services and the Social Security Administration.

TDHCA will continue to work closely with service providers to maximize housing opportunities for targeted populations on current Waiting Lists: (1) Project Access, (2) Main Stream, (3) Veteran's and veterans' family members.

Marketing the program to non-participating owners and establishing owner retention on vacated units on the program.

Annual PHA Plan for Fiscal Year 2021 for
Housing Choice Voucher Section 8 Program

Housing Needs.

Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

Housing Need Analysis- Section 8

August 2020

When analyzing local housing markets and developing strategies for meeting housing challenges, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs, the physical condition of housing and whether or not the household is overcrowded.

An excess cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer.

The measure of physical inadequacy is the number of units lacking complete kitchen and/ or plumbing facilities. While this is not a complete measures of physical inadequacy, the lack of plumbing and/ or kitchen facilities can serve as a strong indication of one type of housing inadequacy.

Overcrowded housing conditions may occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units are too expensive.

The following table estimates the number of low-income households with housing needs for the 34 TDHCA Section 8 service areas. The figures are adjusted to 2019 levels based on population growth estimates.

Housing Needs for Section 8	Number
Population	3,352,772
Number of Individuals in Poverty	386,468
Number of Cost Burdened Households	130,434
Number of Overcrowded Households	17,894
Number of Substandard Housing Units	6,014

2013-2017 American Community Survey

The TDHCA waiting list is approximately 689 applications. The waiting list figure is a composite of several statewide jurisdictional waiting lists, as well as the Project Access waiting list.

5-Year and Annual PHA Plan for Fiscal Year 2021 for Housing Choice Voucher Section 8 Program

Item B3 - Progress Report

Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

Expanding supply of affordable units [24 CFR 982.503]

The Department implemented payment standards between 90% and 110%, with higher percentages in areas where market rents were high. Where there is high demand for rental units it can be challenging for a voucher holder to find a unit. Sufficient payment standards help aid in areas where voucher holders have had difficulty in finding acceptable units or affording units in more desirable areas. Higher FMRs provide additional choices and opportunities to tenants in highly competitive rental markets. In areas where market rents are higher, poverty levels are lower, schools are better and there are more opportunities for employment. The Department annually has revisited the payments standards to ensure that a household's voucher provides enough assistance to house them in locations they desire, while seeking to ensure that vouchers are not over-subsidized.

Improve Performance and Processes

The Department sought to obtain high performance status on its SEMAP; however the Department's most recent SEMAP rating is Standard. The Department is hopeful that it will be able to increase this rating in its 2021 SEMAP and increase points in scoring area where the agency failed to meet the standard. In order to improve the performance rating, the Department will track the progress of the SEMAP indicators on a monthly basis improving voucher management and the PIC SEMAP reports.

The Department is currently a standard performer under HUD's SEMAP assessment system which consists of 14 evaluation criteria. Under the latest assessment for FY 2018, the Department lost points for improperly classifying units that had passed (but had comments); the units should have been classified so that they resulted in a re-inspection of the unit prior to occupancy. Staff recently received module training pertaining to HQS, and best practices on how to generate re-inspections and pull PIC reports for the possible corrections. By updating standard operating procedures, and performing more intensive monthly reviews, the Department believes a SEMAP review performed at this time would earn these points.

In addition, the Department will continue to monitor HAP payments monthly expenses to ensure that at least 98% of the Annual Contributions Contract is utilized or that 98% of total unit months are leased each year. For the calendar year 2020 the Department utilized 102.6% of regular HCV vouchers, 71% of NED vouchers, 70% of PB-VASH vouchers, 56% of Main Stream, and is working within the budget to increase lease up for NED, TB-VASH, and Main Stream voucher so the funds are fully utilized.

Improve the quality of assisted housing

The Department will improve the quality of the housing assessment by continuing the applicability of EIV's Income Information and Verification Reports (i.e. Multiple Subsidy Report, Identity Verification Report, Immigration Report, and Income Validation Tool Report). These reports will be monitored and reviewed monthly. If needed corrections are needed, staff will be required to correct and resubmit for another review. A new tool introduced by HUD is called Income Validation Tool (IVT). The IVT was developed in response to an OIG audit that found a large volume of false positives in the EIV Income Discrepancy Report. The IVT was pilot tested with 12 PHAs between October 2017 and January 2018 and has replaced the EIV Income Discrepancy Report. The results of this report have reduced false positives in EIV Income Discrepancy Report, identified potential cases of identity theft, and provides more reporting accuracy of families income. (review of Wage, Unemployment Compensation, Zero Incomes and Social Security Benefits)

5-Year and Annual PHA Plan for Fiscal Year 2021 for
Housing Choice Voucher Section 8 Program

Increase assisted housing choices

The Department has been, and will continue, to provide mobility counseling at briefings to inform families and property owners of our expanded housing choices. With the use of technology and our system software, it has allowed staff to streamline and improve the inspection process and better educate families and property owners. In additions, maps are provided to our families educating them on specific census data tailored for the program.

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**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**

1j

BOARD ACTION REQUEST
BOND FINANCE DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action on Inducement Resolution No. 21-001 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority

RECOMMENDED ACTION

WHEREAS, four bond pre-applications, as further detailed below, were submitted to the Department for consideration of an inducement resolution;

WHEREAS, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

WHEREAS, approval of the inducement will allow staff to submit an application to the Bond Review Board (BRB) for the issuance of a Certificate of Reservation associated with the Development;

NOW, therefore, it is hereby

RESOLVED, that based on the foregoing, Inducement Resolution No. 21-001 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for the pre-applications listed herein, is hereby approved in the form presented to this meeting.

BACKGROUND

General Information: The BRB administers the annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including, but not limited to, site eligibility and threshold as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be

presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development. This inducement resolution would reserve approximately \$120.5M in private activity bond volume cap. Staff notes that the Department's set-aside of \$159,839,794 for the 2020 program year has been met, in addition to \$69M from 2019 Carryforward, bringing the total in reserved applications to \$228.8M for 2020. The pre-applications listed below will be placed on the Department's waiting list to receive a Reservation, bringing the total of pre-applications on the waiting list to \$487.5M.

20626 – Palladium Mountain Creek

New construction of 152 units is proposed for this multifamily development to be located at 8605 Sorcery Road in Dallas, Dallas County. This transaction is proposed to be Priority 3 and will serve the general population. The applicant has elected an intent to use income averaging for the development. Five of the units will be rent and income restricted at 40% of Area Median Family Income (AMFI), 22 of the units will be rent and income restricted at 50% of AMFI, 103 of the units will be rent and income restricted at 60% of AMFI, 12 of the units will be rent and income restricted at 70% of AMFI, and 10 of the units will be rent and income restricted at 80% of AMFI. The Department has not received any letters of opposition or support for the proposed development.

Bond Inducement Amount: \$14,750,000

20627 – Palladium Simpson Stuart

New construction of 270 units is proposed for this multifamily development to be located at 3380 Simpson Stuart Road in Dallas, Dallas County. This transaction is proposed to be Priority 3 and will serve the general population. The applicant has elected an intent to use income averaging for the development. Thirteen of the units will be rent and income restricted at 40% of AMFI, 28 of the units will be rent and income restricted at 50% of AMFI, 191 of the units will be rent and income restricted at 60% of AMFI, 23 of the units will be rent and income restricted at 70% of AMFI, and 15 of the units will be rent and income restricted at 80% of AMFI.

The applicant disclosed Neighborhood Risk Factors (NRF) involving the underperformance of Kennedy Curry Middle School. The site is within the attendance zone of Kennedy Curry Middle School, and thus would typically require an NRF report, pursuant to 10 TAC §11.101(a)(3) of the Qualified Allocation Plan. However, in response to the COVID-19 pandemic, at the Board meeting of April 23, 2020, the Board granted a waiver regarding the requirement for mitigation relating to school performance for the remainder of the 2020 program year. This waiver is applicable to those 4% HTC applications submitted under the 2020 QAP that receive a Reservation from the Bond Review Board in the 2020 calendar year. The Department has not received any letters of opposition or support for the proposed development.

Bond Inducement Amount: \$25,750,000

20628 – Mayhill Road Apartments

New construction of 360 units is proposed for this multifamily development to be located at 1900 S. Mayhill Road in Denton, Denton County. Applicant disclosed Undesirable Site Features relating to the proposed development site being within 300 feet of the Denton Municipal Landfill. A letter from the applicant was submitted explaining that the design of the site maximizes the distance between the landfill and residential/community buildings within the site. As of the date of posting, staff is still reviewing information submitted regarding the landfill, and is not in a position to consider the Undesirable Site Feature mitigated pursuant to the rule. Staff will continue to work with the applicant, and if necessary, bring the application back before the Board at the time of full application for a determination of eligibility. This transaction is proposed to be Priority 3 and will serve the general population. The applicant has elected to use income averaging for the development. 40 of the units will be rent and income restricted at 30% of AMFI, 40 of the units will be rent and income restricted at 40% of AMFI, 65 of the units will be rent and income restricted at 50% of AMFI, 52 of the units will be rent and income restricted at 60% of AMFI, 81 of the units will be rent and income restricted at 70% of AMFI, and 81 of the units will be rent and income restricted at 80% of AMFI. In addition, there will be one employee-occupied unit in the development. The Department has not received any letters of opposition or support for the proposed development.

Bond Inducement Amount: \$30,000,000

20629 – Residences at Merritt Hill

New construction of 260 units is proposed for this multifamily development to be located at the southeast intersection of Merritt Road and President George Bush Turnpike in Rowlett, Dallas County. This transaction is proposed to be Priority 1c and will serve the general population. All 260 of the units will be rent and income restricted at 60% of AMFI. The Department has not received any letters of support or opposition for this development. Staff notes that this application was previously approved at the Board meeting of May 21, 2020 for an award of 4% housing tax credits when the application proposed bonds to be issued by the Rowlett Housing Finance Corporation. The applicant was not able to close on the transaction prior to the expiration of the Reservation associated with the local issuer, and has since submitted the pre-application requesting that TDHCA serve as bond issuer. The Department received a letter of opposition from Munal Mauladad, Director of Community Development for the City of Rowlett. A copy of the letter is herein.

Bond Inducement Amount: \$50,000,000

RESOLUTION NO. 21-001

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds or 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 or notes; 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 or notes; and

WHEREAS, it is proposed that the Department issue its revenue bonds or notes in one or more series for the purpose of providing financing for the multifamily residential rental developments (the “Developments”) more fully described in Exhibit A attached hereto. The ownership of the Developments as more fully described in Exhibit A will consist of the applicable ownership entity and its principals or a related person (the “Owners”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, reconstruction or renovation of the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable, as applicable, obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for some or all of the costs associated with the Developments listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable, as applicable, obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable, as applicable, obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the "Board") has determined to declare its intent to issue its multifamily revenue bonds or notes for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

ARTICLE 1

OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds or Notes (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff

and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the “Attorney General”); (v) satisfaction of the Board that the respective Development meets the Department’s public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds or notes in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all or a portion of the costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction, reconstruction or renovation, as applicable, of its Development and listed on Exhibit A attached hereto (“Costs of the Developments”) from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation and equipping of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund certain reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum aggregate principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and

resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8. Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, rehabilitating, or reconstructing, as applicable, improving, equipping, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and

that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds or notes); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments’ necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department’s official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are 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 Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds, 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

CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Developments and Owners. The Board finds that:

(a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;

(b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;

(c) the Owners are financially responsible;

(d) the financing of the Developments is a public purpose and will provide a public benefit; and

(e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act regarding meetings of the Governing Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 3rd day of September, 2020.

EXHIBIT "A"

Descriptions of the Owners and the Developments

Project Name	Owner	Principals	Amount Not to Exceed
Mayhill Road Apartments	Mayhill Road Associates, LLC, a Texas limited liability company	General Partner/Member: Mayhill Road Managing Member, LLC, a Texas limited liability company	\$30,000,000
Costs: Acquisition/construction of a 360-unit affordable, multifamily housing development to be known as Mayhill Road Apartments, located on 1900 S. Mayhill Road, Denton, Denton County, Texas 76208			

Project Name	Owner	Principals	Amount Not to Exceed
Palladium Mountain Creek Apartments	Palladium Mountain Creek, Ltd, a Texas limited partnership	General Partner/Member: Palladium Mountain Creek GP, LLC, a Texas limited liability company	\$14,750,000
Costs: Acquisition/construction of a 152-unit affordable, multifamily housing development to be known as Palladium Mountain Creek Apartments, located on 8605 Sorcey Road, Dallas, Dallas County, Texas 75249			

Project Name	Owner	Principals	Amount Not to Exceed
Palladium Simpson Stuart Apartments	Palladium Simpson Stuart, Ltd, a Texas limited partnership	General Partner/Member: Palladium Simpson Stuart GP, LLC, a Texas limited liability company	\$25,750,000
Costs: Acquisition/construction of a 270-unit affordable, multifamily housing development to be known as Palladium Simpson Stuart Apartments, located on 3380 Simpson Stuart Road, Dallas, Dallas County, Texas 75241			

Project Name	Owner	Principals	Amount Not to Exceed
Residences at Merritt Hill Apartments	Merritt Hill Housing Partners, Ltd, a Texas limited partnership	General Partner/Member: NDG Merritt Hill, LLC, a Texas limited liability company	\$50,000,000
<p>Costs: Acquisition/construction of a 260-unit affordable, multifamily housing development to be known as Residences at Merritt Hill Apartments, located Southeast of the Intersection of Merritt Road and President George Bush Turnpike, Rowlett, Dallas County, Texas 75089</p>			

Mayor ~ Tammy Dana-Bashian
Mayor Pro Tem – Matt Grubisich
Deputy Mayor Pro Tem ~
Pamela Bell
City Council ~
Robert Blake Margolis
Brownie Sherrill
Whitney P. Laning
Martha Brown
City Manager ~ Brian Funderburk



City of Rowlett ~ www.rowlett.com
4000 Main Street Rowlett, TX 75088
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*A well-planned lakeside community
of quality neighborhoods,
distinctive amenities,
diverse employment, and
cultural charm.
THE place to live, work and play.*

VIA EMAIL

August 26, 2020

Teresa Morales
Multifamily Bond Administrator
Texas Department of Housing and Community Affairs Multifamily Finance Division
221 East 11th Street, Austin, TX 78701

RE: Residences at Merritt Hill Letter of Opposition

Dear Ms. Morales,

The City is opposed to this project.

Although the City welcomes affordable housing projects, and although the proposed project is not inconsistent with applicable zoning regulations, earlier this year, the City was unwilling to approve a resolution of no objection in the absence of a "PILOT" agreement, an agreement to remit payments in lieu of taxes. The multifamily residential project will involve a dedication of significant municipal services and resources. Its tax-exempt status would shift the financial burden of the provision of these services to other taxpayers in the absence of a PILOT agreement.

Early in the approval process, the developer had committed to negotiate a PILOT agreement. However, due to the COVID-19 pandemic, Governor Abbott suspended a number of state laws, one of which was the requirement of a resolution of no objection as a prerequisite to this form of housing project. When bond approvals were later requested, it then became clear that the developer had no intentions of working with the City. When the City refused to provide an acknowledgement needed for the bond approval process, this developer then chose to file a lawsuit against the City seeking a temporary restraining order and a writ of mandamus in an attempt to force the City to file the acknowledgement. The temporary restraining order was denied. Because of the developer's conduct, the City's Housing Finance Corporation is no longer considering a partnership with the developer.



In closing, the City of Rowlett is opposed to this request as the City would be obligated to provide a range of City services at no cost and the developer has repeatedly resisted negotiating a PILOT agreement. An affordable housing project of this nature requires cooperation between developers and the City. The necessary cooperation is not possible.

Sincerely,

Munal Mauladad
Director of Community Development



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BOARD ACTION REQUEST

SINGLE FAMILY AND HOMELESS PROGRAMS DIVISION

SEPTEMBER 3, 2020

Presentation, discussion, and possible action on Colonia Self-Help Center Program Awards to Hidalgo County and Webb County in accordance with Tex. Gov't Code §2306.582 through Community Development Block Grant Funding

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 these 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 a CSHC award;

WHEREAS, on July 30, 2020, the Department met with the C-RAC via teleconference to discuss funding proposals for Hidalgo County and Webb County, and the C-RAC recommended to award funds to these counties;

WHEREAS, this award will make available Community Development Block Grant (CDBG) funding to serve Hidalgo and Webb County colonias with the CSHC Program; and

WHEREAS, Hidalgo County is still pending correction of an issue of non-compliance the Department identified in a Single Audit Management Decision letter dated July 13, 2020;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director is hereby authorized to make an award of CDBG funding under the CSHC Program to Webb County in the amount of \$700,000 from Program Year 2019, and to Hidalgo County in the amount of \$600,000 from Program Year 2019, as further described in Exhibits A and B, and contingent upon the resolution of the condition described herein.

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) review proposals from participating counties that include a Performance Statement and Budget for the activities to be implemented in 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 July 30, 2020, the C-RAC convened via teleconference for presentations of proposals and scopes of work by Hidalgo County and Webb County. The C-RAC recommends to the Board that it award both Counties' proposals in full.

On August 24, 2020, TDHCA's Compliance Division did not identify any concerns or delinquencies in its Previous Participation Review of Webb County. The 4-year Contract Term for Webb County is anticipated to be November 10, 2020, through November 9, 2024.

Additional Background on Hidalgo County

Hidalgo County is pending the correction of an issue of non-compliance the Department identified in a Single Audit Management Decision letter dated July 13, 2020. On August 24, 2020, TDHCA's Executive Award Review Advisory Committee (EARAC) met to discuss this compliance matter and recommended the conditional approval of a new CSHC contract with Hidalgo County, in accordance with 10 TAC §1.303(e)(1).

Following a desk review of Hidalgo County's Single Audit for Fiscal Year Ending December 31, 2018, the Department requested an accounting of interest earned in Low Income Home Energy Assistance Program (LIHEAP) and Community Services Block Grant (CSBG) funds

during the reporting period, plus the county's policies and procedures for tracking interest. The Department requested this corrective information in a Single Audit Management Decision letter dated July 13, 2020, to Hidalgo County. Hidalgo County must submit their correction to the Department no later than September 10, 2020, (with evidence of such correction within 30 calendar days of September 10th), in order to execute any new CSHC Contract with the Department.

The 4-year Contract Term for Hidalgo County is anticipated to start on September 11, 2020, the day after the due date of submission of the correction to the Department. If Hidalgo County has not resolved the findings by September 10, 2020, the Department may delay the contract award for a period of time or this may serve as good cause to terminate the award in accordance with 10 TAC §1.411(f).

EXHIBIT A

COLONIA SHC AWARD DESCRIPTION

Subrecipient: Hidalgo County
Contact: The Honorable Richard F. Cortez, Hidalgo County Judge
Colonias: Balli Estates (M1080063)
Heidelberg (M1080314)
Capisallo Park (M1080137)
River Road Subdivision (M1080618)
Cuellar Subdivision #2 (M1080208)

Maverick County proposes the following housing and community development activities to benefit an estimated 2,320 persons, of which 1,458 or 63% are of low- to moderate-income:

Performance Activity	Quantity	Budget
Public Service (10%)		\$60,000
Tool Library	400 checkouts	
Solid Waste Removal	7 events	
Reconstruction (Not feasible for rehab)	6 homes	\$450,000
Administration (15%)		\$90,000
TOTAL		\$600,000

EXHIBIT B

COLONIA SHC AWARD DESCRIPTION

Subrecipient: Webb County
Contact: The Honorable Tano E. Tijerina, Webb County Judge
Colonias: Bruni (M2400007)
San Carlos I (M240051)
San Carlos II (M240052)
Ranchitos 359 East (M2400039)
Pueblo Nuevo (M2400038)

Webb County proposes the following housing and community development activities to benefit an estimated 2,282 persons, of which 2,282 or 100% are of low- to moderate-income:

Performance Activity	Quantity	Budget
Public Service (8%)		\$56,000
Tool Library	600 checkouts	
Technology Access	500 visits	
Solid Waste Removal	4 events	
Model Home Plans	2 plans	
Title Services	2 activities	
Residential Rehabilitation	3 homes	\$174,000
Reconstruction (Not feasible for rehab)	3 homes	\$225,000
New Construction	2 homes	\$140,000
Administration (15%)		\$105,000
TOTAL		\$700,000

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BOARD ACTION REQUEST
PROGRAMS DIVISION
SEPTEMBER 3, 2020

Presentation, Discussion and Possible Action on the statutory four-year rule review and proposed re-adoption of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.406 Fidelity Bond Requirement, §1.407 Inventory Report, and §1.408 Travel; and directing their publication for public comment in the Texas Register

RECOMMENDED ACTION

WHEREAS, Tex. Gov't Code §2001.039 requires a state agency to review a rule not later than the fourth anniversary of the date on which the rule has taken effect and every four years thereafter and that review must include an assessment of whether the reasons for initially adopting the rule continue to exist;

WHEREAS, 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.406 Fidelity Bond Requirement, §1.407 Inventory Report, and §1.408 Travel, were adopted to be effective December 4, 2016, and therefore are due for review under Tex. Gov't Code §2001.039;

WHEREAS, these rules have been assessed and the Department has confirmed that the reasons for the initial adoption of the rule continue to exist;

WHEREAS, the Department continues to receive a variety of federal funds subject to Uniform Guidance, that need continued rule guidance, and the Department has determined that the need for these rule continues; and

WHEREAS, at this time no revisions are needed to these rules and staff is therefore proposing the re-adoption without amendments to these the rules;

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 proposed rules, in the form presented to this meeting, to be published in the Texas Register for review and public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

Tex. Gov't Code §2001.039 requires that a state agency review a rule not later than the fourth anniversary of the date on which the rule has taken effect and every four years thereafter and that review must include an assessment of whether the reasons for initially adopting the rule continue to exist.

The Department has reviewed 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §§1.406 Fidelity Bond Requirement, 1.407 Inventory Report, and 1.408 Travel, and determined that the reason for the initial adoption of the rules continues to exist. As such, the Department is proposing readoption without amendments for these rules. Upon Board approval, rules proposed for readoption will be noted in the Texas Register's Rules Review section for public comment from September 18, 2020, to October 19, 2020. Any proposed amendments or repeal of a rule that may be contemplated as a result of comment received during the rule review will be returned to the Board for rule revision then released for a separate 30-day public comment period prior to final adoption.

The final readopted rule or proposed rule amendments will subsequently be presented for Board adoption.

Attachment A: Preamble and proposed rule review of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.406 Fidelity Bond Requirement, §1.407 Inventory Report, and §1.408 Travel

The Texas Department of Housing and Community Affairs (the "Department") files this notice of rule review for 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.406 Fidelity Bond Requirement, §1.407 Inventory Report, and §1.408 Travel. The purpose of the proposed action is to conduct a rule review in accordance with Tex. Gov't Code §2001.039, which requires a state agency to review its rules every four years.

At this time, the Department has determined there continues to be a need for these rules, which is to provide guidance to subrecipients of the Department relating to reporting inventory and travel. The Department has also determined that no changes to these rules as currently in effect are necessary. These rules proposed for re-adoption will be noted in the Texas Register's Review of Agency Rules section without publication of the text.

REQUEST FOR PUBLIC COMMENT. All comments or questions in response to this notice of rule review may be submitted in writing from September 18, 2020, to October 19, 2020. Written comments may be submitted to Brooke Boston, Texas Department of Housing and Community Affairs, PO Box 13941, Austin, Texas 78711-3941, or by email to bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time, October 19, 2020.

§1.406 Fidelity Bond Requirements

The Department is required to assure that fiscal control and accounting procedures for federally funded entities will be established to assure the proper disbursement and accounting for the federal funds paid to the state. In compliance with that assurance the Department requires program Subrecipients to maintain adequate fidelity bond coverage. A fidelity bond is a bond indemnifying the Subrecipient against losses resulting from the fraud or lack of integrity, honesty or fidelity of one or more of its employees, officers, or other persons holding a position of trust.

(1) In administering Contracts, Subrecipients shall observe their regular requirements and practices with respect to bonding and insurance. In addition, the Department may impose bonding and insurance requirements by Contract.

(2) If a Subrecipient is a non-governmental organization, the Department requires an adequate fidelity bond. If the amount of the fidelity bond is not prescribed in the contract, the fidelity bond must be for a minimum of \$10,000 or an amount equal to the contract if less than \$10,000. The bond must be obtained from a company holding a certificate of authority to issue such bonds in the State of Texas.

(3) The fidelity bond coverage must include all persons authorized to sign or counter-sign checks or to disburse sizable amounts of cash. Persons who handle only petty cash (amounts of less than \$250) need not be bonded, nor is it necessary to bond officials who are authorized to sign payment vouchers, but are not authorized to sign or counter-sign checks or to disburse cash.

(4) The Subrecipient must receive an assurance letter from the bonding company or agency stating the type of bond, the amount and period of coverage, the positions covered, and the annual cost of the bond. Compliance must be continuously maintained thereafter. A copy of the actual policy shall remain on file with the Subrecipient and shall be subject to monitoring by the Department.

(5) Subrecipients are responsible for filing claims against the fidelity bond when a covered loss is discovered.

(6) The Department may take any one or more of the actions described in Chapter 2, of this Part, titled "Enforcement" in association with issues identified as part of filing claims against the fidelity bond.

§1.407 Inventory Report

(a) The Department requires the submission of an inventory report for all Contracts on an annual basis to be submitted to the Department, no later than 45 days after the end of the Contract Term, or a more frequent period as reflected in the Contract. Real Property and Equipment must be inventoried and reported on the Department's required form. The form and instructions are found on the Department's website.

(b) Real property and Equipment purchased with funds under a Contract with the Department must be inventoried and reported to the Department during the Contract term.

§1.408 Travel

The governing body of each Subrecipient must adopt travel policies that adhere to 2 CFR Part 200, for cost allowability. The Subrecipient must follow either the federal travel regulations or State of Texas travel rules and regulations found on the Comptroller of Public Accounts website at www.cpa.state.tx.us, as applicable.

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BOARD ACTION REQUEST
PROGRAMS DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action on an order proposing the repeal, and proposed new rule, for 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.401 Definitions, §1.402 Cost Principles and Administrative Requirements, §1.403 Single Audit Requirements, §1.404 Purchase and Procurement Standards, §1.405 Bonding Requirements, §1.409 Records Retention, §1.410 Determination of Alien Status for Program Beneficiaries; an order and directing their publication for public comment in the Texas Register

RECOMMENDED ACTION

WHEREAS, the current rule relating to uniform guidance for recipients of federal and state funds from the Department, at 10 TAC Chapter 1, Subchapter D, requires re-review;

WHEREAS, staff has determined that the rule is in need of revisions, and such revisions are being proposed through the repeal of the current rule and a simultaneous new rule to be proposed in its place;

WHEREAS, staff recommends to the Board that there is a continuing need for this rule to exist, which is to ensure compliance with applicable state and federal regulations; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment and subsequently returned to the Board for final 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 proposed actions herein in the form presented to this meeting, to be published in the Texas Register for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, has been identified by staff as needing revisions in several sections as described below:

- §1.401 Definitions: makes minor changes to several definitions;
- §1.402 Cost Principles and Administrative Requirements: clarifies what programs are applicable for this section;
- §1.403 Single Audit Requirements: clarifies when the Single Audit requirements apply;
- §1.404 Purchase and Procurement Standards: provides a more orderly list of procurement process documentation;
- §1.405 Bonding Requirements: clarifies when this section's requirements apply;
- §1.409 Records Retention: clarifies that any entity who performs services on behalf of a subrecipient, must also follow record retention requirements; and
- §1.410 Determination of Alien Status for Program Beneficiaries: clarifies the election process for subrecipients.

Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.401 Definitions, §1.402 Cost Principles and Administrative Requirements, §1.403 Single Audit Requirements, §1.404 Purchase and Procurement Standards, §1.405 Bonding Requirements, §1.409 Records Retention, and §1.410 Determination of Alien Status for Program Beneficiaries

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.401 Definitions, §1.402 Cost Principles and Administrative Requirements, §1.403 Single Audit Requirements, §1.404 Purchase and Procurement Standards, §1.405 Bonding Requirements, §1.409 Records Retention, and §1.410 Determination of Alien Status for Program Beneficiaries. The purpose of the proposed repeal is to clarify requirements for participants of the Department's program.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed 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 has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program but relates to changes to existing guidance for program subrecipients.
2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The proposed repeal does not require additional future legislative appropriations.
4. The proposed repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The proposed repeal will not expand, limit, or repeal an existing regulation.
7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The proposed repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the proposed repeal and determined that the proposed repeal 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 repeal does not contemplate nor 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 repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal 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 repeal is in effect, the public benefit anticipated as a result of the changed sections would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed 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 repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 18, 2020, to October 19, 2020, to receive input on the proposed action. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, October 19, 2020.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed amended sections affect no other code, article, or statute.

§1.401 Definitions

§1.402 Cost Principles and Administrative Requirements

§1.403 Single Audit Requirements

§1.404 Purchase and Procurement Standards

§1.405 Bonding Requirements

§1.409 Records Retention

§1.410 Determination of Alien Status for Program Beneficiaries

Attachment 2: Preamble, including required analysis, for proposed new 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.401 Definitions, §1.402 Cost Principles and Administrative Requirements, §1.403 Single Audit Requirements, §1.404 Purchase and Procurement Standards, §1.405 Bonding Requirements, §1.409 Records Retention, and §1.410 Determination of Alien Status for Program Beneficiaries

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, which includes new §1.401 Definitions; §1.402 Cost Principles and Administrative Requirements; §1.403 Single Audit Requirements; §1.404 Purchase and Procurement Standards; §1.405 Bonding Requirements; §1.409 Records Retention; and §1.410 Determination of Alien Status for Program Beneficiaries.

The purpose of the proposed new sections is to make clarifications regarding cross-cutting state and federal requirements applicable to those organizations participating in Department programs. The proposed sections changes include: minor changes to several definitions in §1.401 Definitions; clarifies what programs are applicable for this section in §1.402 Cost Principles and Administrative Requirements; clarifies when the Single Audit requirements apply in §1.403 Single Audit Requirements; provides a more orderly list of procurement process documentation in §1.404 Purchase and Procurement Standards; clarifies when this section's requirements apply in §1.405 Bonding Requirements; clarifies that any entity who performs services on behalf of a subrecipient, must also follow record retention requirements in §1.409 Records Retention; and clarifies the election process for subrecipients in §1.410 Determination of Alien Status for Program Beneficiaries.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed 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 has determined that, for the first five years the proposed new sections would be in effect:

1. The proposed new sections do not create or eliminate a government program but relates to changes to existing regulations applicable to Department subrecipients.
2. The proposed new sections do not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The proposed new sections do not require additional future legislative appropriations.
4. The proposed new sections will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed new sections are not creating a new regulation, except that they are replacing sections being repealed simultaneously to provide for revisions.
6. The proposed new sections will not expand, limit, or repeal an existing regulation.
7. The proposed new sections will not increase or decrease the number of individuals subject to the rule's applicability.
8. The proposed new sections will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the proposed new sections and determined that the proposed actions 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 new sections do 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 sections as to their possible effects on local economies and has determined that for the first five years the proposed new sections 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 sections are 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 sections.

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 sections are in effect, enforcing or administering the amendments does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 18, 2020, to October 19, 2020, to receive input on the proposed new sections. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, October 19, 2020.

STATUTORY AUTHORITY. The proposed new sections are made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds

§1.401 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Capitalized words used herein have the meaning assigned in the specific Chapters and Rules of this Title that govern the program associated with the request, or assigned by federal or state law.

(1) Affiliate--Shall have the meaning assigned by the specific program or programs described in this title.

(2) Department--The Texas Department of Housing and Community Affairs.

(3) Equipment--tangible personal property having a useful life of more than one year or a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by entity for financial statement purposes, or \$5,000. Entities not subject to UGMS do not have to include information technology systems unless the item exceeds the lesser of the capitalization level established by entity for financial statement purposes, or \$5,000.

(4) Executive Award Review and Advisory Committee ("EARAC")--the Committee established in Tex. Gov't Code chapter 2306, that recommends the award or allocation of any Department funds or resources.

(5) Professional services--for a unit of government is as defined by state law. For Private Nonprofit Organizations it means services:

(A) within the scope of the practice, as defined by state law, of:

- (i) accounting;
- (ii) architecture;
- (iii) landscape architecture;
- (iv) land surveying;
- (v) medicine;
- (vi) optometry;
- (vii) professional engineering;
- (viii) real estate appraising;
- (ix) professional nursing; or
- (x) legal services; or

(B) provided in connection with the professional employment or practice of a person who is licensed or registered as:

- (i) a certified public accountant;
- (ii) an architect;
- (iii) a landscape architect;
- (iv) a land surveyor;
- (v) a physician, including a surgeon;
- (vi) an optometrist;
- (vii) a professional engineer;
- (viii) a state certified or state licensed real estate appraiser;
- (ix) attorney; or
- (x) a registered nurse.

(6) Single Audit--The audit required by Office of Management and Budget ("OMB"), 2 CFR Part 200, Subpart F, or Tex. Gov't Code, chapter 783, Uniform Grant and Contract Management, as reflected in an audit report.

(7) Single Audit Certification Form--A form that lists the source(s) and amount(s) of Federal funds and/or State funds expended by the Subrecipient during their fiscal year along with the outstanding balance of any loans made with federal or state funds if there are continuing compliance requirements other than repayment of the loan.

(8) Subrecipient--Includes ~~any entity, or Administrator as an entity defined under Chapter 20,~~ receiving or applying for federal or state funds from the Department under Chapters 6, 7, or 20, or as identified by Contract or in this subchapter. Except as otherwise noted in this subchapter or by Contract, the definition does not include Applicants/Owners who have applied for and/or received funds under a program administered by in the Multifamily Finance Division program, except for CHDO Operating funds or TCAP-RF funds where the entity is funded through a grant or Subrecipient Contract. A Subrecipient may also be referred to as Administrator.

(9) Supplies--means tangible personal property other than "Equipment" in this section.

(10) Uniform Grant Management Standards ("UGMS")--The standardized set of financial management procedures and definitions established by Tex. Gov't Code, chapter 783 regarding Uniform Grant and Contract Management to promote the efficient use of public funds by requiring consistency among grantor agencies in their dealings with grantees, and by ensuring accountability for the expenditure of public funds. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties and other political subdivisions of the state. This includes all Public Organizations including public housing and housing finance agencies. In addition, Tex. Gov't Code Chapter 2105, regarding Administration of Block Grants, subjects subrecipients of federal block grants (as defined therein) to the Uniform Grant and Contract Management Standards.

§1.402 Cost Principles and Administrative Requirements

(a) Subrecipients shall comply with the cost principles and uniform administrative requirements set forth in UGMS provided, however, that all references therein to "local government" shall be construed to mean Subrecipient. Private Nonprofit Subrecipients of Emergency Solutions Grant (ESG), HOME Investments Partnership Program (HOME), Neighborhood Stabilization Program (NSP), National Housing Trust Fund (NHTF), and Department of Energy Weatherization Assistance Program (DOE WAP) do not have to comply with UGMS unless otherwise required by Notice of Funding Availability ("NOFA") or Contract. For federal funds, Subrecipients will also follow 2 CFR Part 200, as interpreted by the federal funding agency.

(b) In order to maintain adequate separation of duties, the Subrecipient shall ensure that no individual has the ability to perform more than one of the functions described in paragraphs (1) - (5) that might result in a release of funds without appropriate controls:

- (1) Requisition authorization;
- (2) Encumbrance into software;
- (3) Check creation and/or automated payment disbursement;
- (4) Authorized signature/electronic signature; and
- (5) Distribution of paper check.

(c) For Subrecipients with fewer than five paid employees, demonstration of sufficient controls to similarly satisfy the separation of duties required by subsection (b) of this section, must be provided at the time that funds are applied for.

§1.403 Single Audit Requirements

(a) For this section, the word Subrecipient also includes Multifamily Development Owners who have applied for or received Direct Loan Funds, grants, or 811 PRA funds from the Department who are or have an Affiliate that is required to submit a Single Audit, i.e. units of government, ~~and~~ non-profit organizations.

(b) Procurement of a Single Auditor. A Subrecipient or Affiliate must procure their single auditor in the following manner unless subject to a different requirement in the Local Government Code:

(1) Competitive Proposal procedures whereby competitors' qualifications are evaluated and a contract awarded to the most qualified competitor. Proposals should be advertised broadly, which may include going outside the entity's service area, and solicited from an adequate number (usually two or more) of qualified sources. Procurements must be conducted in a manner that prohibits the use of in-state or local geographical preferences in the evaluation of bids or proposals;

(2) A Subrecipients may not use the sealed bid method for procurement of the Single Auditor. There is no requirement that the selected audit firm be geographically located near the Subrecipient. If a Subrecipient does not receive proposals from firms with appropriate experience or responses with a price that is not reasonable compared to the cost price analysis, the submissions must be rejected and procurement must be re-performed.

(c) A Subrecipients ~~and~~ or Affiliates must confirm that ~~they are~~ it is contracting with an audit firm that is properly licensed to perform the Single Audit and is not on a limited scope status or under any other sanction, reprimand or violation with the Texas State Board of Public Accountancy. The Subrecipient must ensure that the Single Audit is performed in accordance with the limitations on the auditor's license.

(d) A Subrecipients ~~is~~ are required to submit a Single Audit Certification form within two (2) months after the end of ~~their~~ its fiscal year indicating the amount they expended in Federal and State funds during ~~their~~ fiscal year and the outstanding balance of any loans made with federal funds if there are continuing compliance requirements other than repayment of the loan.

(e) Subrecipients that expend \$750,000 or more in federal and/or state awards or have an outstanding loan balance associated with a federal or state resource of \$750,000 or more with continuing compliance requirements, or a combination thereof must have a Single Audit or program-specific audit conducted. If the Subrecipient's Single Audit is required by 2 CFR 200, subpart F, the report must be submitted to the Federal Audit Clearinghouse the earlier of 30 days after receipt of the auditor's report or nine (9) months after the end of its respective fiscal year. If a Single Audit is required but not under 2 CFR 200, subpart F, the report must be submitted to the Department the earlier of 30 days after receipt of the auditor's report or nine months after the end of its respective fiscal year.

(f) Subrecipients are required to submit a notification to the Department within five business days of submission to the Federal Audit Clearinghouse. Along with the notice, the Subrecipient must indicate if the auditor issued a management letter. If a management letter was issued by the auditor, a copy must be sent to the Department.

(g) The Department will review the Single Audit and issue a management decision letter for audit findings pertaining to the Federal award provided to the Ssubrecipient from the Department. If the Single Audit

results in disallowed costs, those amounts must be repaid or an acceptable repayment plan must be entered into with the Department in accordance with 10 TAC §1.21, Action by Department if Outstanding Balances Exist.

(h) In evaluating a Single Audit, the Department will consider both audit findings and management responses in its review. The Department will notify Subrecipients and Affiliates (if applicable) of any Deficiencies or Findings from within the Single Audit for which the Department requires additional information or clarification and will provide a deadline by which that resolution must occur.

(i) All findings identified in the most recent Single Audit will be reported to EARAC through the Previous Participation review process described in Subchapter C of this Chapter. The Subrecipient may submit written comments for consideration within five ~~(5)~~ business days of the Department's management decision letter.

(j) If the Subrecipient ~~disagrees~~ with the auditor's finding(s), and the issue is related to administration of one of the Department's programs, an appeal process is available to provide an opportunity for the auditee to explain its disagreement to the Department. This is not an appeal of audit findings themselves. The Subrecipient may submit a letter of appeal and documentation to support the appeal. The Department will take the documentation and written appeal into consideration prior to issuing a management decision letter. If the Subrecipient does~~id~~ not disagree with the auditor's finding, no appeal to the Department is available.

(k) In accordance with 2 CFR Part 200 and the State of Texas Single Audit Circular §.225, with the exception of nondiscretionary CSBG funds except as otherwise required by federal laws or regulations, the Department may suspend and cease payments under all active Contracts, or refrain from executing a new Contract for any Board awarded contracts, until the Single Audit is received. In addition, the Department may ~~fail to~~ elect not to renew an entity in accordance with Section 1.411(f) of this Chapter, or not, amend ~~extend and/or not~~ enter into a new Contract with a Subrecipient until receipt of the required Single Audit Certification form or the submission requirements detailed in subparagraph (e) of this section.

(l) In accordance with Subchapter C of this Chapter (relating to Previous Participation Reviews), if a Subrecipient applies for funding or an award from the Department, findings noted in the Single Audit and the failure to timely submit a Single Audit Certification Form or Single Audit will be reported to EARAC.

§1.404 Purchase and Procurement Standards

(a) The procurement of all goods and services shall be conducted, to the maximum extent practical, in a manner providing full and open competition consistent with the standards of 2 CFR Part 200 and UGMS, as applicable.

(b) Subrecipients shall establish, and require its subrecipients/Subcontractors (as applicable by program regulations) to establish, written procurement procedures that when followed, result in procurements that comply with federal, state and local standards, and grant award contracts. Procedures must:

(1) include a cost or price analysis that provides for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Where appropriate, analyzing lease versus purchase alternatives, performing the proposed service in-house, and performing any other appropriate analysis to determine the most economical approach.

(2) require that solicitations for goods and services provide for a clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements,

such a description shall not contain features which unduly restrict competition, but must contain requirements that the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards. The specific features of "brand name or equal value" that bidders are required to meet must be listed in the solicitation.

(3) include a method for conducting technical evaluations of the proposals received and for selecting awardees.

(c) Documentation of procurement processes, to include but not be limited to the items in paragraphs (1) to (9) of this subsection, rationale for the type of procurement, cost or price analysis, procurement package, advertising, responses, selection process, contractor selection or rejection, certification of conflict of interest requirements being satisfied, and evidence that the awardee is not an excluded entity in the System for Award Management ("SAM") must be maintained by the Subrecipient in accordance with the record retention requirements of the applicable program:

(1) rationale for the type of procurement,

(2) cost or price analysis,

(3) procurement package,

(4) advertising,

(5) responses,

(6) selection process,

(7) contractor selection or rejection,

(8) certification of conflict of interest requirements being satisfied, and

(9) evidence that the awardee is not an excluded entity in the System for Award Management (SAM).

(d) In accordance with 34 Texas Administrative Code, Part 1, Chapter 20, Subchapter D, Division 1 ~~§20.13~~, each Subrecipient shall make a good faith effort to utilize the state's Historically Underutilized Business Program in contracts for construction, services (including consulting and Professional Services) and commodities purchases.

(e) The State of Texas conducts procurement for many materials, goods, and appliances. Use of the State of Texas Co-Op Purchasing Program does not satisfy the requirements of 2 CFR Part 200. For more detail about how to purchase from the state contract, please contact: State of Texas Co-Op Purchasing Program, Texas Comptroller of Public Accounts. If Subrecipients choose to use the Cooperative Purchasing Program, documentation of annual fee payment is required.

(f) All vehicles considered for purchase with state or federal funds must be pre-approved by the Department via written correspondence from the Department. Procurement procedures must include provisions for free and open competition. Any vehicle purchased without approval may result in disallowed costs.

§1.405 Bonding Requirements

(a) The requirements described in this subsection relate ~~only~~ to construction or facility improvements for in DOE WAP, HOME, CDBG, NSP, HHSP, EH Fund, TCAP-RE, and ESG Subrecipients, or other fund source required by state or federal law or regulation to have bonding for construction or facility improvements.

(1) For construction contracts exceeding \$100,000, the Subrecipient must request and receive Department approval of the bonding policy and requirements of the Subrecipient to ensure that the Department is adequately protected.

(2) For construction contracts in excess of \$100,000, and for which the Department has not made a determination that the Department's interest is adequately protected, a "bid guarantee" from each bidder equivalent to 5% of the bid price shall be requested. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. A bid bond in the form of any of the documents described in this paragraph may be accepted as a "bid guarantee."

(A) A performance bond on the part of the Subrecipient for 100% of the contract price. A "performance bond" is one executed in connection with a contract, to secure fulfillment of all obligations under such contract.

(B) A payment bond on the part of the subcontractor/vendor for 100% of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(C) Where bonds are required, in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223, "Surety Companies Doing Business with the United States."

(b) A unit of government must comply with the bond requirements contained in Texas statutes, including but not limited to Tex. Gov't Code ch. 2253 and Tex. Local Gov't Code §252.044, ~~and~~ §262.032, or §392.0525, as applicable.

§1.409 Records Retention

(a) For this section, the word Subrecipient also includes Multifamily Development Owners who have Direct Loan Funds or grants, or 811 PRA assistance. Client Records including Multifamily Development Owners. The Department requires Subrecipient organizations, and any entities who perform services and assistance on their behalf, to document client services and assistance. Subrecipient organizations must arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in a manner that ensures confidentiality and in accordance with Subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from Subrecipient headquarters, in a secure space in a manner that ensures confidentiality and in accordance with organization policies and procedures.

(b) Records of client eligibility must be retained for five ~~(5)~~ years starting from the date the household activity is completed, unless otherwise provided in federal regulations governing the program.

(c) Other records must be maintained as described in the Contract or the LURA, and in accordance with federal or state law for the programs described in the Chapters of this Part.

§1.410 Determination of Alien Status for Program Beneficiaries

(a) Purpose. The purpose of this section is to provide uniform Department guidance on Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1986 (PRWORA), which provides that an alien who is not a Qualified Alien is not eligible for any federal or state public benefit.

(b) Definitions. The words and terms in this chapter shall have the meanings described in this subsection unless the context clearly indicates otherwise. Capitalized words used herein have the meaning assigned in the specific Chapters and Rules of this Title that govern the program under which program eligibility is seeking to be determined, or assigned by federal or state law.

(1) Nonprofit Charitable Organization--An entity that is organized and operated for purposes other than making gains or profits for the organization, its members or its shareholders, and is precluded from distributing any gains or profits to its members or shareholders; and is organized and operated for charitable purposes.

(2) Public Organization--An entity that is a Unit of Government or an organization established by a Unit of Government.

(3) Qualified Alien--A person that is not a U.S. Citizen or a U.S. National and is described at 8 U.S.C. §1641(b) or (c).

(4) State--The State of Texas or the Department, as indicated by context.

(5) Subrecipient--An entity that receives federal or state funds passed through the Department.

(6) Systematic Alien Verification for Entitlements (SAVE)--Automated intergovernmental database that allows authorized users to verify the immigration status of program applicants.

(c) Applicability for Federal Funds.

(1) The determination of whether a federal program, or activity type under a federal program, is a federal public benefit for purposes of PRWORA is made by the federal agency with administration of a program or activity, not by the Department. Only in cases in which the federal agency has given clear interpretation that it requires PRWORA to be applicable to a program or activity will this rule be applied by the Department.

(2) The requirements of this section are applicable to Subrecipients of federal funds passed through the Department for which the federal program has made a determination that the activity performed by the Subrecipient requires compliance with PRWORA. However, certain exemptions under PRWORA may exist on a case specific, or activity specific basis as further described in this rule.

(d) Applicability for State Funds. The Department has determined that State Housing Trust Funds that are provided to a Subrecipient that is a Public Organization to be distributed directly to individuals, are a state public benefit.

(e) No Applicable Exemptions under PRWORA. If no exemptions under PRWORA are applicable to the Subrecipient or to the activity type, as further detailed in this section, then the Subrecipient must verify U.S. Citizen, U.S. National, or Qualified Alien status ("legal status") using SAVE and evaluate eligibility using the rules for the applicable program under this Title.

(f) Exemptions Under PRWORA.

(1) In accordance with 8 U.S.C. §1642(d), a Subrecipient that is a Nonprofit Charitable Organization receiving funds from the Department for which the federal program or activity requirement is that a household be verified for eligibility status, is not required to verify that an individual is a U.S. Citizen, U.S. National, or Qualified Alien.

(2) For activities in the Low Income Home Energy Assistance Program and the Department of Energy Weatherization Program performed by a Nonprofit Charitable Organization (identified as a Private Nonprofit Organization in the Subrecipient's Contract with the Department), where the Department must ensure that an individual is a U.S. Citizen, U.S. National, or Qualified Alien, a Subrecipient must ensure compliance with the verification requirement through electing to proceed under subparagraph (A), (B), or (C) of this paragraph. Subrecipients will submit in writing to the Director of Community Affairs

or his/her designee no later than six months prior to the beginning of a Contract Term its election under one of the subparagraphs in this subsection. For existing Subrecipients, an election made under this subsection does not need to be restated annually, but will continue from the election made in the prior year unless the Subrecipient notifies the Department otherwise in writing before the deadline. For new Subrecipients, if no such election is made by the deadline the election must be made with the Application or if there is no Application before Contract execution. If the existing Subrecipient does not notify the Department of the election in writing by the deadline but refuses to abide by its election, the Subrecipient will ~~no longer~~ not be eligible to perform as a Subrecipient in the program as further provided for in paragraph (3) of this subsection. Failure by the Subrecipient to select an option by the deadline is good cause for nonrenewal or termination of a Contract.

(A) Subject to affirmation by U.S. Health and Human Services, the Subrecipient may voluntarily elect to request from the household and transmit to the Department, or a party contracted by the Department, sufficient information or documentation so that the Department is able to ensure an individual is a U.S. Citizen, U.S. National, or Qualified Alien.

(i) The Nonprofit Charitable Organization must provide and maintain a sufficient method of electronic transmittal system that allows for such information to be provided to the Department or its contractor, and ensures the secure safekeeping of such paper and/or electronic files, and receipt of subsequent response back from the Department or its contracted party.

(ii) Upon receipt of the results of the verification performed by the Department, or its contracted party, the Nonprofit Charitable Organization must utilize those results in determining household eligibility, benefits, income, or other programmatic designations as required by applicable federal program guidance or as determined by other program rules under this Title.

(B) The Subrecipient may voluntarily elect to perform verifications through the SAVE system, as authorized through the Department's access to such system.

(C) The Subrecipient may voluntarily elect to procure an eligible qualified organization to perform such verifications on their behalf, subject to Department approval.

(i) The Nonprofit Charitable Organization and/or its procured provider must maintain sufficient evidence and documentation that verification has taken place so that such verification can be confirmed by the Department, and must ensure the secure safekeeping of such paper and/or electronic files.

(ii) Upon receipt of the results of the verification performed by the procured provider, the Nonprofit Charitable Organization must utilize those results in determining household eligibility, benefits, income, or other programmatic designations as required by applicable federal program guidance or as determined by other program rules under this Title.

~~(D) If no election is made by the deadline in paragraph (2) of this subsection, the Subrecipient will be provided notification under Tex. Gov't Code Chapter 2105 that the Department does not intend to renew the Contract with the Subrecipient at the end of the current Contract Term. The Subrecipient may have a right to request a hearing under Tex. Gov't Code Chapter 2105.~~

(3) Other activities that do not require verification by Public Organizations or Nonprofit Charitable Organizations are described in the August 5, 2016, HUD, HHS, and DOJ Joint Letter Regarding Immigrant Access to Housing and Services.

(g) The Department may further describe a Subrecipient's responsibilities under PRWORA, including but not limited to use of the SAVE system, in its Contract with the Subrecipient. Nothing in this rule shall be construed to be a waiver, ratification, or acceptance of noncompliant administration of a program prior to the rule becoming effective.

(h) A Subrecipient must establish that an individual is a U.S. Citizen, U.S. National, or Qualified Alien using the documents deemed acceptable by the Department, and which have been published on the Department's website. This information may be updated by the Department from time to time, and highly encourages Subrecipients or other concerned parties to contact the Department if revisions are suggested.

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BOARD ACTION REQUEST

SINGLE FAMILY AND HOMELESS PROGRAMS DIVISION

SEPTEMBER 3, 2020

Presentation, discussion, and possible action on order proposing the repeal of 10 TAC Chapter 23, Single Family HOME Program, and orders proposing new 10 TAC Chapter 23, Single Family HOME Program Rules, and directing their publication for public comment 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, the Department's Governing Board adopted amendments to 10 TAC Chapter 23, concerning HOME Investment Partnerships Program (HOME) Single Family rules on December 19, 2019, and those rules became effective on May 17, 2020; and

WHEREAS, the Department is proposing to repeal all sections of 10 TAC Chapter 23, Single Family HOME Program and proposing all new 10 TAC Chapter 23, Single Family HOME Program, to improve compliance with federal and state requirements, conform with the federal HOME Program regulations at 24 CFR Part 92, as amended, and provide for consistency with other provisions of the rule;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC Chapter 23, Single Family HOME Program, and new 10 TAC Chapter 23 regarding the Single Family HOME Program are approved for publication in the Texas Register for public comment; and

FURTHER RESOLVED, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC Chapter 23, Single Family HOME Program, and new 10 TAC Chapter 23, Single Family HOME Program in the form presented to this meeting to be published in the Texas Register for public comment and, in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The Single Family HOME Program rules at 10 TAC Chapter 23 provide the administrative framework for all Single Family HOME Program activities.

The purpose of repealing 10 TAC Chapter 23, Single Family HOME Program rule and proposing a new 10 TAC Chapter 23, is to conform to the 2020-2024 State of Texas Consolidated Plan, codify new procedures, update and clarify current rules, and streamline processes. Changes were made to every Subchapter; therefore, the Department is repealing and proposing a new Chapter instead of amending the existing Chapter. Staff has summarized the significant changes proposed to be made to the State HOME Rule at 10 TAC Chapter 23 below. A black line version with all changes will be available on the Department's website during the public comment period.

The Department held a roundtable discussion on July 24, 2020, regarding the Single Family HOME Program. The roundtable discussion included changes to the Single Family HOME Program approved in the consolidated plan and the proposed changes to HOME Single Family rule. Comments and suggestions received from the roundtable discussions were taken into consideration during the preparation of the proposed HOME Rule as presented at this meeting.

Summary of Significant Changes:

SUBCHAPTER A GENERAL GUIDANCE

§23.2 Definitions

- Added definition of Date of Assistance, codifying existing process.
- Deleted definition for Rehabilitation to conform to the Consolidated Plan.
- Deleted definition of Texas Minimum Construction Standard as this definition is no longer utilized.

SUBCHAPTER B AVAILABILITY OF FUNDS, APPLICATION REQUIREMENTS, REVIEW AND AWARD PROCEDURES, GENERAL ADMINISTRATIVE REQUIREMENTS, AND RESALE AND RECAPTURE OF FUNDS

§23.20 Availability of Funds and Regional Allocation Formula, §23.22 Contract Award Application Review Process for Open Application Cycles, and §23.24 Administrative Deficiency Process

- Removed reference to competitive application cycle.

§23.25 General Threshold Criteria

- Removed requirement for an application fee.
- Removed references to competitive application selection criteria.

§23.27 Reservation System Participant (RSP) Agreement

- Updated section on limits for number of Reservations submitted to exclude Disaster set-aside activities from limitation.
- Updated Reservation submission process to allow submission of new reservations up to the end date of the Reservation System Participation Agreement.

§23.28 General Administrative Requirements

- Removed requirement to offer Rehabilitation in lieu of New Construction or Reconstruction to all households.

- Removed requirement to offer MHU replacements to all households.
- Removed requirement to offer relocation to all households.
- Moved Disaster set-aside limitation from §23.28 to applicable activity subchapters.

§23.29 Resale and Recapture Provisions

- Clarified process for conversion from a forgivable loan to a repayable loan in the event that a unit assisted with a deferred forgivable loan transfers upon devise, descent, or operation of law upon the death of the assisted homeowner.

§23.31 Homeowner Reconstruction Assistance (HRA) General Requirements

- Removed reference to Rehabilitation to conform to 2020-2024 State of Texas Consolidated Plan.
- Clarified New Construction and Reconstruction activity types and assistance terms.
- Updated time limitation for submission of a Reservation under the Disaster set-aside.
- Removed refinance of an existing mortgage as an eligible activity in to conform to the 2020-2024 State of Texas Consolidated Plan.
- Increased cost limitation for Direct Activity Costs, and included a mechanism for the Board to review the cost limitation annually.
- Increased cost limitation for environmental mitigation, installation of aerobic septic systems, and accessibility modifications.
- Increased cost limitation for Activity soft costs.
- Included allowance for exceptions to the unit design and quality standards at the homeowner's request.

§23.32 Homeowner Reconstruction Assistance (HRA) Administrative Requirements

- Updated submission requirements related to title commitments, endorsements, and/or title reports for both grant and loan activities.
- Clarified documentation requirements to evidence homeownership.
- Updated submission requirements for Activities under the Disaster set-aside.

SUBCHAPTER D HOMEBUYER ASSISTANCE PROGRAM is proposed to be repealed in its entirety to conform to the 2020-2024 State of Texas Consolidated Plan. The new Subchapter D is proposed to be titled Contract for Deed Program.

NEW SUBCHAPTER D CONTRACT FOR DEED PROGRAM.

§23.41 Contract for Deed (CFD) General Requirements

- Clarified that Acquisition and refinance are only permitted in conjunction with New Construction.
- Removed reference to Rehabilitation to conform to 2020-2024 State of Texas Consolidated Plan
- Increased cost limitation for Direct Activity Costs, and included a mechanism for the Board to review the cost limitation annually.
- Increased cost limitation for environmental mitigation, installation of aerobic septic systems, and accessibility modifications.
- Increased cost limitation for Activity soft costs.

- Included allowance for exceptions to the unit design and quality standards at the homeowner's request.

SUBCHAPTER E TENANT-BASED RENTAL ASSISTANCE PROGRAM

§23.51 Tenant-Based Rental Assistance (TBRA) General Requirements

- Removed requirement for participation in a self-sufficiency plan for those assisted under the Disaster and Persons with Disabilities set-asides.
- Updated minimum tenant rent to be 10% of adjusted income rather than 10% of gross income.

§23.52 Tenant-Based Rental Assistance (TBRA) Administrative Requirements

- Clarified eligibility requirements for households assisted under the Disaster set-aside.

SUBCHAPTER F SINGLE FAMILY DEVELOPMENT PROGRAM

§23.60 Single Family Development (SFD) Threshold and Selection Criteria

- Updated financial capacity requirements when HOME funds are blended with USDA funds in a development.

§23.61 Single Family Development (SFD) General Requirements

- Removed reference to Rehabilitation to conform to 2020-2024 State of Texas Consolidated Plan
- Increased cost limitation for Direct Activity Costs, and included a mechanism for the Board to review the cost limitation annually.
- Increased cost limitation for environmental mitigation, installation of aerobic septic systems, and accessibility modifications.
- Removed reference to Reservations for Single Family Development.
- Updated first lien assistance terms to provide for a lower minimum payment for very low income households.
- Updated second lien assistance term to provide the minimum required federal affordability period.

SUBCHAPTER G HOMEBUYER ASSISTANCE WITH NEW CONSTRUCTION (HANC)

§23.71 Homebuyer with New Construction (HANC) General Requirements

- Removed reference to Rehabilitation to conform to 2020-2024 State of Texas Consolidated Plan
- Increased cost limitation for environmental mitigation, installation of aerobic septic systems, and accessibility modifications.
- Increased cost limitation for Activity soft costs.

Attached are the proposed preambles, the proposed repeal and proposed new 10 TAC Chapter 23, Single Family HOME Program rules.

Attachment A: Preamble, including required analysis, for proposed repeal of 10 TAC §23, Single Family HOME Program

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC §23, Single Family HOME Program Rule. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed 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.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect, the proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous re-adoption making changes to an existing activity, administration of the HOME Program.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

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

4. The proposed repeal does not result in an increase in fees paid to the Department; however, the proposed repeal does eliminate the application fee in §23.25(a)(4) that had been \$30, which will provide for a reduction in costs for those participants participating in the activity governed by this rule.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous re-adoption making changes to an existing activity, the administration of the HOME Program.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively affect this state's economy; however, the repeal does eliminate application fees that may have been a barrier to participation, and which may positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal 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 repeal does not contemplate nor 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 repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal 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 also determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated and more germane rule that conforms with the State's 2020-2023 Consolidated Plan. There will not be economic costs to individuals required to comply with the repealed 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 repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 18, 2020, to October 19, 2020, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Abigail Versyp, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email HOME@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, OCTOBER 19, 2020.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

SUBCHAPTER A, GENERAL GUIDANCE

§23.1 Applicability and Purpose

§23.2 Definitions

SUBCHAPTER B, AVAILABILITY OF FUNDS, APPLICATION REQUIREMENTS, REVIEW AND AWARD PROCEDURES, GENERAL ADMINISTRATIVE REQUIREMENTS, AND RESALE AND RECAPTURE OF FUNDS

§23.20 Availability of Funds and Regional Allocation Formula

§23.21 Application Forms and Materials and Deadlines

§23.22 Contract Award Application Review Process for Open and Competitive Application Cycles

§23.23 Reservation System Participant Review Process

§23.24 Administrative Deficiency Process

§23.25 General Threshold and Selection Criteria

§23.26 Contract Benchmarks and Limitations

§23.27 Reservation System Participant (RSP) Agreement

§23.28 General Administrative Requirements

§23.29 Resale and Recapture Provisions

SUBCHAPTER C HOMEOWNER REHABILITATION ASSISTANCE PROGRAM

§23.30 Homeowner Rehabilitation Assistance (HRA) Threshold and Selection Criteria

§23.31 Homeowner Rehabilitation Assistance (HRA) General Requirements
§23.32 Homeowner Rehabilitation Assistance (HRA) Administrative Requirements

SUBCHAPTER D, HOMEBUYER ASSISTANCE PROGRAM

§23.40 Homebuyer Assistance (HBA) Threshold and Selection Criteria
§23.41 Homebuyer Assistance (HBA) General Requirements
§23.42 Homebuyer Assistance (HBA) Administrative Requirements

SUBCHAPTER E, CONTRACT FOR DEED PROGRAM

§23.50 Contract for Deed (CFD) Threshold and Selection Criteria
§23.51 Contract for Deed (CFD) General Requirements
§23.52 Contract for Deed (CFD) Administrative Requirements

SUBCHAPTER F, TENANT-BASED RENTAL ASSISTANCE PROGRAM

§23.60 Tenant-Based Rental Assistance (TBRA) Threshold and Selection Criteria
§23.61 Tenant-Based Rental Assistance (TBRA) General Requirements
§23.62 Tenant-Based Rental Assistance (TBRA) Administrative Requirements

SUBCHAPTER G, SINGLE FAMILY DEVELOPMENT PROGRAM

§23.70 Single Family Development (SFD) Threshold and Selection Criteria
§23.71 Single Family Development (SFD) General Requirements
§23.72 Single Family Development (SFD) Administrative Requirements

SUBCHAPTER H, HOMEBUYER ASSISTANCE WITH NEW CONSTRUCTION (HANC) OR REHABILITATION

§23.80 Homebuyer Assistance with New Construction (HANC) or Rehabilitation Threshold and Selection Criteria
§23.81 Homebuyer with New Construction or Rehabilitation (HANC) General Requirements
§23.82 Homebuyer with New Construction (HANC) Administrative Requirements

Attachment B: Preamble for proposed new 10 TAC Chapter 23 General Guidance

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 23, Single Family HOME Rule. The purpose of the proposed new sections is to conform to the 2020-2024 State of Texas Consolidated Plan and to update the rule to update definitions to better align HOME Program administration to federal requirements.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed 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 new rule would be in effect:

1. The proposed rule does not create or eliminate a government program, but it does eliminate the Homebuyer Assistance program activity to align with the 2020-2024 State of Texas Consolidated Plan. This rule also relates to changes in the administration of other Single Family HOME Program activities, including Homeowner Reconstruction Assistance, Contract for Deed, Tenant-Based Rental Assistance, Single Family Development, and Homebuyer Assistance with New Construction.
2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The proposed rule changes do not require additional future legislative appropriations.
4. The proposed rule changes will not result in an increase in fees paid to the Department, however, the rule change does reduce the Application Fee from \$30 to \$0, which will provide for a reduction in costs for those participants complying with this rule.
5. The proposed rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.
6. The proposed rule will not expand or repeal an existing regulation, but can be considered to "limit" the existing regulations on this activity because the proposed rule removes regulations related to the Homebuyer Assistance activity and rehabilitation of existing housing. However, this potentially limiting clarification to the rule is necessary to ensure compliance with the State of Texas 2020-2024 Consolidated Plan.
7. The proposed rule will not increase or decrease the number of individuals subject to the rule's applicability.
8. The proposed rule will not negatively affect the state's economy, and may be considered to have a positive effect on the state's economy because changes at §23.25(a)(4) eliminate the requirement for an application fee, potentially increasing the number of applicants participating in the Single Family HOME Program.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, §2306.111.

1. The Department has evaluated this rule and determined that none of the adverse affect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are approximately 60 rural communities currently participating in construction activities under the Single Family HOME Program that are subject to the proposed rule for which the economic impact of the rule is projected to be \$4,000,000 during the first year the rule is in effect.

3. The Department has determined that because the rule both eliminates an application fee and increases the funding limitation for construction activities, and because the applicants are primarily in rural parts of Texas, the proposed rule would assist in infusing funds into the local construction market, and may result in a possible positive economic effect on small or micro-businesses or rural communities, although the specific impact is not able to be quantified.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate nor 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 rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the proposed rule may provide a possible positive economic effect on local employment because increased funding limitations for construction activities may create employment opportunities in the construction sector and supportive businesses; however, because participation in the Single Family HOME Program is not compulsory for communities, there is no way to determine during rulemaking where the positive effects may occur. The impact is not able to be quantified for any given community.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..." Considering that participation in the Single Family HOME Program is at the discretion of the local government or other eligible subrecipients, there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule which conforms to the State of Texas 2020-2024 Consolidated Plan and federal regulations. There will not be any economic cost to any individuals required to comply with the new section because the HOME Program provides reimbursement to those entities whom are subject to the rule for the cost of compliance with the rule.

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 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 because the Single Family HOME Program is a federally funded program, and no increase in the requirement to match federal funds is proposed in the rule.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 18, 2020, to October 19, 2020, to receive input on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Abigail Versyp, Rule Comments, P.O. Box 13941, Austin, Texas 77113-3941, by fax to (512) 475-0220, or email abigail.versyp@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, October 19, 2020.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

CHAPTER 23 SINGLE FAMILY HOME PROGRAM

SUBCHAPTER A GENERAL GUIDANCE

§23.1 Applicability and Purpose

(a) ~~Applicability.~~ This Chapter governs the use and administration of all HOME single family Activities funds provided to the Texas Department of Housing and Community Affairs (the "Department") by the U.S. Department of Housing and Urban Development (HUD) pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 as amended (42 U.S.C. §§12701 - 12839) and HUD regulations at 24 CFR, Part 92, as amended. Chapter 20 of this ~~§~~Title relating to Single Family Programs Umbrella Rule and ~~other~~ Chapters 1 and 2 of this ~~§~~Title will apply to all single family activities, including Single Family Development. Unless otherwise noted herein or required by law, all provisions of this Chapter apply to any Application for a Contract award, or any Reservation submitted or received on or after the date of adoption of this Chapter. Existing Agreements executed within the preceding ~~twelve~~ ~~{12}~~ months from the date of adoption of this Chapter or current pending Applications may be amended in writing at the request of the Administrator or Applicant, and with Department approval, so that all provisions of this Chapter apply to the Agreement or Application. Amendments proposing only partial adoption of this Chapter are prohibited. No amendment adopting this Chapter shall be granted if, in the discretion of the Department, any of the provisions of this Chapter conflict with the Notice of Funding Availability (NOFA) under which the existing Agreement was awarded or Application was submitted. The Governing Board may waive rules subject to this Chapter for good cause to meet the purpose of the HOME Program as described further in subsection (b) of this section, provided the ~~action~~waiver does not conflict with the federal regulations governing the use of these funds, or impact federally imposed obligation or expenditure deadlines governing the HOME Program.

(b) Purpose. The State's HOME Program is designed to:

- (1) focus on the areas with the greatest housing need described in the State Consolidated Plan;
- (2) provide funds for home ownership and rental housing through acquisition, Reconstruction, New Construction, ~~Rehabilitation~~, and Tenant-Based Rental Assistance;
- (3) promote partnerships among all levels of government and the private sector, including nonprofit and for-profit organizations; and
- (4) provide low, very low, and extremely low-income families with affordable, decent, safe, and sanitary housing.

§23.2 Definitions

These words when used in this Chapter shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions may be found in Tex. Gov't Code Chapter 2306 or Chapter 20 of this Title relating to Single Family Programs Umbrella Rule.

- (1) Area Median Family Income--The income limits published annually by the U.S. Department of Housing and Urban Development (HUD) for the Housing Choice Voucher Program that is used by the Department to determine the eligibility of Applicants for the HOME Program, also referred to as AMFI.
- (2) CFR--Code of Federal Regulations.
- (3) Commitment of Funds--Occurs when the funds are awarded to an Administrator for a specific Activity approved by the Department and set up in the Integrated Disbursement and Information System (IDIS) established by HUD.
- (4) Construction Completion Date--The Construction Completion Date shall be the date of completion of all improvements as stated on the affidavit of completion, provided that the affidavit is filed within ~~ten (10)~~ days of the stated date of completion or the date of filing as outlined in Tex Prop. Code §53.106.
- ~~(5)~~ (5) Date of Assistance--The date that assistance is provided to the Household. For Tenant-Based Rental Assistance, this is the start date of the rental subsidy. For Homeowner Reconstruction Assistance and Contract for Deed, this is the date of the loan closing or date of execution of grant agreement. For Single Family Development and Homebuyer Assistance with New Construction, this is the date that the Household executes the purchase agreement.
- (6) Development Site--The area, or if scattered site, areas on which the development is proposed to be located.

- (~~67~~) Direct Activity Costs--The total costs of hard construction costs, demolition costs, aerobic septic systems, refinancing costs (as applicable), acquisition and closing costs, for acquisition of real property, and rental and utility subsidy and deposits, and Match Funds.
- (~~78~~) HOME Final Rule--The regulations with amendments promulgated at 24 CFR, Part 92 as published by HUD for the HOME Investment Partnerships Program at 42 U.S.C. §§12701 - 12839.
- (~~89~~) Homeownership--Ownership in fee simple title in a ~~1one~~ to ~~4four~~ unit dwelling or in a condominium unit, or equivalent form of ownership approved by the Department. Homeownership is not right to possession under a contract for deed, installment contract, or land contract (~~pursuant to which the deed is not given until the final payment is made~~).that has not converted into a deed for title ownership.
- (~~910~~) Identity of Interest--An acquisition will be considered to be an Identity of Interest transaction when the purchaser has any financial interest whatsoever in the seller or lender or is subject to common control, or any family relationship by virtue of blood, marriage, or adoption exists between the purchaser and the seller or lender.
- (~~1011~~) Match--Funds contributed to an Activity that meet the requirements of 24 CFR §§92.218 - 92.220. Match contributed to an Activity does not include mortgage revenue bonds, non HOME-assisted projects, and cannot include any other sources of Department funding unless otherwise approved in writing by the Department.
- (~~1112~~) New Construction--Construction of a new Single Family Housing Unit which involves:
- (A) Construction on a lot that was not the site of a Single Family Housing Unit on the date HOME assistance was requested;
 - (B) Construction of a new Single Family Housing Unit following acquisition; or
 - (C) Construction of a site-built Single Family Housing Unit ~~which~~that replaces a ~~unit of~~ manufactured housing unit.
- (~~1213~~) Person--Any individual, partnership, corporation, association, unit of government, community action agency, or public or private organization of any character.
- (~~134~~) Persons with Special Needs--Individuals or categories of individuals determined by the Department to have unmet housing needs as provided in the Consolidated Plan and the State's One Year Action Plan.

~~(1415)~~ Predevelopment Costs--Costs consistent with 24 CFR §92.212 related to a specific eligible Activity including:

- (A) Predevelopment housing project costs that the Department determines to be customary and reasonable, including but not limited to consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, and site control;
- (B) Pre-construction housing project costs that the Department determines to be customary and reasonable, including but not limited to, the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies and legal fees; and
- (C) Predevelopment costs do not include general operational or administrative costs.

~~(1516)~~ Principal--A Person, or Persons, that will exercise Control over a partnership, corporation, limited liability company, trust, or any other private entity. In the case of:

- (A) Partnerships: Principals include all General Partners, special limited partners, and Principals with ownership interest;
- (B) Corporations: Principals include any officer authorized by the board of directors to act on behalf of the corporation, including the president, vice president, secretary, treasurer, and all other executive officers, and each stock holder having a ~~10~~ten percent or more interest in the corporation; and
- (C) Limited liability companies: Principals include all managing members, members having a ~~10~~ten percent or more interest in the limited liability company or any officer authorized to act on behalf of the limited liability company.

~~(1617)~~ Reconstruction--~~Defined~~ Has the same meaning as the defined term in 24 CFR Part ~~92~~92.

~~(17)~~ ~~Rehabilitation~~ Improvements and repairs made to an existing Single Family Housing Unit which do not require demolition of the entire existing Single Family Housing Unit. Additionally, replacement of a unit of manufactured housing with a new unit of manufactured housing is Rehabilitation~~2~~.

(18) Reservation System Participant (RSP)--Administrator who has executed a written Agreement with the Department that allows for participation in the Reservation System.

(19) Service Area--The city(ies), county(ies) and/or place(s) identified in the Application and/or Agreement that the Administrator will serve.

~~(20)~~ ~~Texas Minimum Construction Standard (TMCS)~~ ~~The program standard used to determine the minimum acceptable housing condition for the purposes of Rehabilitation.~~

~~(21)(20)~~ Third Party--A Person who is not:

- (A) An Applicant, Administrator, Borrower, General Partner, Developer, Development Owner, or General Contractor; or
- (B) An Affiliate, Affiliated Party to the Applicant, Administrator, Borrower, General Partner, Developer, Development Owner, or General Contractor; or
- (C) A Person receiving any portion of the administration, contractor fee, or developer fee.

SUBCHAPTER B AVAILABILITY OF FUNDS, APPLICATION REQUIREMENTS, REVIEW AND AWARD PROCEDURES, GENERAL ADMINISTRATIVE REQUIREMENTS, AND RESALE AND RECAPTURE OF FUNDS

§23.20 Availability of Funds and Regional Allocation Formula

~~Funds subject to regional allocation formula shall be made available as described in paragraphs (1)–(3) of this section:~~

~~(1) — Applicants applying in response to a Competitive Application Cycle NOFA will be ranked highest to lowest by region and subregion. Funds remaining after awarding all eligible Applications in a subregion shall collapse and be directed to the next Application across all regions and subregion regardless of the type of assistance being proposed, based on descending scoring order;~~

~~(2) — Funds made available through an open Application cycle and subject to regional allocation formula shall be made available to each region and subregion for a time period to be specified in the applicable NOFA, after which the funds remaining shall collapse and be made available statewide; and~~

~~(3) — In the event of a tie between rankings of two or more Applicants, the Department reserves the right to determine which Application will receive a recommendation for funding, or as otherwise specified in the NOFA. Tied Applicants may be awarded through a random selection process.~~

§23.21 Application Forms and Materials and Deadlines

(a) The Department will produce an Application, ~~which if properly completed in accordance herein by an eligible Applicant and approved by the Department, can~~ satisfy the Department's requirements to be qualified to administer HOME activities. The Application will be available on the Department's website.

(b) The Department must receive all Applications by the deadline specified in the NOFA.

§23.22 Contract Award Application Review Process for Open and Competitive Application Cycles

(a) — An Application received by the Department in response to an open Application cycle NOFA will be assigned a "Received Date." An Application will be prioritized for review based on its "Received Date." Application acceptance dates may be staggered under an open Application cycle to prioritize Applications which propose to serve areas identified in Tex. Gov't Code §2306.127 as priority for certain communities. An Application with outstanding administrative deficiencies under Section 23.24 of this Chapter, may be suspended from further review until all administrative deficiencies have been cured or addressed to the Department's satisfaction. Applications that have completed the review process may be presented to the Board for approval with priority over Applications that continue to have administrative deficiencies at the time Board materials are prepared, regardless of "Received Date." If all funds available under a NOFA are awarded, all remaining Applicants will be notified and the remaining Applications will not be processed.

~~(b) — For Applications received by the Department in response to a Competitive Application Cycle NOFA, the Department will accept Applications on an ongoing basis during the Application acceptance period as specified in the NOFA. Applications will be reviewed and scored then ranked based on the score of the Application.~~

§23.23 Reservation System Participant Review Process

An Application for a Reservation System Participant (RSP) Agreement shall be reviewed and if approved under §Chapter 1.303, Subchapter C of this †Title‡, as amended or superseded, concerning Previous Participation and the Executive Award and Review Advisory Committee, and not denied under §Section 23.24 of this Chapter, will be drafted and processed in the order in which it was accepted ~~by~~ to be executed and made effective.

§23.24 Administrative Deficiency Process

(a) The administrative deficiency process allows staff to request that an Applicant provide clarification, correction, or non-material missing information to resolve inconsistencies in the original Application or to assist staff in evaluating the Application. Staff will request such information via a deficiency notice. Staff will send the deficiency notice via an email or if an email address is not provided in the Application, by facsimile to the Applicant. Responses ~~are required to~~ must be submitted electronically to the Department. A review of the Applicant's response may reveal that issues initially identified as an administrative deficiency are actually determined to be beyond the scope of an administrative deficiency process, meaning that they are in fact matters of a material nature not susceptible to being resolved. Department staff may, in good faith, provide an Applicant confirmation that an administrative deficiency response has been received or that such response is satisfactory. Communication from staff that the response was satisfactory does not establish any

entitlement to points, eligibility status, or to any presumption of having fulfilled any requirements. Final determination regarding the sufficiency of documentation submitted to cure an administrative deficiency as well as the distinction between material and non-material missing information are reserved for the ~~Director of the HOME Program, Executive Director~~ or authorized designee, and Board, as applicable.

(b) An Applicant may not change or supplement any part of an Application in any manner after submission to the Department, and may not add any set-asides, except in response to a direct request from the Department to remedy an administrative deficiency or by amendment of an Application after the Board approval of a HOME award. An administrative deficiency may not be cured if it would, in the Department's determination, substantially change an Application, or if the Applicant provides any new unrequested information to cure the deficiency.

~~(c) Administrative deficiencies for HOME Applications under an open application cycle NOFA, including an Application for an RSP Agreement. The time period for responding to a deficiency notice commences on the first business day following the deficiency notice date. If an administrative deficiency is not resolved to the satisfaction of the Department by 5:00 p.m., Austin local central time, on the fifth business seventh day following the date of the deficiency notice, the application shall may be terminated. The Department may accept a corrected Board Resolution submitted after the deficiency deadline on the condition that the corrected Board Resolution resolves the deficiencies to the satisfaction of the Department, but the Board Resolution must be received and deemed satisfactory by the Department before the RSP Agreement or Contract start date. Applicants that have been terminated may reapply, and the application fee shall be waived for an Application submitted within 30 days of the termination of an Application.~~

~~(d) Administrative deficiencies for HOME Applications under a Competitive Application Cycle NOFA. The time period for responding to a deficiency notice commences on the first business day following the deficiency notice date. If an administrative deficiency is not resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice, then one point shall be deducted from the selection criteria score for each additional business day the deficiency remains unresolved. If administrative deficiencies are not resolved by 5:00 p.m., Austin local time, on the seventh business day following the date of the deficiency notice, then the Application shall be terminated. The Department may accept a corrected Board Resolution submitted after the deficiency deadline on the condition that the corrected Board Resolution resolves the deficiencies to the satisfaction of the Department, but the Board Resolution must be received and deemed satisfactory by the Department before the Contract start date.~~

§23.25 General Threshold and Selection Criteria

(a) General Threshold. All Applicants and Applications to administer a HOME Program award from the Department must submit or comply with the following:

(1) ~~an~~An Applicant certification of compliance with state rules promulgated by the Department, and federal laws, rules and guidance governing the HOME Program as provided in the Application;

(2) ~~a~~A Resolution from the Applicant's direct governing body which includes:

(A) ~~a~~Authorization of the submission of the Application specifying the NOFA under which funds are requested for Contract award Applications;

(B) ~~e~~Commitment and amount of cash reserves, if applicable, for use during the Contract or RSP Agreement term;

(C) ~~s~~Source of funds for Match obligation and Match dollar amount, if applicable;

(D) ~~n~~Name and title of the person authorized to represent the organization and who also has signature authority to execute a Contract and grant agreement or loan documents, as applicable, unless otherwise stated; and

(E) ~~d~~Date that the resolution was passed by the governing body, which must be within six ~~(6)~~ months preceding Application submission for Reservation System Participation Agreement Applications, and no earlier than the date of the Department's Governing Board approval of the NOFA for Contract award Applications.

(3) ~~any~~An Applicant ~~requesting \$25,000 or more~~ must be registered in the System for Award Management (SAM) and have a current Data Universal Numbering System (DUNS) number;

~~(4) an Application fee of thirty dollars per Application;~~

~~(5) an~~(4) An Application must be substantially complete when received by the Department. An Application will be terminated if an entire tab of the Application is missing; has excessive omissions of documentation from the threshold or selection criteria or uniform Application documentation; or is so unclear, disjointed, or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department. Such Application will be terminated without being processed as an administrative deficiency. To the extent that a review was able to be performed, specific reasons for the Department's termination will be included in the notification sent to the Applicant but, because of the suspended review, may not include an all inclusive list of deficiencies in the Application.

~~(b) — Selection Criteria. Applications for competitive awards consistent with a NOFA will be scored and ranked based on the following criteria. Selection criteria for which points are awarded will become a contractual requirement if the Applicant is awarded a Contract.~~

~~(1) — Applicants will be required to submit a self score within the Application. In no event will the points awarded to the Applicant exceed the point value of the self score in any one selection criterion. Applicants must achieve a minimum staff determined score of fifteen (15) points to be awarded a Contract.~~

~~(2) — Applicants may be awarded points under the following selection criteria:~~

~~(A) — Homes Built to greater than or equal to IRC 2012 Standard. This selection criterion is applicable to Homeowner Rehabilitation Assistance ("HRA") Applications only. Applications may be awarded five (5) points if all reconstructed or newly constructed homes under the Contract will be built to a code that meets or exceeds IRC 2012 standards.~~

~~(B) — Purchased Home Will Meet TMCS. This selection criterion is applicable to Homebuyer Assistance ("HBA") Applications only. Applications may be awarded five (5) points if all homes for which HBA is provided under the Contract pass an inspection prior to purchase that meets or exceeds TMCS.~~

~~(C) — Previous HOME Award. All Applications may receive a maximum of five (5) points for past experience in the HOME Program as follows:~~

~~(i) — Applications may be awarded five (5) points if the Applicant administered a HOME Contract awarded within five (5) years of the date that Applications are first accepted under the NOFA. The previous HOME Contract for which points are requested must be of the same assistance type as that proposed in the Application and the Applicant must have met the 100 percent commitment benchmark of the Contract without requiring an amendment.~~

~~(ii) — Applications may be awarded one (1) point for each reservation of the same assistance type which resulted in Commitment of Funds within twelve (12) months of the date that Applications are first accepted under the NOFA, but may not, in any event, receive more than four (4) points under this criterion.~~

~~(iii) — Applications may be awarded two (2) points if the Applicant administered a HOME Contract awarded within five (5) years of the date that Applications are first accepted under the NOFA. The previous HOME Contract for which points are requested must be of the same assistance type as that proposed in the Application and all contractually required units must have been completed by the end of the Contract term in accordance with the original Contract, or as amended.~~

~~(D) — Administrator Provides Expanded Services. This selection criterion is applicable to Tenant Based Rental Assistance (TBRA) Applications only. Applicants may receive a maximum of five (5) points for the provision of services available to existing clients within twelve (12)~~

months of the date that Applications are first accepted under the NOFA. Applicant must specify the types of services offered in the Application, and must provide documentation verifying the provision of each service within the specified timeframe. A maximum of one (1) point for each separate service may be awarded. Any service for which points are requested must be identified as provided under one of the following categories: Child Care, Nutrition, Job Training, Health, and Human Services. The services must be uniquely different as determined by the Department. The Department must be able to make a determination that the service stated in the Application was provided by the Applicant and qualifies for the corresponding point(s) when determining the points awarded under this criterion.

(E) — Previous Monitoring History. All Applications may receive a maximum of five (5) points for the Applicant's previous monitoring history. The Department will consider the monitoring history for three (3) years preceding the date that Applications are first accepted under the NOFA when determining the points awarded under this criterion. Findings that were subsequently rescinded will not be considered findings for the purpose of this point criterion.

(i) — Applications will be limited to a maximum of two (2) points if the Applicant has a monitoring close-out letter that included findings related to violations of procurement requirements.

(ii) — Applications will be limited to a maximum of three (3) points if the Applicant has a monitoring close-out letter that included findings on miscalculation of Household income.

(iii) — Applications may be awarded a maximum of four (4) points if the Applicant has a monitoring close-out letter that included findings but the findings were not related to miscalculation of Household income or violations of procurement requirements.

(iv) — Applications may be awarded a maximum of five (5) points if the Applicant has not received any monitoring findings, including Applicants with no previous monitoring history.

(F) — Applicant Staff with Income Eligibility Training or Financial Management Training. All Applications may receive a maximum of five (5) points if a member of the Applicant's staff that will be involved in administration of the program if awarded, has attended TDHCA's 1st Thursday Income Eligibility training or has completed Financial Management 101: Introduction or Financial Management 201: A Closer Look, available through the HUD Exchange website, no earlier than one (1) year from the date that Applications are first accepted under the NOFA, or certifies that the staff member will attend TDHCA's 1st Thursday Income Eligibility training or HUD's on-line Financial Management 101 or 102 training prior to submission of a Activity for TDHCA approval. Activities may not be approved under a Contract until the staff member has attended 1st Thursday Income Eligibility training or HUD's on-line Financial Management trainings if points are awarded under this criterion.

(G) — Section 8 Housing Choice Voucher Availability. This selection criterion is applicable to TBRA Applications only. Applications may be awarded a maximum of five (5) points if the

~~waiting list(s) for the Section 8 Housing Choice Voucher ("HCV") program maintained by the Public Housing Authority ("PHA") with jurisdiction over the Service Area outlined in the Application exceeds a twelve (12) month wait time as of the date that Applications are first accepted under the NOFA, or if the PHA does not offer rental assistance under the HCV program. The Department must be able to make a determination that PHA's wait time exceeds twelve (12) months through documentation provided in the Application by the Applicant for requested points when determining the points awarded under this criterion.~~

~~(H) — Lack of Single Family Activities within the Service Area within the Previous Two (2) Years. This selection criterion is applicable to HRA and HBA Applications only.~~

~~(i) — Applications may be awarded a maximum of five (5) points if TDHCA HOME funds have not been awarded thorough a competitive award or been provided to an Activity of the same type as the assistance proposed in the Application, and within the Service Area designated in the Application within two (2) years of the date that Applications are first accepted under the NOFA.~~

~~(ii) — Applications may be awarded a maximum of four (4) points if TDHCA HOME funds have been committed to Activities of the same type of assistance as that proposed in the Application, and within the Service Area designated in the Application, if the Applicant was not awarded funds to administer a Contract of the same type of assistance and was not the service provider for Activities submitted under an RSP agreement, within two (2) years of the date that Applications are first accepted under the NOFA.~~

~~(I) — Program Restricted to First-Time Homebuyers. This selection criterion is applicable to HBA Applications only. Applications may be awarded a maximum of five (5) points if 100 percent of Households served are first-time homebuyers defined on the Department's Certification of First-Time Homebuyer Status Form.~~

~~(J) — Program Restricted to Households at or below 60 percent AMFI. This selection criterion is applicable to HRA and TBRA Applications only. Applications may be awarded a maximum of five (5) points if 100 percent of Households served will have incomes at or below 60 percent AMFI for the county in which the Activity will be located.~~

~~(K) — Priority for Certain Communities. All Applications may receive a maximum of two (2) points if at least one Colonia is included in the Service Area identified in the Application. Applicants awarded points under this criterion will be contractually required to maintain a Service Area that includes at least one Colonia as identified on the Office of the Secretary of State's website.~~

§23.26 Contract Benchmarks and Limitations

(a) Contract Award Funding Limits. Limits on the total amount of a Contract award will be established in the NOFA.

- (b) Contract Award Terms. Homeowner ~~Rehabilitation Assistance~~ and ~~Homebuyer~~ Reconstruction Assistance awards will have a Contract term of not more than ~~twenty-one (21)~~ months, exclusive of any applicable affordability period or loan term. Single Family Development awards will have a Contract term of not more than 24 months, exclusive of any applicable affordability period or loan term. Tenant-Based Rental Assistance awards will have a Contract term of not more than ~~thirty-six (36)~~ months.
- (c) Contract Award Benchmarks. ~~Except for acquisition only Activities,~~ Administrators must have attained environmental clearance for the contractually required number of Households served within six ~~(6)~~ months of the effective date of the Contract. Contract Administrators must submit to the Department complete Activity setup information for the Commitment of Funds of all contractually required Households in accordance with the requirements herein within nine ~~(9)~~ months from the effective date of the Contract. All remaining funds will be deobligated and reallocated in accordance with Chapter 1 of this ~~€~~ Title relating to Reallocation of Financial Assistance.
- (d) Voluntary deobligation. The Administrator may fully deobligate funds in the form of a written request signed by the signatory, or successor thereto, of the Contract. The Administrator may partially deobligate funds under a Contract in the form of a written request from the signatory if the letter also deobligates the associated number of targeted Households, funds for administrative costs, and Match and the partial deobligation would not have impacted the award of the Contract. Voluntary deobligation of a Contract does not limit an Administrator's ability to participate in an open application cycle.
- (e) The Department may request information regarding the performance or status under a Contract prior to a Contract benchmark or at various times during the term of a Contract. Administrator must respond within the time limit stated in the request. Prolonged or repeated failure to respond may result in suspension of funds and ultimately in termination of the Contract by the Department.
- (f) Pre-Contract Costs.
- (1) The Administrator may be reimbursed for eligible administrative and Activity soft costs incurred before the effective date of the Contract in accordance with 24 CFR §92.212 and at the sole discretion of the Department.
 - (2) A Community Housing Development Organization may be reimbursed for Predevelopment Costs as defined in this Chapter for an Activity funded under Single Family Development.
 - (3) In no event will the Department reimburse expenses incurred more than six ~~(6)~~ months prior to Governing Board approval of the Administrator's award.

- (g) Amendments to Contract awards will be processed in accordance with Chapter 20 of this ~~€Title,~~ relating to Single Family Programs Umbrella Rule.

§23.27 Reservation System Participant (RSP) Agreement

(a) Terms of Agreement. The term of an RSP Agreement will not exceed ~~thirty-six (36)~~ months. Execution of an RSP Agreement does not guarantee the availability of funds under a reservation system. Reservations submitted under an RSP agreement will be subject to the provisions of this Chapter in effect as of the date of submission by the Administrator.

(b) Limits on Number of Reservations. Except for Activities submitted under the Disaster set-aside, RSP Administrators may have no more than five ~~(5)~~ Reservations per county within the RSP's Service Area submitted to the Department for approval at any given time, except that Tenant-Based Rental Assistance Reservations submitted for approval under an RSP Agreement is limited to ~~thirty (30) at any given time.~~ All required documentation for the Reservation must be submitted to the Department twenty (20) business days prior to the end of RSP Agreement term 30 at any given time.

(c) Extremely Low-Income Households. Except for Households ~~served with disaster relief, Homebuyer Assistance or Single Family Development assistance~~ submitted under the Disaster set-aside, each RSP will be required to serve at least one extremely low-income Household out of every four Households submitted and approved for assistance. For purposes of this subsection, extremely low-income is defined as families that are either at or below 30 percent ~~area median family income~~ AMFI for the county in which they will reside ~~without the increase for poverty guidelines~~ or have an income that is lower than the statewide 30 percent income limit without adjustments to HUD limits.

(d) Match. Administrators must meet the Match requirement per Activity approved for assistance.

(e) Completion of Construction. For Activities involving construction, construction must be complete within ~~twelve (12)~~ months from the Commitment of Funds for the Activity.

(f) Household commitment contract term. The term of a Household commitment contract may not exceed ~~twelve (12)~~ months, except that the term for Tenant-Based Rental Assistance may not exceed ~~twenty four (24)~~ months. Household commitment contracts may commence after the end date of an RSP Agreement only in cases when the Administrator has submitted a Reservation on or before the termination date of the RSP Agreement.

(g) Amendments to Household ~~C~~commitment contracts may be considered by the Department provided the approval does not conflict with the federal regulations governing use of these funds, or impact federally imposed obligation or expenditure deadlines.

(1) The ~~Division Director~~ Executive Director's authorized designee may approve ~~amendments~~ an amendment that extends the terms of a Household commitment

contracts by not more than three ~~(3)~~ months, except that the term of a Household ~~€~~commitment contract for Tenant-Based Rental Assistance may not be extended to exceed a total contract term of 24 months.

- (2) The ~~Division Director~~Executive Director's authorized designee may approve ~~amendments~~an amendment to a Household ~~€~~commitment contract to increase Activity funds within the limitations set forth in this Chapter.
- (3) The Executive Director may approve amendments to a Household ~~Commitment contracts~~commitment contract, except amendments to extend the ~~terms~~contract term of a Household Commitment contracts by more than ~~twelve (12)~~ months.
- (h) Pre-agreement costs. The Administrator may be reimbursed for eligible administrative and Activity soft costs incurred before the effective date of the RSP Agreement in accordance with 24 CFR §92.212 and at the sole discretion of the Department. In no event will the Department reimburse expenses incurred more than six ~~(6)~~ months prior to the effective date of the RSP Agreement.
- (i) Administrators ~~must~~ remain in good standing with the Department, the state of Texas, and HUD. If an Administrator is not in good standing, participation in the Reservation System will be suspended and may result in termination of the RSP Agreement.

§23.28 General Administrative Requirements

Unless otherwise provided in this Chapter, the Administrator or Developer must comply with the requirements described in paragraphs (1) - (20) of this section, for the administration and use of HOME funds:

- (1) ~~€~~Complete training, as applicable;
- (2) ~~þ~~Provide all applicable Department Housing Contract System access request information and documentation requirements;
- (3) ~~€~~Establish and maintain sufficient records at its regular place of business and make available for examination by the Department, HUD, the U.S. General Accounting Office, the U.S. Comptroller, the State Auditor's Office of Texas, the Comptroller of Public Accounts, or any of their duly authorized representatives, throughout the applicable record retention period;
- (4) ~~£~~For non-developmentSingle Family Development Contracts, develop and establish written procurement procedures that comply with federal, state, and local procurement requirements including:
 - (A) ~~£~~Develop and comply with written procurement selection criteria and committees, including appointment of a procurement officer to manage any bid process;

- (B) ~~e~~Develop and comply with a written code of conduct governing employees, officers, or agents engaged in administering HOME funds;
 - (C) ~~e~~Ensure consultant or any procured service provider does not participate in or direct the process of procurement for services. A consultant cannot assist in their own procurement before or after an award is made;
 - (D) ~~e~~Ensure that procedures established for procurement of building construction contractors do not include requirements for the provision of general liability insurance coverage in an amount to exceed the value of the contract and do not give preference for contractors in specific geographic locations;
 - (E) ~~e~~Ensure that building construction contractors are procured in accordance with State and Federal regulations for single family HOME Activities;
 - (F) ~~e~~Ensure that professional service providers (consultants) are procured using an open competitive procedure and are not procured based solely on the lowest priced bid; and
 - (G) ~~e~~Ensure that any Request for Proposals or Invitation for Bid include:
 - (i) an equal opportunity disclosure and a notice that bidders are subject to search for listing on the Excluded Parties List;
 - (ii) bidders' protest rights and an outline of the procedures bidders must take to address procurement related disputes;
 - (iii) a conflict of interest disclosure;
 - (iv) a clear and accurate description of the technical requirements for the material, product, or service to be procured. The description must include complete, adequate, and realistic specifications;
 - (v) for sealed bid procedures, disclose the date, time and location for public opening of bids and indicate a fixed-price contract;
 - (vi) must not have a term of services greater than five ~~(5)~~ years; and
 - (vii) for competitive proposals, disclose the specific election/evaluation criteria;
- (5) ~~in~~ instances where a potential conflict of interest exists, follow procedures to submit a ~~request~~ required documentation to the Department sufficient to ~~grant~~ submit an exception request to HUD for any conflicts prohibited by 24 CFR §92.356. The request submitted to the Department must include a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict by

newspaper publication, a description of how the public disclosure was made, and an attorney's opinion that the conflict does not violate state or local law. No HOME funds will be committed to or reserved to assist a Household impacted by the conflict of interest regulations until HUD has granted an exception to the conflict of interest provisions;

(6) ~~p~~Perform environmental clearance procedures, as required, before acquiring any Property or before performing any construction activities, including demolition, or before the occurrence of the loan closing, if applicable;

(7) ~~d~~Develop and comply with written Applicant intake and selection criteria for program eligibility that promote and comply with Fair Housing requirements and the State's One Year Action Plan;

(8) ~~e~~Complete Applicant intake and Applicant selection. Notify each Applicant Household in writing of either acceptance or denial of HOME assistance within ~~sixty (60)~~ days following receipt of the intake application. ~~For Homeowner Rehabilitation Assistance and Contract for Deed Conversion the Administrator must:~~

~~(A) provide Rehabilitation as an available option to Households, provide Households with a general cost estimate, and to the extent that Rehabilitation would not meet the program requirements, explain these program requirements;~~

~~(B) unless not allowed by local code, provide replacement of an existing housing unit with a new MHU as an available option; and~~

~~(C) explain relocation as an available option under applicable Activities;~~

(9) ~~d~~Determine the income eligibility of a Household using the "Annual Income" as defined at 24 CFR §5.609, by using the list of income included in HUD Handbook 4350, and excluding from income those items listed in HUD's Updated List of Federally Mandated Exclusions from Income;

(10) ~~except for Single Family Development, complete~~Complete an updated income eligibility determination of a Household if ~~more than six (6) months has elapsed from the date of certification and is more than six months prior to the date the HOME assistance is provided to the Household. For Single Family Development, complete income eligibility determination~~Date of a Household if more than six (6) months has elapsed from the date of certification and the date the contract to purchase the housing unit is executed with the Household;Assistance.

~~(11) for disaster relief set aside Activities, provide evidence that the housing unit occupied by the eligible Household was damaged as a direct result of a federal, state, or locally declared disaster that occurred less than three (3) years prior to Administrator's Application for a RSP Agreement or Contract under which the Household applied for assistance;~~

- ~~(12)~~ ~~for~~ (11) For single family Activities involving construction, perform initial inspection in accordance with Chapter 20 of this ~~€~~ Title (relating to Single Family Programs Umbrella Rule). Property inspections must include photographs of the front and side elevation of the housing unit and at least one picture of the kitchen, family room, one of the bedrooms and one of the bathrooms. The inspection must be signed and dated by the inspector and the Administrator;.
- ~~(13)~~ ~~submit~~ (12) Submit a substantially complete request for the Commitment or Reservation of Funds, loan closing preparation, and for disbursements. Administrators must upload all required information and verification documentation in the Housing Contract System. Requests determined to be substantially incomplete will not be reviewed and may be disapproved by the Department. Expenses for which reimbursement is requested must be documented as incurred. If the Department identifies administrative deficiencies during review, the Department will allow a cure period of ~~ten (10) business~~ 14 days beginning at the start of the first ~~business~~ day following the date the Administrator or Developer is notified of the deficiency. If any administrative deficiencies remain after the cure period, the Department, in its sole discretion, may disapprove the request. Disapproved requests will not be considered sufficient to meet the performance benchmark and shall not constitute a Reservation of Funds;.
- ~~(14)~~ ~~submit~~ (13) Submit signed program documents timely as may be required for the completion of a Commitment or Reservation of Funds, and for closing preparation of the loan or grant documents. Department reserves the right to cancel or terminate Activities when program documents are not executed timely, in the Department's sole and reasonable discretion;.
- ~~(15)~~ ~~not~~ (14) Not proceed or allow a contractor to proceed with construction, including demolition, on any Activity or development without first completing the required environmental clearance procedures, preconstruction conference and receiving notice to proceed, if applicable, and execution of grant agreement or loan closing with the Department, whichever is applicable;.
- ~~(16)~~ ~~submit~~ (15) Submit any Program Income received by the Administrator or Developer to the Department within ~~ten (10) business~~ 14 days of receipt; any fund remittance to the Department, including refunds, must include a written explanation of the return of funds, the Contract number, name of Administrator or Developer, Activity address and Activity number, and must be sent to the Department's accounting division;.
- ~~(17)~~ ~~submit~~ (16) Submit required documentation for project completion reports no later than ~~sixty (60)~~ days after the completion of the Activity;.

~~(18) For~~ (17) For Contract awards, submit certificate of Contract Completion within ~~ten~~ business ~~10~~ 14 days of the Department's request;

~~(19) Submit~~ (18) Submit to the Department reports or information regarding the operations related to HOME funds provided by the Department;

~~(20) Submit~~ (19) Submit evidence with the final draw for construction related activities that the builder has provided a one-year warranty specifying at a minimum that materials and equipment used by the contractor will be new and of good quality unless otherwise required, the work will be free from defects other than those inherent in the work as specified, and the work will conform to the requirements of the contract documents;

~~(21) Provide~~ (20) Provide the Household all warranty information for work performed by the builder and any materials purchased for which a manufacturer or installer's warranty is included in the price; ~~and~~.

~~(22) If~~ (21) If required by state or federal law, place the appropriate bonding requirement in any contract or subcontract entered into by the Administrator or Developer in connection with a HOME award may result in termination of the RSP Agreement.

§23.29 Resale and Recapture Provisions

(a) Recapture is the primary method the Department will use to recoup HOME funds under 24 CFR §92.254(a)(5)(ii).

~~(b) The~~ (b) To ensure continued affordability, the Department has established the recapture provisions described in paragraphs (1) - (4) of this subsection to ensure affordability as and further defined in 24 CFR §92.254(a)(5)(ii).

(1) In the event that a federal affordability period is required and the assisted property is rented ~~or~~ leased, or no member of the Household has it as the Principal Residence, the entire HOME investment is subject to recapture. The Department will include any loan payments previously made when calculating the amount subject to recapture. Loan forgiveness is not the same thing as loan payments for purposes of this subsection.

(2) In the event that a federal affordability period is required and the ~~unit~~ assisted property is sold, including through a short sale, deed in lieu of foreclosure, or foreclosure, prior to the end of the affordability period, the Department will recapture the available amount of net proceeds based on the requirements of 24 CFR §92.254, and as outlined in the State's One Year Action Plan.

(3) The Household can sell the unit to any willing buyer at any price. In the event of sale to a qualified low-income purchaser of a HOME-assisted unit, the qualified low-income

purchaser may assume the existing HOME loan and assume the recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the ~~subsequent homebuyer~~ low-income purchaser. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in 24 CFR §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

- (4) If there are no net proceeds from the sale, no repayment will be required of the Household and the balance of the loan shall be forgiven as outlined in the State's applicable One Year Action Plan.
- (c) The Department has established the resale provisions described in paragraphs (1) - (7) of this subsection, only in the event that the Department must impose the resale provisions of 24 CFR §92.254(a)(i).
- (1) Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, and no member of the Household is occupying the property as their Principal Residence.
 - (2) In the event that a federal affordability period is required and the assisted property is rented or leased, or no member of the Household has it as the Principal Residence, the HOME investment must be repaid.
 - (3) In the event that a federal affordability period is required and the assisted property is sold or transferred in lieu of foreclosure to a qualified ~~low-~~income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force to the extent allowed by law.
 - (4) The resale provisions shall remain in force from the date of loan closing until the expiration of the required affordability period.
 - (5) The Household is required to sell the home at an affordable price to a reasonable range of ~~low-~~income homebuyers that will occupy the home as their Principal Residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent ~~of the area median family income~~ AMFI and meet all program requirements.
 - (A) The seller will be afforded a fair return on investment defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial

homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of \$500.

(B) Fair return on investment is paid to the seller at sale once first mortgage debt is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then the appropriate partial fair return shall remain in force.

(6) The appreciated value is the affordable sales price less first mortgage debt less fair return.

(A) If appreciated value is zero, or less than zero, then no appreciated value exists.

(B) The initial homebuyer's investment of down payment and closing costs divided by the Department's HOME investment equals the percentage of appreciated value that shall be paid to the initial homebuyer or persons as otherwise directed by law. The balance of appreciated value shall be paid to the Department.

(7) The property qualified by the initial Household will be encumbered with a lien for the full affordability period.

(d) In the event ~~that a federal affordability period is not required and~~ the housing unit transfers by devise, descent, or operation of law upon the death of the assisted homeowner, forgiveness of installment payments under the loan may continue until maturity or the ~~grant~~ penalty amount for noncompliance under the conditional grant agreement may be ~~forgiven~~ waived, if the new Household qualifies for assistance in accordance with this subchapter. If the new Household does not qualify for assistance in accordance with this Chapter, forgiveness of installment payments will cease and repayment of scheduled payments under the loan will commence and continue until maturity or payment of a penalty amount under the conditional grant agreement may be required in accordance with the terms of the conditional grant agreement.

(e) Forgiveness of installment payments under the loan may continue until maturity or the ~~grant~~ penalty amount under conditional grant agreement may be ~~forgiven~~ waived by the Department if the housing unit is sold by the decedent's estate to a purchasing Household that qualifies for assistance in accordance with this Chapter.

(f) Grants subject to conditional grant agreements ~~may be forgiven annually during the Department's affordability period and~~ are not subject to ~~recapture~~ of the entire ~~grant~~ penalty amount in the event the property is no longer the Principal Residence of any Household member. ~~The outstanding amount owed will be based on the remaining affordability term.~~

**SUBCHAPTER C HOMEOWNER ~~REHABILITATION~~RECONSTRUCTION ASSISTANCE
PROGRAM**

§23.30 Homeowner ~~Rehabilitation~~Reconstruction Assistance (HRA) Threshold and Selection Criteria

(a) Match requirement. Excluding Applications under the disaster relief and persons with disabilities set asides, Match shall be required based on the tiers described in paragraphs (1) and (2) of this subsection:

(1) Zero percent of Direct Activity Costs, exclusive of Match, is required as Match:

(A) when the Service Area includes the entire unincorporated area of a county and where the population of Administrator's Service Area is less than or equal to 20,000 persons; or

(B) when the Service Area does not include the entire unincorporated area of a county and the population of the Administrator's Service Area is less than or equal to 3,000 persons.

(2) One percent of Direct Activity Costs, exclusive of Match, is required as Match for every 1,000 in population to a maximum of 15 percent.

(b) The Department shall use population figures from the most recently available U.S. census bureau's American Community Survey (ACS) as of the date that Applications are first accepted under of submission of the NOFA Application to determine the applicable Match. The Department may incentivize or provide preference to Applicants committing to provide additional Match above the requirement of this subsection. Such incentives may be established as selection criteria in the NOFA.

(c) Documentation is required of a commitment of at least \$40,000 in cash reserves to facilitate administration of the program and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. The amount of the cash reserve commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

(1) financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or

(2) evidence of an available line of credit or equivalent in an amount equal to or exceeding the requirement in this subsection.

(d) Selection criteria for this activity will be outlined in the NOFA.

§23.31 Homeowner ~~Rehabilitation~~Reconstruction Assistance (HRA) General Requirements

(a) Program funds may be used for the following under this subchapter:

(1) ~~the Rehabilitation or Reconstruction of existing owner-occupied housing on the same site. The Rehabilitation of a~~ meeting the following conditions:

(A) Replacement of an owner-occupied site-built house with either a new site-built house or a new Manufactured Housing Unit (MHU) on the same site;

(B) Replacement of an owner-occupied MHU with a new MHU on the same site;

(C) A unit that is not an owner-occupied has been destroyed may be eligible use of for Reconstruction under (A) or (B) of this subsection if:

(i) the unit was the Principal Residence of the Household as of the date of destruction where evidence of the Household's Principal Residence is established by a homestead exemption from the local taxing jurisdiction and Household certification in effect at the date of destruction. ; and

(ii) HOME funds; are committed within 12 months of the date of destruction.

(2) ~~the~~ New Construction of housing meeting the following conditions:

(A) Construction of site-built housing on the same site to replace an existing owner-occupied MHU;

~~the replacement~~ (B) Replacement of existing owner-occupied housing with an MHU or New Construction construction of site-built housing on another site contingent upon written approval of the Department;

~~(3) if~~ (C) Replacement of a housing unit is determined to be uninhabitable, within the previous five (5) four years from requested assistance, of submission of a Reservation for funds on the same site or another site when:

(i) the unit has been rendered uninhabitable as a direct result of a natural or man-made disaster or, a condemnation order from the unit of local government, or a determination from the unit of local government that the unit presents an imminent threat to the life, health, or and safety of occupants as determined by the local government with jurisdiction over the property. ; and

(ii) the Household may be eligible for the New Construction of site-built housing or an MHU under this section provided the assisted Household documents that the housing unit was previously their Household's Principal Residence through evidence of is established by a homestead exemption from the local taxing jurisdiction and Household certification. If a housing unit is destroyed due to a disaster (housing unit may no longer be standing on the site), that unit is eligible for Reconstruction provided that the HOME funds are committed within twelve

~~(12) months as of the date of destruction; or the disaster, condemnation order, or determination of uninhabitability through a Certification.~~

~~(4) if allowable under the NOFA, the refinance of an existing mortgage meeting the federal requirements at 24 CFR §92.206(b) and any additional requirements in the NOFA.~~

(b) If a housing unit has an existing mortgage loan and Department funds are provided in the form of a loan, the Department will require a first lien position if the existing mortgage loan has an outstanding balance that is less than the investment of HOME funds and any of the statements described in paragraphs (1) - (3) of this subsection are true:

(1) ~~a~~ A federal affordability period is required; ~~or~~

(2) ~~a~~ Any existing mortgage has been in place for less than three ~~(3)~~ years from the date the Household applies for assistance; or

(3) ~~t~~ The HOME loan is structured as a repayable loan.

(c) The Household must be current on any existing mortgage loans or home equity loans. If the Department's assistance is provided in the form of a loan, the property cannot have any existing home equity loan liens.

~~(d) Direct Activity Costs, exclusive of Match funds, and are limited to:~~

(d) Direct Activity Costs, exclusive of Match funds, and are limited to the amounts described in this subsection; however, not more than once per year, the Board in its sole discretion, may increase or decrease by up to five percent of the limitation for Direct Activity Costs. Total Activity costs may not exceed HUD Subsidy Limits. Dollar amounts in a Household commitment contract are set at the time of contract execution and may not be adjusted through this process. Current dollar amounts under this subsection will be reflected on the Department's website.

(1) Reconstruction and New Construction of site-built housing: the lesser of ~~\$90~~120 per square foot of conditioned space or ~~\$100~~135,000 or for Households of five or more Persons the lesser of ~~\$90~~120 per square foot of conditioned space or ~~\$14~~50,000 for a four-bedroom unit;

(2) ~~r~~ Replacement with energy efficient MHU: \$75~~90~~0,000; and

(3) ~~Rehabilitation that is not Reconstruction: \$60,000, or up to \$100,000 for properties listed~~ Limits established in or identified as eligible for listing in the National Register of Historic Places; and

~~(4) refinancing of existing mortgages: in addition to the costs limited under paragraphs (1) - (3) of this subsection, the cost to refinance an existing mortgage is limited to \$35,000. To qualify, a Household's current total housing payment must be greater~~ may be

~~updated not more than 30 percent of their monthly gross income or their total monthly recurring debt payments must be greater than 45 percent of their gross monthly income. HOME funds may not be utilized to refinance loans made or insured by any federal program annually at the discretion of the Board.~~

(e) In addition to the Direct Activity Costs allowable under subsection (d) of this section, a sum not to exceed \$~~10~~15,000 maybe requested and if approved, used to pay for any or all of the following, as applicable:

(1) ~~N~~Necessary environmental mitigation as identified during the Environmental review process;

(2) ~~I~~Installation of an aerobic septic system; ~~or~~and

(3) ~~H~~Homeowner requests for accessibility features.

(f) Activity soft costs eligible for reimbursement for Activities of the following types are limited to:

(1) Reconstruction or New Construction of site-built housing: no more than \$~~10~~12,000 per housing unit;

(2) ~~R~~Replacement with an MHU: no more than \$3,500 per housing unit; and

~~(3) — Rehabilitation that is not Reconstruction: \$7,000 per housing unit. This limit may be exceeded for lead based paint remediation and only upon prior approval of the Division Director. The costs of testing and assessments for lead based paint are not eligible Activity soft costs for housing units that are Reconstructed or if the existing housing unit was built after December 31, 1977; and~~

~~(4) third(3) —~~ Third-party Activity soft costs related to costs incurred in connection with an Activity under this section, such as required housing counseling, appraisals, title reports or insurance, tax certificates, recording fees, surveys, and first year hazard and flood insurance are not subject to a maximum per Activity.

(g) Funds for administrative costs are limited to no more than 4four percent of the Direct Activity Costs, exclusive of Match funds.

~~(h) In the instances described in paragraphs (1) — (4) of this subsection~~ (h) For New Construction Activities, the assistance to an eligible Household shall be in the form of a loan in the amount of the Direct Activity Costs excluding Match funds. The loan will be at zero percent interest and include deferral of payment and annual pro rata forgiveness with a term based on the federal affordability requirements as defined in 24 CFR §92.254.

~~(1) — An MHU being replaced with newly constructed housing (site built) on the same site;~~

~~(2) Any housing unit being replaced on another site;~~

~~(3) Any housing unit that is being relocated out of the floodplain or replaced due to uninhabitability as allowed under subsection (a)(4) of this section; and~~

~~(4) Any Activity that requires a federal affordability period.~~

~~(i) For any Activity involving refinancing described in subsection (d)(4) of this section, the HOME funds used for refinancing shall be structured as a fully amortizing, repayable loan at zero percent interest. The loan term shall be calculated by setting the total estimated housing payment (including principal, interest, property taxes, insurance, and any other homebuyer assistance), equal to 20 percent of the Household's gross monthly income. The term shall not exceed thirty (30) years. Total debt service (back end ratio) may not exceed 45 percent. Any Direct Activity Costs, exclusive of refinancing costs and Match funds, shall be structured as a deferred, forgivable loan with a 15 year term.~~

~~(j) In all other instances not described in subsections (h) and (i) of this section, the assistance to an eligible Household will be in the form of a grant agreement with a 5 year affordability period.~~

~~(k)(i) For Reconstruction Activities, the assistance to an eligible Household will be in the form of a grant agreement with a five year affordability period.~~

(j) To ensure affordability, the Department will impose resale and recapture provisions established in this Chapter.

~~(l) For Reconstruction and New Construction, site(k) Site-built housing units must meet or exceed the 2000 International Residential Code and all applicable local codes, standards, ordinances, and zoning requirements. In addition, Reconstruction and New Construction housing is required to meet 24 CFR §92.251(a)(2) as applicable. Housing that is Rehabilitated under this Chapter must meet the Texas Minimum Construction Standards (TMCS) and all other applicable local codes, Rehabilitation standards, ordinances, and zoning ordinances in accordance with the HOME Final Rule. MHUs must be installed according to the manufacturer's instructions and in accordance with Federal and State laws and regulations.~~

~~(m) Each(l) Unless an exception is requested by the Household and approved by the Division Director prior to submission of the Activity, each unit must meet the design and quality requirements described in paragraphs (1) - (4) of this subsection:~~

(1) ~~Include the following amenities: Wired with RG-6 COAX or better and CAT3 phone cable or better to each bedroom and living room; Blinds or window coverings for all windows; Oven/Range; Exhaust/vent fans (vented to the outside) in bathrooms; Energy-Star or equivalently rated lighting in all rooms, which may include compact fluorescentLED~~

bulbs. The living room and each bedroom must contain at least one ceiling lighting fixture and wiring must be capable of supporting ceiling fans;

(2) ~~e~~Contain no less than two bedrooms. Each unit must contain complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation;

(3) ~~e~~Each bedroom must be no less than 100 square feet; have a length or width no less than 8 feet; be self contained with a door; have at least one window that provides exterior access; and have at least one closet that is not less than ~~2~~two feet deep and ~~3~~three feet wide and high enough to contain at least ~~5~~five feet of hanging space; and

(4) ~~be~~Be no less than 800 total net square feet for a two bedroom home; no less than 1,000 total net square feet for a three bedroom and two bathroom home; and no less than 1,200 total net square feet for a four bedroom and two bathroom home

~~(n)~~(m) Housing proposed to be constructed under this subchapter must meet the requirements of Chapters 20 and 21 of this ~~+~~Title and must be certified by a licensed architect or engineer.

(1) The Department will reimburse only for the first time a set of architectural plans are used, unless any subsequent site specific fees are paid to a Third Party architect, or a licensed engineer; ~~and~~.

(2) A NOFA may include incentives or otherwise require architectural plans to incorporate "green building" elements.

§23.32 Homeowner ~~Rehabilitation~~Reconstruction Assistance (HRA) Administrative Requirements

(a) Commitment or Reservation of Funds. The Administrator must submit the true and complete information, certified as such, with a request for the Commitment or Reservation of Funds as described in paragraphs (1) - (17) of this subsection:

(1) ~~H~~Head of Household name and address of housing unit for which assistance is being requested;

(2) ~~a~~A budget that includes the amount of Activity funds specifying the acquisition costs, construction costs, soft costs and administrative costs requested, a maximum of ~~5~~five percent of hard construction costs for contingency items, proposed Match to be provided, evidence that Direct Activity Cost and Soft Cost limitations are not exceeded, and evidence that any duplication of benefit is addressed;

(3) ~~v~~Verification of environmental clearance;

(4) ~~a~~A copy of the Household's intake application on a form prescribed by the Department;

- (5) ~~e~~Certification of the income eligibility of the Household signed by the Administrator and all Household members age 18 or over, and including the date of the income eligibility determination. In instances where the total Household income is within \$3,000 of the 80 percent AMFI, all documentation used to determine the income of the Household;
- (6) ~~p~~Project cost estimates, construction contracts, and other construction documents necessary to ensure applicable property standard requirements will be met at completion;
- (7) ~~w~~When assistance is provided in the form of a loan, provide written consent from all Persons who have a valid lien or ownership interest in the Property ~~for the Rehabilitation or Reconstruction Activities;~~
- (8) ~~in~~ In the instance of relocation ~~and in accordance with §23.31(a)(3) of this Chapter (relating from one site to HRA General Requirements), another site,~~ the Household must document Homeownership of the existing unit to be replaced and must establish Homeownership of the lot on which the replacement housing unit will be constructed. The Household must agree to the demolition of the existing housing unit. HOME Activity funds cannot be used for the demolition of the existing unit and any funding used for the demolition is not eligible Match; however, solely for a Activity under this paragraph, the Administrator Match obligation may be reduced by the cost of such demolition without any Contract amendment;
- (9) ~~i~~Identification of any Lead-Based Paint (LBP);
- (10) ~~f~~For housing units located within the 100-year floodplain or otherwise required to carry flood insurance by federal or local regulation, certification from the Household that they understand the flood insurance requirements;
- (11) ~~e~~Consent to demolish from any existing mortgage lien holders and consent to subordinate to the Department's loan, if applicable;
- (12) ~~i~~If applicable, documentation to address or resolve any potential conflict of interest, Identity of Interest, duplication of benefit, or floodplain mitigation;
- (13) ~~a~~A title commitment or policy or a down date endorsement to an existing title policy, ~~and evidencing the actual documents, or legible copies thereof, establishing the Household's Household's ownership, such as a warranty deed or ninety nine (99) year leasehold.~~ of the property:
 - (A) ~~For loan projects,~~ New Construction Activities, a title commitment or down-date endorsement to an existing title policy the effective date title commitment must be no more than ~~thirty (30)~~ 60 days prior to of the date of ~~project~~ Activity submission. Title commitments for loan projects that expire prior to the loan closing date must be updated and must not have any adverse changes. ~~For assistance provided in the~~

~~form of a grant agreement, a title report may be submitted in lieu of a title commitment or policy. In instances of an MHU, a Statement of Ownership and Location (SOL) must be submitted. Together, these documents must evidence the definition of Homeownership is met;~~

~~(14) tax~~(B) For Reconstruction Activities, a title report or a title commitment dated not more than six months prior to the date of Activity submission;

(14) Documents evidencing ownership, such as a warranty deed, life estate, or 99-year leasehold;

(15) If the housing to be replaced is an MHU, a Statement of Ownership and Location (SOL) for the MHU;

(16) Tax certificate that evidences a current paid status, and in the case of delinquency, evidence of an approved payment plan with the taxing authority and evidence that the payment plan is current;

~~(15) in~~(17) In the instances of replacement with an MHU, information necessary to draft loan documents or grant agreements to issue SOL;

~~(16) life~~(18) Life event documentation, as applicable, and all information necessary to prepare any applicable affidavits such as marital status and heirship; ~~and~~

~~(17) any~~(19) For disaster relief set-aside Activities, evidence that the housing unit occupied by the eligible Household was damaged as a direct result of a federal, state, or locally declared disaster that occurred less than four years prior to the submission of the Activity; and

(20) Any other documentation necessary to evidence that the Activity meets the program requirements.

(b) Loan closing or grant agreement. In addition to the documents required under subsection (a) of this section, the Administrator must submit the appraisal or other valuation method approved by the Department which establishes the post ~~Rehabilitation or Reconstruction~~construction value of improvements for Activities involving construction prior to the issuance of grant or loan documents by the Department.

(c) Disbursement of funds. The Administrator must comply with all of the requirements described in paragraphs (1) - (12) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Administrator's compliance with requirements described in paragraphs (1) - (12) of this subsection, may be required with a request for disbursement:

- (1) ~~F~~or construction costs associated with a loan, a down date endorsement to the title policy not older than the date of the last disbursement of funds or ~~forty five (45)~~ days, whichever is later. For release of retainage the down date endorsement must be dated at least ~~forty (40)~~ days after the Construction Completion Date;
- (2) ~~F~~or construction costs associated with a grant agreement, an interim lien waiver or final lien waiver. For release of retainage the release on final payment must be dated at least ~~forty (40)~~ days after the Construction Completion Date;
- (3) ~~I~~f applicable, a maximum of 50 percent of Activity funds for ~~an~~ Activity may be drawn before providing evidence of Match. Thereafter, each Administrator must provide evidence of Match, including the date of provision, in accordance with the percentage of Activity funds disbursed;
- (4) ~~P~~roperty inspections, including photographs of the front and side elevation of the housing unit and at least one picture of the kitchen, family room, one of the bedrooms and one of the bathrooms with date and property address reflected on each photo. The inspection must be signed and dated by the inspector and Administrator;
- (5) ~~C~~ertification that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided; ~~that~~ no Person that would benefit from the award of HOME funds; ~~that it~~ has satisfied ~~the Applicant's~~ any applicable cash reserve obligation or made promises in connection therewith; that each request for disbursement of HOME funds is for the actual cost of providing a service; and that the service does not violate any conflict of interest provisions;
- (6) ~~T~~he executed grant agreement or original, executed, legally enforceable loan documents and statement of location, if applicable, for each assisted Household containing remedies adequate to enforce any applicable affordability requirements. Original documents must evidence that such agreements have been recorded in the real property records of the county in which the housing unit is located and the original documents must be returned, duly certified as to recordation by the appropriate county official;
- (7) ~~E~~xpenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness for expenditures submitted for reimbursement. The Department may request Administrator to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of HOME funds to Administrator as may be necessary or advisable for compliance with all ~~Program Rules~~ program requirements;
- (8) ~~T~~he request for funds for administrative costs must be proportionate to the amount of Direct Activity Costs requested or already disbursed;

- (9) ~~Include the withholding of 10~~ten percent of hard construction costs for retainage. Retainage will be held until at least ~~forty (40)~~ days after the Construction Completion Date;
- (10) ~~For~~ final disbursement requests, submission of documentation required for Activity completion reports and evidence that the demolition or, if an MHU, salvage and removal of all dilapidated housing units on the lot ~~occurred for Newly Constructed or Rehabilitated housing unit~~, certification or other evidence acceptable to Department that the replacement house, whether site-built or MHU, was constructed or placed on and within the same lot for which ownership was established and on and within the same lot secured by the loan or grant agreement, if applicable, and evidence of floodplain mitigation;
- (11) ~~The~~ final request for disbursement must be submitted to the Department with support documentation no later than ~~sixty (60)~~ days after the termination date of the Contract in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract; and
- (12) ~~For~~ costs associated with insurance policies, including title policies and homeowner insurance policies, charged as Activity costs, evidence of payment of the title policy cost must be submitted with the retainage request.

SUBCHAPTER D — HOMEBUYER ASSISTANCE PROGRAM

~~§23.40 Homebuyer Assistance (HBA) Threshold and Selection Criteria~~

- (a) ~~Except for Applications under the disaster relief and Persons with Disabilities set asides, the amount of Match required must be at least 5 percent of Direct Activity Costs, exclusive of Match, requested.~~
- (b) ~~Documentation of a commitment of at least \$20,000 in cash reserves to facilitate administration of the program and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. The amount of the cash reserve commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:~~
- (1) ~~financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or~~
- (2) ~~evidence of an available line of credit or equivalent in an amount equal to or exceeding the requirement in this subsection.~~

~~§23.41 Homebuyer Assistance (HBA) General Requirements~~

~~(a) — Program funds under this subchapter are limited to the acquisition or acquisition and Rehabilitation for accessibility modifications of single family housing units.~~

~~(b) — The Household must complete a homebuyer counseling program/class.~~

~~(c) — Direct Activity Costs, exclusive of Match funds, are limited to:~~

~~(1) — acquisition and closing costs: the lesser of \$20,000 or the amount necessary as determined by an affordability analysis that evidences the total estimated housing payment (including principal, interest, property taxes, insurance, and any other homebuyer assistance) is no less than 20 percent of the Household's gross monthly income based on a thirty (30) year amortization schedule. If the estimated housing payment will be less than 20 percent, the Department shall reduce the amount of downpayment assistance to the homebuyer such that the total estimated housing payment is no less than 20 percent of the homebuyer's gross income; or~~

~~(2) — closing costs and downpayment: the lesser of \$6,000 or the total estimated settlement charges shown on the closing disclosure that are paid by the buyer at closing which are not paid by the buyer's contribution. Households assisted under this paragraph who, at the time of application, have assets which may be liquidated without a federal income tax penalty and which exceed three (3) months of estimated principal, interest, property tax, and property insurance payments for the unit to be purchased as shown in the truth in lending statement must contribute the excess funds to the total estimated settlement charges as shown on the good faith estimate; and~~

~~(3) — Rehabilitation for accessibility modifications: \$20,000.~~

~~(4) — No funds shall be disbursed to the assisted Household at closing. The HOME assistance shall be reduced in the amount necessary to prevent the Household's direct receipt of funds if the closing disclosure shows funds to be provided to the buyer at closing.~~

~~(5) — Total assistance to the Household must be in an amount of no less than \$1,000. Households who are not eligible for at least \$1,000 in total homebuyer assistance are ineligible for assistance under this subchapter.~~

~~(d) — Activity soft costs eligible for reimbursement for Activities of the following types are limited to:~~

~~(1) — acquisition and closing costs: no more than \$1,500 per housing unit; and~~

~~(2) — Rehabilitation for accessibility modifications: \$5,000 per housing unit.~~

~~(e) — Funds for Administrative costs are limited to no more than 4 percent of the Direct Activity Costs, exclusive of Match funds.~~

~~(f) — The assistance to an eligible Household shall be in the form of a loan in the amount of the Direct Activity Costs, excluding Match funds. The loan will be at zero percent interest and include deferral of payment and annual pro-rata forgiveness with a term based on the federal affordability requirements as defined in 24 CFR §92.254.~~

~~(g) — Any forgiveness of the loan must follow §23.30 of this Chapter.~~

~~(h) — To ensure affordability, the Department will impose the recapture provisions established in this Chapter.~~

~~(i) — Housing that is Rehabilitated under this Chapter must meet the Texas Minimum Construction Standards (TMCS) and all other applicable local codes, Rehabilitation standards, ordinances, and zoning ordinances in accordance with the HOME Final Rule, and Chapter 21 of this title. Housing units that are provided assistance for acquisition only must meet all applicable state and local housing quality standards and code requirements. In the absence of such standards and requirements, the housing units must meet the Housing Quality Standards (HQS) in 24 CFR §982.401.~~

§23.42 Homebuyer Assistance (HBA) Administrative Requirements

~~(a) — Reservation of Funds. The Administrator must submit true and complete information, certified as such, with a request for the Reservation of Funds, as described in paragraphs (1)–(7) of this subsection:~~

~~(1) — head of Household name;~~

~~(2) — a budget that includes the amount of Activity funds specifying the acquisition costs, construction costs, soft costs and administrative costs requested. A maximum of 5 percent of hard construction costs for contingency items, proposed Match to be provided, evidence that Activity and soft cost limitations are not exceeded, and evidence that any duplication of benefit is addressed;~~

~~(3) — a copy of the Household's intake application on a form prescribed by the Department;~~

~~(4) — certification of the income eligibility of the Household signed by the Administrator and all Household members age 18 or over, and including the date of the income eligibility determination. In instances where the total Household income is within \$3,000 of the 80 percent AMFI, all documentation used to determine the income of the Household;~~

~~(5) — if applicable, documentation to address or resolve any potential Conflict of Interest, Identity of Interest, or duplication of benefit;~~

~~(6) — if applicable, construction cost estimates, construction contracts, and other construction documents necessary to ensure applicable property standard requirements will be met at completion; and~~

~~(7) — any other documentation necessary to evidence that the Activity meets the program requirements.~~

~~(b) — Commitment of Funds. In addition to the documents required under subsection (a) of this section, the Administrator must submit the documents described in paragraphs (1) — (8) of this subsection, with a request for the Commitment of Funds within ninety (90) days of approval of the Reservation:~~

~~(1) — address of housing unit for which assistance is being requested;~~

~~(2) — verification of environmental clearance;~~

~~(3) — identification of Lead Based Paint (LBP);~~

~~(4) — for housing units located within the 100-year floodplain or otherwise required to carry flood insurance by federal or local regulation, certification from the Household that they understand the flood insurance requirements;~~

~~(5) — a title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanics or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. The effective date of the title commitment must be no more than thirty (30) days prior to the date of project submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close;~~

~~(6) — executed sales contract and documentation that the first lien mortgage meets the eligibility requirements;~~

~~(7) — appraisal which includes post Rehabilitation or Reconstruction improvements for Activities involving construction; and~~

~~(8) — a loan estimate or letter from the lender confirming that the loan terms and closing costs will be consistent with the executed sales contract, the first lien mortgage loan requirements, and the requirements of this Chapter.~~

~~(c) — Disbursement of funds. The Administrator must comply with all of the requirements described in paragraphs (1) — (10) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Administrator's compliance with requirements described in paragraphs (1) — (10) of this subsection, may be required with a request for disbursement:~~

~~(1) — For construction costs that are a part of a loan subject to the requirements of this subsection, a down date endorsement to the title policy not older than the date of the last disbursement of funds or forty five (45) days, whichever is later. For release of retainage the~~

~~down date endorsement must be dated at least forty (40) days after the date Construction Completion Date;~~

~~(2) — If applicable, a maximum of 50 percent of Activity funds for a Activity may be drawn before providing evidence of Match. Thereafter, each Administrator must provide evidence of Match, including the date of provision, in accordance with the percentage of Activity funds disbursed;~~

~~(3) — The property inspection must be signed and dated by the inspector and the Administrator or Developer;~~

~~(4) — Certification that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided, no Person that would benefit from the award of HOME funds has satisfied the Applicant's cash reserve obligation or made promises in connection therewith; that each request for disbursement of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions;~~

~~(5) — Original, executed, legally enforceable loan documents for each assisted Household containing remedies adequate to enforce any applicable affordability requirements. Original documents must evidence that such agreements have been recorded in the real property records of the county in which the housing unit is located and the original documents must be returned, duly certified as to recordation by the appropriate county official. This provision is not applicable for funds made available at the loan closing;~~

~~(6) — Expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness for expenditures submitted for reimbursement. The Department may request Administrator to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of HOME funds to Administrator as may be necessary or advisable for compliance with all program requirements;~~

~~(7) — The request for funds for Administrative costs must be proportionate to the amount of Direct Activity Costs requested or already disbursed;~~

~~(8) — Table funding requests must be submitted to the Department with complete documentation no later than ten (10) business days prior to the anticipated loan closing date. Such a request must include a draft settlement statement, title company payee identification information, the Administrator or Developer's authorization for disbursement of funds to the title company, request letter from title company to the Comptroller of Public Accounts with bank account wiring instructions, and invoices for soft costs being paid at closing;~~

~~(9) For Activities involving Rehabilitation, include the withholding of 10 percent of hard construction costs for retainage. Retainage will be held until at least forty (40) days after the Construction Completion Date and until submission of documentation required for Activity completion reports; and~~

~~(10) The final request for disbursement must be submitted to the Department with support documentation no later than sixty (60) days after the termination date of the Contract in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract.~~

SUBCHAPTER ~~ED~~ CONTRACT FOR DEED PROGRAM

§23.5040 Contract for Deed (CFD) Threshold and Selection Criteria

~~Documentation of a commitment of that the Applicant can commit~~ at least \$40,000 in cash reserves to facilitate administration of the program and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. The amount of the cash reserve commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

- (1) financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
- (2) evidence of an available line of credit or equivalent in an amount equal to or exceeding the requirement in this subsection.

§23.5141 Contract for Deed (CFD) General Requirements

(a) ~~Program funds may be used for the following under this subchapter:~~

~~(1) utilized for Acquisition or acquisition and Rehabilitation, Reconstruction, or refinance, and New Construction of single family housing units occupied by the purchaser as shown on an executory contract for conveyance; or~~

~~(2) Refinance with Rehabilitation, Reconstruction, or New Construction, of single family housing units occupied by the purchaser as shown on an executory contract for conveyance provided construction costs exceed the amount of debt that is to be refinanced;~~

~~(b) An MHU is not an eligible property type for Rehabilitation. MHUs must be installed according to the manufacturer's installation instructions and in accordance with Federal and State laws and regulations.~~

~~(c) The Household's income must not exceed 80% (percent AMFI) and the Household must complete a homebuyer counseling program/class.~~

~~(d)~~ (c) The Department shall limit the availability of funds for CFD for a minimum of 60 ~~calendar~~ days for Activities proposing to serve Households whose income does not exceed 60% percent AMFI, and for properties located in a Colonia as defined in Tex. Gov't Code §2306.083.

~~(e)~~ (d) The Department will require a first lien position.

~~(f)~~ — Direct Activity Costs, exclusive of Match funds, are limited to:

(e) Direct Activity Costs, exclusive of Match funds, and are limited to the amounts described in this subsection; however, not more than once per year, the Board in its sole discretion, may increase or decrease by up to five percent of the limitation for Direct Activity Costs. Total Activity costs may not exceed HUD Subsidy Limits. Dollar amounts in a Household commitment contract are set at the time of contract execution and may not be adjusted through this process. Current dollar amounts under this subsection will be reflected on the Department's website.

(1) Refinance, acquisition, and closing costs: \$35,000. In the case of a contract for deed housing unit that involves the refinance or acquisition of a loan on an existing MHU and/or the loan for the associated land, the Executive Director may grant an exception to exceed this amount, however, the Executive Director will not grant an exception to exceed \$40,000 of assistance;

(2) Reconstruction and New Construction of site-built housing: the lesser of ~~\$90~~120 per square foot of conditioned space or ~~\$100~~135,000, or for Households of five or more Persons the lesser of ~~\$90~~120 per square foot of conditioned space or ~~\$11~~50,000 for a four-bedroom unit; and

(3) Replacement with an energy efficient MHU: ~~\$75~~90,000; and

~~(4)~~ — Rehabilitation that is not Reconstruction: \$60,000, or up to \$100,000 for properties listed in or identified as eligible for listing in the National Register of Historic Places.

~~(e)~~ (f) In addition to the Direct Activity Costs allowable under subsection ~~(d)~~(e) of this section, a sum not to exceed ~~\$10~~15,000 may be used to pay for any or all of the following, as applicable:

(1) Necessary environmental mitigation as identified during the Environmental review process;

(2) Installation of an aerobic septic system; ~~or~~ and

(3) Homeowner requests for accessibility features.

~~(h)~~ (g) Activity soft costs eligible for reimbursement for Activities of the following types are limited to:

- (1) ~~Acquisition or refinance, and closing costs~~New Construction of site-built housing: no more than ~~\$113,500~~13,500 per housing unit; and
- (2) ~~Reconstruction or New Construction~~: no more than \$10,000 per housing unit;
- ~~(3) Replacement~~Acquisition or refinance, and replacement with an MHU: no more than ~~\$3,500~~5,000 per housing unit;
- ~~(4) Rehabilitation that is not Reconstruction~~: \$7,000 per housing unit. This limit may be exceeded for lead-based remediation and only upon prior approval of the Division Director. The costs of testing and assessments for lead-based paint are not eligible Activity soft costs for housing units that are reconstructed or if the existing housing unit was built after December 31, 1977.
- ~~(h)~~ Funds for administrative costs are limited to no more than ~~4%~~four percent of the Direct Activity Costs, exclusive of Match funds.
- ~~(i)~~ The assistance to an eligible Household shall be in the form of a loan in the amount of the Direct Activity Costs excluding Match funds. The loan will be at zero percent interest and include deferral of payment and annual pro rata forgiveness with a term based on the federal affordability requirements as defined in 24 CFR §92.254. For refinancing activities, the minimum loan term and affordability period is 15 years, regardless of the amount of HOME assistance.
- ~~(k)~~ To ensure affordability, the Department will impose resale ~~and~~or recapture provisions established in this Chapter.
- ~~(l) For Reconstruction and New Construction, site~~(k) Site-built housing units must meet or exceed the 2000 International Residential Code and all applicable local codes, standards, ordinances, and zoning requirements. In addition, Reconstruction and New Construction housing is required to meet, and the standards outlined in 24 CFR §92.251(a)(2) as applicable. Housing that is Rehabilitated under this chapter must meet the Texas Minimum Construction Standards (TMCS) and all other applicable local codes, Rehabilitation standards, ordinances, and zoning ordinances in MHUs must be installed according to the manufacturer's instructions and in accordance with the HOME Final Rule. Housing units that are provided assistance for acquisition only must meet all applicable state and local housing quality standards and code requirements. In Federal and State laws and regulations.
- ~~(l)~~ Unless an exception is requested by the absence Household and approved by the Division Director prior to submission of such standards and requirements, the housing units must meet the Housing Quality Standards (HQS) in 24 CFR §982.401.
- ~~(m) Each~~Activity, each unit must meet the design and quality requirements described in paragraphs (1) - (4) of this subsection:

- (1) Include the following amenities: Wired with RG-6 COAX or better and CAT3 phone cable or better to each bedroom and living room; Blinds or window coverings for all windows; Oven/Range; Exhaust/vent fans (vented to the outside) in bathrooms; Energy-Star or equivalently rated lighting in all rooms, which may include ~~compact fluorescent~~LED bulbs. The living room and each bedroom must contain at least one ceiling lighting fixture and wiring must be capable of supporting ceiling fans;
- (2) Contain no less than two bedrooms. Each unit must contain complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation;
- (3) Each bedroom must be no less than 100 square feet; have a length or width no less than eight feet; be self-contained with a door; have at least one window that provides exterior access; and have at least one closet that is not less than two feet deep and three feet wide and high enough to contain at least five feet of hanging space; and
- (4) Be no less than 800 total net square feet for a two bedroom home; no less than 1,000 total net square feet for a three bedroom and two bathroom home; and no less than 1,200 total net square feet for a four bedroom and two bathroom home.

~~(n)~~(m) Housing proposed to be constructed under this subchapter must meet the requirements of Chapters 20 and 21 of this ~~title~~title (relating to Single Family Programs Umbrella Rule and Minimum Energy Efficiency Requirements for Single Family Construction Activities, respectively) and must be certified by a licensed architect or engineer.

- (1) The Department will reimburse only for the first time a set of architectural plans are used, unless any subsequent site specific fees are paid to a Third Party architect, or a licensed engineer;~~and.~~
- (2) A NOFA may include incentives or otherwise require architectural plans to incorporate "green building" elements.

~~§23.5242~~ §23.5242 Contract for Deed (CFD) Administrative Requirements

- (a) Commitment or Reservation of Funds. The Administrator must submit true and correct information, certified as such, with a request for the Commitment or Reservation of Funds as described in paragraphs (1) - (15) of this subsection:
 - (1) ~~H~~Head of Household name and address of housing unit for which assistance is being requested;
 - (2) ~~a~~a budget that includes the amount of Activity funds specifying the acquisition costs, construction costs, soft costs and administrative costs requested, a maximum of ~~5~~five percent of hard construction costs for contingency items, proposed Match to be

provided, evidence that Activity and soft costs limitations are not exceeded, and evidence that any duplication of benefit is addressed;

- (3) ~~v~~Verification of environmental clearance;
- (4) ~~a~~A copy of the Household's intake application on a form prescribed by the Department;
- (5) ~~e~~Certification of the income eligibility of the Household signed by the Administrator and all Household members age 18 or over, and including the date of the income eligibility determination. In instances the total Household income is within \$3,000 of the 80 percent AMFI, all documentation used to determine the income of the Household;
- (6) ~~p~~Project cost estimates, construction contracts, and other construction documents necessary to ensure applicable property standard requirements will be met at completion;
- (7) ~~i~~Identification of Lead-Based Paint (LBP);
- (8) ~~f~~For housing units located within the 100-year floodplain or otherwise required to carry flood insurance by federal or local regulation, certification from the Household that they understand the flood insurance requirements;
- (9) ~~i~~If applicable, documentation to address or resolve any potential Conflict of Interest, Identity of Interest, duplication of benefit, or floodplain mitigation;
- (10) ~~a~~Appraisal which includes post ~~Rehabilitation or Reconstruction~~construction improvements for Activities involving construction;
- (11) ~~a~~A title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanic's or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. The effective date of the title commitment must be no more than ~~thirty (30)~~60 days prior to the date of Activity submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close;
- (12) ~~i~~In the instances of replacement with an MHU, information necessary to draft loan documents and issue Statement of Ownership and Location (SOL);
- (13) ~~l~~Life event documentation, as applicable, and all information necessary to prepare any applicable affidavits such as marital status and heirship;
- (14) ~~a~~A copy of the recorded ~~contract for deed~~executory contract and a current payoff statement; and

(15) ~~a~~Any other documentation necessary to evidence that the Activity meets the program requirements.

(b) Disbursement of funds. The Administrator must comply all of the requirements described in paragraphs (1) - (11) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Administrator's compliance with requirements described in paragraphs (1) - (11) of this subsection may be required with a request for disbursement:

(1) ~~F~~or construction costs, a down date endorsement to the title policy not older than the date of the last disbursement of funds or ~~forty five (45)~~ days, whichever is later. For release of retainage the down date endorsement must be dated at least ~~forty (40)~~ days after the Construction Completion Date;

(2) ~~i~~f applicable, a maximum of 50 percent of Activity funds for ~~an~~ Activity may be drawn before providing evidence of Match. Thereafter, each Administrator must provide evidence of Match, including the date of provision, in accordance with the percentage of Activity funds disbursed;

(3) ~~p~~roperty inspections, including photographs of the front and side elevation of the housing unit and at least one picture of the kitchen, family room, one of the bedrooms and one of the bathrooms with date and property address reflected on each photo. The inspection must be signed and dated by the inspector and Administrator;

(4) ~~c~~ertification that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided, no Person that would benefit from the award of HOME funds has satisfied the Applicant's cash reserve obligation or made promises in connection therewith; that each request for disbursement of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions;

(5) ~~o~~Original, executed, legally enforceable loan documents, and statement of location, as applicable, for each assisted Household containing remedies adequate to enforce any applicable affordability requirements. Original documents must evidence that such agreements have been recorded in the real property records of the county in which the housing unit is located and the original documents must be returned, duly certified as to recordation by the appropriate county official. This provision is not applicable for funds made available at the loan closing;

(6) ~~e~~xpenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness of each expenditure submitted for reimbursement. The Department may request Administrator or Developer to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional

requirements for payment of HOME funds to Administrator as may be necessary or advisable for compliance with all program requirements;

- (7) ~~¶~~The request for funds for administrative costs must be proportionate to the amount of Direct Activity Costs requested or already disbursed;
- (8) ~~¶~~Table funding requests must be submitted to the Department with complete documentation no later than ~~ten (10) business~~14 days prior to the anticipated loan closing date. Such a request must include a draft ~~settlement statement~~closing disclosure, title company payee identification information, the Administrator or Developer's authorization for disbursement of funds to the title company, request letter from title company to the Comptroller of Public Accounts with bank account wiring instructions, and invoices for costs being paid at closing;
- (9) include the withholding of ~~10ten~~ percent of hard construction costs for retainage. Retainage will be held until at least ~~forty (40) days~~40days after the Construction Completion Date;
- (10) ~~¶~~For final disbursement requests, submission of documentation required for Activity completion reports and evidence that the demolition or, if an MHU, salvage and removal of all dilapidated housing units on the lot, certification or other evidence acceptable to Department that the replacement house, whether site-built or MHU, was constructed or placed on and within the same lot secured by the loan, and evidence of floodplain mitigation; ~~and~~
- (11) ~~¶~~The final request for disbursement must be submitted to the Department with support documentation no later than ~~sixty (60)~~ days after the termination date of the Contract in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract.—; and
- (12) For costs associated with insurance policies, including title policies and homeowner's insurance policies, charged as Activity costs, evidence of payment of the cost must be submitted with the retainage request.

SUBCHAPTER ~~¶~~ TENANT-BASED RENTAL ASSISTANCE PROGRAM

§23.6050 Tenant-Based Rental Assistance (TBRA) Threshold and Selection Criteria

All Applicants and Applications must submit Documentation of a commitment of at least \$15,000 for cash reserves to facilitate administration of the program and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. The amount of the cash reserve commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

- (1) financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
- (2) evidence of an available line of credit or equivalent in an amount equal to or exceeding the requirement in this subsection; and
- (3) evidence that the Service Area for a Contract or RSP Agreement includes the entire rural or urban area of a county as identified in the Application, excluding Participating Jurisdictions. However, Service Areas must include Participating Jurisdictions as applicable if the Agreement includes access to the Persons with Disabilities set-aside.

§23.6151 Tenant-Based Rental Assistance (TBRA) General Requirements

- (a) ~~The Household~~ Households assisted under the general set-aside must participate in a self-sufficiency program, as described in the Administrator's policies and procedures.
- (b) The amount of assistance will be determined using the HUD Housing Choice Voucher method.
- (c) ~~Households~~ A Household certifying to zero income must also complete a questionnaire ~~which that~~ includes a series of questions regarding how basic hygiene, dietary, transportation, and other living needs are met.
- (d) The minimum Household contribution toward gross monthly rent must be ten percent of the Household's ~~gross monthly income~~ adjusted monthly income. The maximum Household contribution toward gross monthly rent at initial occupancy is limited to 40 percent of the Household's gross monthly income.
- (e) Activity funds are limited to:
 - (1) ~~Rental~~ subsidy: Each rental subsidy term is limited to no more than ~~twenty-four (24)~~ months. Total lifetime assistance to a Household may not exceed ~~thirty-six (36)~~ months cumulatively, except that a maximum of ~~twenty-four (24)~~ additional months of assistance, for a total of ~~sixty (60)~~ months cumulatively may be approved if:
 - (A) the Household has applied for a Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program, and is placed on a waiting list during their TBRA participation tenure; and
 - (B) the Household has not been removed from the waiting list for the Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202

Supportive Housing for the Elderly Program due to failure to respond to required notices or other ineligibility factors; and

(C) the Household has not been denied participation in the Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program while they were being assisted with HOME TBRA; and

(D) the Household did not refuse to participate in the Section 8 Housing Choice Voucher, HUD Section 811 Supportive Housing for Persons with Disabilities, HUD Section 811 Project Rental Assistance Demonstration, or HUD Section 202 Supportive Housing for the Elderly Program when a voucher was made available.

(2) ~~§~~Security deposit: no more than the amount equal to two ~~(2)~~ month's rent for the unit.

(3) ~~u~~Utility deposit in conjunction with a TBRA rental subsidy.

(f) The payment standard is determined at the ~~d~~Date of ~~a~~Assistance. The payment standard utilized by the Administrator must be:

(1) ~~f~~For metropolitan counties and towns, the current U.S. Department of Housing and Urban Development (HUD) Small Area Fair Market Rent for the Housing Choice Voucher Program;

(2) ~~f~~For nonmetropolitan counties and towns, the current HUD Fair Market Rent for the Housing Choice Voucher Program;

(3) ~~f~~For a HOME assisted unit, the current applicable HOME rent; or

(4) ~~t~~The Administrator may submit a written request to the Department for approval of a different payment standard. The request must be evidenced by a market study or documentation that the PHA serving the market area has adopted a different payment standard. An Administrator may request a Reasonable Accommodation as defined in ~~§~~Section 1.204 of this ~~t~~Title for a specific Household if the Household, because of a disability, requires the features of a specific unit, and units with such features are not available in the Service Area at the payment standard.

(g) Administrators must select the method under which funds for administrative costs and Activity soft costs may be reimbursed prior to execution of an RSP agreement or at Application for an award of funds. Administrators of an existing RSP Agreement may request an amendment to an existing Agreement in accordance with Section 23.1 of this Chapter. Applicants and Administrators may choose from one of the following options, and in any case funds for Administrative costs may be increased by an additional ~~4~~one percent

of Direct Activity Costs if Match is provided in an amount equal to 5five percent or more of Direct Activity Costs:

- (1) Funds for Administrative costs are limited to 4four percent of Direct Activity Costs, excluding Match funds, and Activity soft costs are limited to \$1,200 per Household assisted. Activity soft costs may reimburse expenses for costs related to determining Household income eligibility, including recertification, and conducting Housing Quality Standards (HQS) inspections. All costs must be reasonable and customary for the Administrator's Service Area; or
 - (2) Funds for Administrative costs are limited to 8eight percent of Direct Activity Costs, excluding Match funds, and Administrator may not be reimbursed for Activity soft costs.
- (h) Administrators must have a written agreement with Owner that the Owner will notify the Administrator within one ~~(1)~~ month if a tenant moves out of an assisted unit prior to the lease end date.
- (i) Administrator must not approve a unit if the owner is by consanguinity, affinity, or adoption the parent, child, grandparent, grandchild, sister, or brother of any member of the assisted Household, unless the Administrator determines that approving the unit would provide Reasonable Accommodation for a Household member who is a Person with Disabilities. This restriction against Administrator approval of a unit only applies at the time the Household initially receives assistance under a Contract or Agreement, but does not apply to Administrator approval of a recertification with continued tenant-based assistance in the same unit.
- (j) Administrators must maintain Written Policies and Procedures established for the HOME Program in accordance with §Section 10.802 of this Title, except that where the terms Owner, Property, or Development are used Administrator or Program will be substituted, as applicable. Additionally, the procedures in subsection (l) of this section (relating to the Violence Against Women Act (if in conflict with the provisions in §Section 10.802 of this Title)) will govern.
- (k) Administrators serving a Household under a Reservation Agreement may not issue a Certificate of Eligibility to the Household prior to reserving funds for the Activity.
- (l) Administrators are required to comply with regulations and procedures outlined in the Violence Against Women Act (VAWA), and provide tenant protections as established in the Act.
- (1) An Administrator of Tenant-Based Rental Assistance must provide all Applicants (at the time of admittance or denial) and Households (before termination from the Tenant-Based Rental Assistance program or from the dwelling assisted by the Tenant-Based Rental Assistance Coupon Contract) the Department's "Notice of Occupancy Rights

under the Violence Against Women Act", (based on HUD form 5380) and also provide to Households "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking" (HUD form 5382) prior to execution of a Rental Coupon Contract and before termination of assistance from the Tenant-Based Rental Assistance program or from the dwelling assisted by the Tenant-Based Rental Assistance coupon contract.

- (2) Administrator must notify the Department within three ~~(3) calendar~~ days when tenant submits a Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and/or alternate documentation to Administrator and must submit a plan to Department for continuation or termination of assistance to affected Household members.
- (3) Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, Administrator may "bifurcate" a rental coupon contract, or otherwise remove a Household member from a rental coupon contract, without regard to whether a Household member is a signatory, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a recipient of TBRA and who engages in criminal acts of physical violence against family members or others. This action may be taken without terminating assistance to, or otherwise penalizing the person subject to the violence.

§23.6252 Tenant-Based Rental Assistance (TBRA) Administrative Requirements

- (a) Commitment or Reservation of Funds. The Administrator must submit the documents described in paragraphs (1) - (9) of this subsection, with a request for the Commitment or Reservation of Funds:
 - (1) ~~H~~Head of Household name and address of housing unit for which assistance is being requested;
 - (2) ~~a~~A budget that includes the amount of Direct Activity Costs, Activity soft costs, administrative costs requested, Match to be provided, evidence that Direct Activity Cost limitations are not exceeded, and evidence that any duplication of benefit is addressed;
 - (3) ~~v~~Verification of environmental clearance;
 - (4) ~~a~~A copy of the Household's intake application on a form prescribed by the Department;
 - (5) ~~c~~Certification of the income eligibility of the Household signed by the Administrator, and all Household members age 18 or over, and including the date of the income eligibility determination. Administrator must submit documentation used to determine the income and rental subsidy of the Household;
 - (6) ~~i~~Identification of Lead-Based Paint (LBP);

(7) ~~If~~ applicable, documentation to address or resolve any potential conflict of interest or duplication of benefit;

(8) ~~Project~~ address within ~~ninety (90)~~ days of preliminary set up approval, if applicable;

(9) For Households assisted under the Disaster set-aside, verification that the household was displaced or is at-risk of displacement as a direct result of a Federal, State, or Locally declared disaster approved by the Department within four years of the date of Activity submission; and

~~(9) any~~ (10) Any other documentation necessary to evidence that the Activity meets the Program Rules program requirements.

(b) Disbursement of funds. The Administrator must comply with all of the requirements described in paragraphs (1) - (~~8~~7) of this subsection for a request for disbursement of funds. Submission of documentation related to the Administrator compliance with requirements described in paragraphs (1) - (~~8~~7) of this subsection may be required with a request for disbursement:

(1) If required or applicable, a maximum of 50 percent of Direct Activity Costs for ~~an~~ Activity may be drawn before providing evidence of Match. Thereafter, each Administrator must provide evidence of Match, including the date of provision, in accordance with the percentage of Direct Activity Costs disbursed;

(2) Certification that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided, no Person that would benefit from the award of HOME funds has satisfied the Applicant's cash reserve obligation or made promises in connection therewith; that each request for disbursement of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions;

(3) Expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness of each expenditure submitted for reimbursement. The Department may request Administrator to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of HOME funds to the Administrator or Developer as may be necessary or advisable for compliance with all Program Requirements;

(4) With the exception of a maximum of 25 percent of the total funds available for administrative costs, the request for funds for administrative costs must be proportionate to the amount of Direct Activity Costs requested or already disbursed;

(5) Requests may come in not more than ~~ten (10)~~ 15 days in advance of the first day of the following month;

(6) For final disbursement requests, submission of documentation required for Activity completion reports; and

~~(7) Household commitment contracts may be signed after the end date of an RSP only in cases where the Department has approved a project set up with a project address to be determined at a later time; and~~

~~(8)~~(7) The final request for disbursement must be submitted to the Department with support documentation no later than ~~sixty (60)~~ days after the termination date of the Contract in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract.

SUBCHAPTER ~~GF~~ SINGLE FAMILY DEVELOPMENT PROGRAM

§23.7060 Single Family Development (SFD) Threshold and Selection Criteria

All Applicants and Applications must submit or comply with this section.

(1) An Application for Community Housing Development Organization (CHDO) certification. Applicants must meet the requirement for CHDO certification as defined in ~~10 TAG~~ §Section 13.2 of this ~~€Title~~ (relating to the Multifamily Direct Loan Rule).

~~(2) If the total of the Department's loan equals more than 50 percent of the total development cost, except for developments also financed with U.S. Department of Agriculture (USDA) funds, the Applicant must provide:~~

(2) The Applicant must provide:

(A) evidence of a line of credit or equivalent tool of at least \$80,000 from a financial institution that will be available for use during the proposed development activities; or

(B) a letter from a third party Certified Public Accountant (CPA) verifying the capacity of the owner or developer to provide at least \$80,000 as a short term loan for development; and

(C) a letter from the developer's or owner's bank(s) confirming funds amounting to at least \$80,000 is available.

(3) A proposed development plan that is consistent with the requirements of this Chapter, all other federal and state rules, and includes:

(A) a floor plan and front exterior elevation for each proposed unit which reflects the exterior building composition;

- (B) a FEMA Issued Flood Map that identifies the location of the proposed site(s);
- (C) letters from local utility providers, on company letterhead, confirming each site has access to the following services: water and wastewater, sewer, electricity, garbage disposal and natural gas, if applicable
- (D) documentation of site control of each proposed lot: A recorded warranty deed with corresponding executed settlement statement; or a contract or option for the purchase of the proposed lots that is valid for at least ~~one hundred twenty (120) days~~120days from the date of application submission; and
- (E) an "as vacant" appraisal of at least one of the proposed lots if: The Applicant has an Identity of Interest with the seller or current owner of the property; or any of the proposed property is part of a newly developed or under-development subdivision in which at least three other third-party sales cannot be evidenced. The purchase price of any lot in which the current owner has an Identity of Interest must not exceed the appraised value of the vacant lot at the time of Activity submission. The appraised value of the lot may be included in the sales price for the homebuyer transaction;

(4) The Department may prioritize Applications or otherwise incentivize Applications that partner with other lenders to provide permanent purchase money financing for the purchase of units developed with funds provided under this subchapter.

§23.7161 Single Family Development (SFD) General Requirements

- (a) Program funds under this subchapter may be used for the ~~acquisition and New Construction or acquisition and Rehabilitation~~Development of new single family housing for homeownership that complies with affordability requirements as defined at 24 CFR §92.254.
- (b) Program funds under this subchapter are only eligible to be administered by a CHDO certified as such by the Department. A separate grant for CHDO operating expenses may be awarded to CHDOs that receive a Contract award if funds are provided for this purpose in the NOFA. A CHDO may not receive more than one grant of CHDO operating funds in an amount not to exceed \$50,000 within any one year period, and may not draw more than \$25,000 in CHDO operating funds in any ~~12~~twelve month period from any source, including CHDO operating funds from other HOME Participating Jurisdictions.
- (c) The Household's income must not exceed 80 percent ~~area median family income (AMFI) and the Household must complete a homebuyer counseling program/class. The Household must be income qualified as of the date of signature of the homebuyer's purchase contract.~~
- (d) Each unit must meet the design and quality requirements described in paragraphs (1) - (5) of this subsection:

- (1) ~~for New Construction and Reconstruction, current~~Current applicable International Residential Code, local codes, ~~Rehabilitation standards,~~ ordinances, and zoning ordinances in accordance with ~~the~~ 24 CFR§92.251(a);
- (2) ~~Include~~ the following amenities: Wired with RG-6 COAX or better and CAT3 phone cable or better to each bedroom and living room; Blinds or window coverings for all windows; Disposal and Energy-Star or equivalently rated dishwasher (must only be provided as an option to each Household); Oven/Range; Exhaust/vent fans (vented to the outside) in bathrooms; Energy-Star or equivalently rated lighting in all rooms, which may include ~~compact florescent~~LED bulbs. The living room and each bedroom must contain at least one ceiling lighting fixture and wiring must be capable of supporting ceiling fans; and Paved off-street parking for each unit to accommodate at least one mid-sized car and access to on-street parking for a second car;
- (3) ~~e~~Contain no less than two bedrooms. Each unit must contain complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation;
- (4) ~~e~~Each bedroom must be no less than 100 square feet; have a length or width no less than 8 feet; be self contained with a door; have at least one window that provides exterior access; and have at least one closet that is not less than ~~2~~two feet deep and ~~3~~three feet wide and high enough to contain at least ~~5~~five feet of hanging space; and
- (5) ~~be~~Be no less than 800 total net square feet for a two bedroom home; no less than 1,000 total net square feet for a three bedroom and two bathroom home; and no less than 1,200 total net square feet for a four bedroom and two bathroom home.

(e) Housing proposed to be constructed under this subchapter must meet the requirements in Chapters 20 and 21 of this ~~€~~Title and plans submitted with the Application must be certified by a licensed architect or engineer.

(f) The total hard construction costs are limited ~~as described in paragraphs (1) and (2) of this subsection:~~

~~(1) — Reconstruction and New Construction of site-built housing: The hard construction costs are limited to \$90,120 per square foot of conditioned space and \$100,135,000 or for Households of five units with three or more Persons fewer bedrooms and the lesser of \$90,120 per square foot of conditioned space or \$145,000 for a units with four-bedroom unit; and~~

~~(2) Rehabilitation that is not Reconstruction: \$60,000, or or more bedrooms. Not more than once per year, the Board in its sole discretion, may increase or decrease by up to \$100,000 for properties listed in or identified as eligible for listing in the National Register of Historic Places 5 percent of the limitation for hard construction costs. Total Activity costs may not exceed HUD Subsidy Limits. Current dollar amounts under this subsection will be reflected on the Department's website.~~

- (g) In addition to the Direct Activity Costs allowable under subsection (d) of this section, a sum not to exceed \$~~10~~15,000 may be used to pay for any or all of the following, as applicable:
- (1) ~~N~~Necessary environmental mitigation as identified during the Environmental review process;
 - (2) ~~i~~installation of an aerobic septic system; ~~or and~~
 - (3) ~~homeowner~~Homebuyer requests for accessibility features.
- (h) Developer fees (including consulting fees) are limited to 15 percent of the total hard construction costs. The developer fee will be reduced by 1~~one~~ percent per month or partial month that the construction period exceeds the original term of the construction period financing.
- (i) General Contractor Fees are limited to 15 percent of the total hard construction costs. The General Contractor is defined as one who contracts for the construction ~~or Rehabilitation~~ of an entire development Activity, rather than a portion of the work. The General contractor hires subcontractors, such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors. A prime subcontractor will also be treated as a General Contractor, and any fees payable to the prime subcontractor will be treated as fees to the General Contractor, in the scenarios described in paragraphs (1) and (2) of this subsection:
- (1) ~~a~~Any subcontractor, material supplier, or equipment lessor receiving more than 50 percent of the contract sum in the construction contract will be deemed a prime subcontractor; or
 - (2) ~~i~~if more than 75 percent of the contract sum in the construction contract is subcontracted to three or fewer subcontractors, material suppliers, and equipment lessors, such parties will be deemed prime subcontractors.
- (j) Construction period financing for each unit shall be structured as a zero percent interest loan with a ~~twelve (12)~~ month term, ~~or with a term that coincides with the end date of the Household commitment contract under a Reservation System Participation Agreement.~~ The maximum construction loan amount may not exceed the total development cost less developer fees/profit, ~~homebuyer~~ closing costs associated with the permanent mortgage financing, and ineligible Activity costs. Prior to construction loan closing, a sales contract must be executed with a qualified homebuyer.
- (k) In the instance that the ~~Combined Loan to Value~~ total development cost equals more than 100 percent of the appraised value, the portion of the ~~sales price~~ development cost that exceeds 100 percent of the appraised value will be granted to the developer to buy down the purchase price ~~if the homebuyer is receiving downpayment assistance or a first lien mortgage from the Department. The cost to the Developer to close the homebuyer loan.~~

Reasonable and customary seller closing costs may be provided with HOME funds as a grant to the Developer.

- (l) ~~The HOME~~Direct assistance to the ~~homebuyer shall~~buyer will be structured as a first and/or second lien loan(s):

~~(1) the downpayment~~(1) A first-lien, fully amortizing, repayable loan with a 30-year term may be provided by the Department and will initially be evaluated at zero percent interest. The loan amount will not exceed the total development cost combined with reasonable and customary buyer's closing costs. Should the estimated housing payment, including all funding sources, be less than the minimum required housing payment for the minimum term, the Department may charge an interest rate to the homebuyer such that the total estimated housing payment is no less than the required minimum housing payment. In no instance shall the interest rate charged to the homebuyer exceed five percent, and such result may deem the applicant as overqualified for assistance.

(A) The total Mortgage Loan may include costs incurred for the total development cost and Mortgage Loan Closing Costs, exclusive of Match funds.

(B) The total Debt-to-Income Ratio shall not exceed the limitations set forth in Chapter 20 of this Title.

(C) For buyers whose income is equal to or less than 50 percent AMFI, the minimum required housing payment shall be no less than 15 percent of the household's gross income. For homebuyers whose income exceeds 50 percent AMFI, the minimum required housing payment shall be no less than 20 percent of the household's gross income.

(2) Downpayment and closing costs assistance is limited to the lesser of downpayment required by a third-party lender and reasonable and customary buyer's closing costs, or the amount required to ensure affordability of the HOME financing. Downpayment and closing cost assistance may not exceed ten percent of the total development costs and shall be structured as a five or ten—(10)—year deferred, forgivable loan with a subordinate lien; and, in accordance with the required federal affordability period.

~~(2) — a first lien conventional mortgage not provided by the Department must meet the mortgage financing requirements outlined in Chapter 20 of this title. If the Department is providing the first lien mortgage with HOME financing, the loan will be fully amortizing with a thirty (30) year term. The Department will require a debt to income ratio (back end ratio) not to exceed 45 percent. The total estimated housing payment (including principal, interest, property taxes, and insurance) shall be no less than 20 percent and no greater than 30 percent of the Household's gross monthly income. Should the estimated housing payment be less than 20 percent of the Household's gross income, the Department shall reduce the amount of~~

~~downpayment assistance and/or charge an interest rate to the homebuyer such that the total estimated housing payment is no less than 20 percent of the homebuyer's gross income. In no instance shall the interest rate charged to the homebuyer exceed 5 percent.~~

(3) A first lien conventional mortgage not provided by the Department must meet the mortgage financing requirements outlined in Chapter 20 of this Title.

(m) Earnest money is limited to no more than \$1,000, which may be credited to the homebuyer at closing, but may not be reimbursed as cash. ~~HOME funds may be used to pay other reasonable and customary closing costs that are HOME eligible costs.~~

(n) If a Household should become ineligible or otherwise cease participation and a replacement Household is not located within ~~ninety (90)~~ days of the end of the construction period, all additional funding, closings, and draws on the award will cease and the Department will require the Applicant to repay any outstanding construction debt in full.

(o) The Division Director may approve the use of alternative floor plans or lots from those included in the approved Application, provided the requirements of this section can still be met and such changes do not materially affect the total budget.

(p) To ensure affordability, the Department will impose resale or recapture provisions established in this Chapter.

§23.7262 Single Family Development (SFD) Administrative Requirements

(a) Commitment or Reservation of Funds. The Administrator must submit true and correct information, certified as such, with a request for the Commitment ~~or Reservation~~ of Funds as described in paragraphs (1) - (11) of this subsection:

(1) ~~H~~Head of Household name and address of housing unit for which assistance is being requested;

(2) ~~a~~A budget that includes the amount of Activity funds specifying the acquisition cost, construction costs, contractor fees, and developer fees, as applicable. A maximum of ~~5~~five percent of hard construction costs for contingency items, proposed Match to be provided, evidence that Activity Cost limitations are not exceeded, and evidence that any duplication of benefit is addressed;

(3) ~~v~~Verification of environmental clearance;

(4) ~~a~~A copy of the Household's intake application on a form prescribed by the Department;

(5) ~~e~~Certification of the income eligibility of the Household signed by the Administrator and all Household members age 18 or over, and including the date of the income eligibility determination. ~~In instances where the total Household income is within \$3,000 of the~~

~~80 percent AMFI, all~~ All documentation used to determine the income of the Household must be provided;

(6) ~~p~~Project cost estimates, construction contracts, and other construction documents necessary, in the Department's sole determination, to ensure applicable property standard requirements will be met at completion;

(7) identification of Lead-Based Paint (LBP); if site remediation is needed;

(8) ~~e~~Executed sales contract and documentation that the first lien mortgage meets the eligibility requirements;

(9) ~~#~~Evidence that the housing unit will be located outside the 100-year floodplain;

(10) _____ If applicable, documentation to address or resolve any potential conflict of interest, Identity of Interest, duplication of benefit, or floodplain mitigation;

~~(10) _____ appraisal~~ (11) Appraisal, which includes post ~~Rehabilitation or Reconstruction~~ construction improvements for ~~Activities involving construction~~; and

~~(11) _____ any~~ (12) Any other documentation necessary to evidence that the Activity meets the ~~Program Rules~~ program requirements.

(b) Construction Loan closing. The Administrator ~~or Developer~~ must submit the documents described in paragraphs (1) - (2) of this subsection, with a request for the preparation of loan closing with the request for the Commitment ~~or Reservation~~ of Funds:

(1) ~~a~~ A title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanic's or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. The effective date of the title commitment must be no more than ~~thirty (30)~~ 60 days prior to the date of project submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close; and

(2) ~~within ninety (90)~~ Within 90 days after the loan closing date, the Administrator ~~or Developer~~ must submit to the Department the original recorded deed of trust and transfer of lien, if applicable. Failure to submit these documents within ~~ninety (90)~~ days after the loan closing date will result in the Department withholding payment for disbursement requests.

(c) Disbursement of funds. The Administrator must comply with the requirements described in paragraphs (1) - (10) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the

Administrator compliance with requirements described in paragraphs (1) - (10) of this subsection may be required with a request for disbursement:

- (1) ~~F~~or construction costs, an interim construction binder advance endorsement not older than the date of the last disbursement of funds or ~~forty five (45)~~ days, whichever is later. For release of retainage a down date endorsement to the mortgagee policy issued to the homebuyer dated at least ~~forty (40)~~ days after the Construction Completion Date;
- (2) ~~i~~f required or applicable, a maximum of 50 percent of Direct Activity Costs for ~~an~~ Activity may be drawn before providing evidence of Match. Thereafter, each Administrator must provide evidence of Match, including the date of provision, in accordance with the percentage of Activity funds disbursed;
- (3) ~~p~~roperty inspections, including photographs of the front and side elevation of the housing unit and at least one picture of the kitchen, family room, one of the bedrooms and one of the bathrooms with date and property address reflected on each photo. The inspection must be signed and dated by the inspector and Administrator or Developer;
- (4) ~~c~~ertification that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided, no Person that would benefit from the award of HOME funds has provided a source of Match or has satisfied the Applicant's cash reserve obligation or made promises in connection therewith; that each request for disbursement of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions;
- (5) ~~o~~riginal, executed, legally enforceable loan documents containing remedies adequate to enforce any applicable affordability requirements. Original documents must evidence that such agreements have been recorded in the real property records of the county in which the housing unit is located and the original documents must be returned, duly certified as to recordation by the appropriate county official;
- (6) ~~e~~xpenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness for expenditures submitted for reimbursement. The Department may request Administrator or Developer to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of HOME funds to Administrator or Developer as may be necessary or advisable for compliance with all Program Requirements;
- (7) ~~t~~able funding requests must be submitted to the Department with complete documentation no later than ~~ten (10) business~~14 days prior to the anticipated loan closing date. Such a request must include a draft settlement statement, title company

payee identification information, the Administrator or Developer's authorization for disbursement of funds to the title company, request letter from title company to the Comptroller of Public Accounts with bank account wiring instructions, and invoices for costs being paid at closing;

- (8) ~~I~~Include the withholding of ~~ten~~ 10 percent of hard construction costs for retainage. Retainage will be held until at least ~~forty (40)~~ days after the Construction Completion Date;
- (9) ~~F~~or final disbursement requests, submission of documentation required for Activity completion reports; ~~and~~
- (10) ~~T~~he final request for disbursement must be submitted to the Department with support documentation no later than ~~sixty (60)~~ days after the termination date of the Contract in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract. ~~—; and~~ and
- (11) For costs associated with insurance policies, including title policies and homeowner's insurance policies, charged as Activity costs, evidence of payment of the cost must be submitted with the retainage request.

SUBCHAPTER ~~HG~~ HOMEBUYER ASSISTANCE WITH NEW CONSTRUCTION (HANC) ~~OR~~ REHABILITATION

~~§23.8070~~ Homebuyer Assistance with New Construction (HANC) ~~or~~ Rehabilitation Threshold and Selection Criteria

(a) Threshold Match requirement. The Department shall use population figures from the most recently available U.S. Census Bureau's American Community Survey (ACS) as of the date that an Application is first submitted under the NOFA to determine the applicable Threshold Match requirement. The Department may incentivize or provide preference to Applicants committing to provide additional Threshold Match above the requirement of this subsection. Such incentives may be established as selection criteria in the NOFA. Excluding Applications under the disaster relief and persons with disabilities set asides, Threshold Match shall be required based on the tiers described in paragraphs (1) and (2) of this subsection:

(1) No Threshold Match is required when:

(A) ~~T~~he Service Area includes the entire unincorporated area of a county and where the population of Administrator's Service Area is less than or equal to 20,000 persons; or

(B) ~~¶~~the Service Area does not include the entire unincorporated area of a county, and the population of the Administrator's Service Area is less than or equal to 3,000 persons.

(2) One percent of Direct Activity Costs, exclusive of Match, is required as Match for every 1,000 in population up to a maximum of ~~15%.~~ percent.

(b) Cash Reserve Threshold Requirement. When HOME funds will be utilized for construction activities, documentation, as described in paragraph (1) - (2) of this subsection, must be submitted at the time of Application that demonstrates that the Applicant has at least \$40,000 in cash reserves. The cash reserves may be utilized to facilitate administration of the program, and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. The amount of the cash reserve commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

(1) ~~¶~~financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or

(2) ~~E~~evidence of an available line of credit or equivalent in an amount equal to or exceeding the requirement in this subsection.

(c) Other Threshold and/or Selection criteria for this Activity may be outlined in the NOFA.

~~§23.8471~~ Homebuyer with New Construction—~~or Rehabilitation~~ (HANC) General Requirements

(a) Eligible Activities must meet the ownership requirement in paragraph (1) of this subsection and an Activity described in paragraph (2) of this subsection:

(1) Ownership requirement. A site must be owned by the beneficiary or the HOME Activity must include one of the two following Activities:

(A) Acquisition of existing single family housing or a parcel; or

(B) Refinance of non-owner occupied real property parcel not prohibited for single family housing by zoning or restrictive covenants.

(2) All Activities must include ~~New Construction—~~or Rehabilitation~~~~ of a unit of single family housing not occupied by the Household prior to assistance; ~~New Construction~~ described in this subsection includes the purchase and installation of a new unit of Manufactured Housing (MHU). ~~Rehabilitation of an MHU is not an eligible Activity.~~

- (b) The unit of housing in any of the Activities described in subsection (a) of this section must be occupied by the assisted Household as their principal residence for a minimum of 15 years from the Construction Completion Date.
- (c) If the assisted property is owned by the Household prior to participation, the Household must be current on any existing Mortgage Loans and taxes, and the property cannot have any existing home equity loan liens. HOME funds may not be utilized to refinance loans made or insured by any federal program.
- (d) The purchase price of acquired property and the post-improvement value of the unit may not exceed the limitations set forth in 24 CFR §92.254. Compliance with the purchase price limitation must be evidenced prior to loan closing. Compliance with the post-improvement value limitation must be evidenced with a final appraisal of the completed project prior to release of retainage.
- (e) Activity Costs. Total Activity Costs, exclusive of Match funds, are limited to an amount not to exceed the federal subsidy limitations defined in 24 CFR §92.250. Direct Activity Costs, exclusive of Match and leverage, for construction are limited to:
 - (1) Construction of new site-built housing: The Direct Activity Costs are not restricted beyond the Total Activity Costs as identified in this subsection;
 - (2) Placement of an energy efficient MHU: ~~\$7590,000; and~~
 - ~~(3) Rehabilitation that is not Reconstruction: \$60,000, or up to \$100,000 for properties listed in or identified as eligible for listing in the National Register of Historic Places.~~
- (f) In addition to the Direct Activity Costs allowable under subsection (e) of this section, a sum not to exceed ~~\$1015,000~~ and not causing the total subsidy to exceed the limitations set forth by 24 CFR §92.250 may be requested and, if approved, used to pay for any or all of the following, as applicable:
 - (1) Necessary environmental mitigation as identified during the Environmental review process;
 - (2) Installation of an aerobic septic system; ~~or~~ and
 - (3) Homebuyer requests for accessibility features.
- (g) Activity soft costs eligible for reimbursement are limited to:
 - (1) New Construction of site-built housing: no more than ~~\$113,500~~ per housing unit; or
 - (2) Replacement with an MHU: no more than \$5,000 per housing unit;
 - ~~(3) Rehabilitation: \$8,500 per housing unit. This limit may be exceeded for lead-based remediation and only upon prior approval of the Division Director. The costs of testing~~

~~and assessments for lead-based paint are not eligible Activity soft costs for housing units that are reconstructed or if the existing housing unit was built after December 31, 1977.~~

- (h) Funds for administrative costs are limited to no more than ~~4%~~four percent of the Direct Activity Costs, exclusive of Match funds.
- (i) Homebuyers may choose to obtain financing for the acquisition or construction, or any combination thereof, from a third-party lender so long as the loan meets the requirements of ~~§~~Section 20.13 of this ~~¶~~Title (relating to Loan, Lien and Mortgage Requirements for Activities).
- (j) Direct assistance will be structured as a fully amortizing, repayable loan and will initially be evaluated at zero percent interest. The minimum loan term shall be equal to the required federal affordability period based on the HOME investment, and shall be calculated by setting the total estimated housing payment (including principal, interest, property taxes, insurance, and any other homebuyer assistance), equal to at least the minimum required housing payment. Should the estimated housing payment, including all funding sources, be less than the minimum required housing payment for the minimum term, the Department may charge an interest rate to the homebuyer such that the total estimated housing payment is no less than the required minimum housing payment. In no instance shall the interest rate charged to the homebuyer exceed ~~5%~~five percent and such result may deem the applicant as overqualified for assistance. The term shall not exceed 30 years and not be less than 15 years.
 - (1) The total Mortgage Loan may include costs incurred for Acquisition or Refinance, Mortgage Loan closing costs, and Direct Activity Costs, exclusive of Match funds.
 - (2) The total Debt-to-Income Ratio shall not exceed the limitations set forth in Chapter 20 of this ~~¶~~Title.
 - (3) For buyers whose income is equal to or less than ~~50%~~percent AMFI, the minimum required housing payment shall be no less than ~~15%~~percent of the household's gross income. For homebuyers whose income exceeds ~~50%~~percent AMFI, the minimum required housing payment shall be no less than ~~20%~~percent of the household's gross income.
- (k) Earnest money may be credited to the homebuyer at closing, but may not be reimbursed as cash. HOME funds may be used to pay other reasonable and customary closing costs that are HOME eligible costs.
- (l) To ensure affordability, the Department will impose recapture provisions established in this Chapter.
- (m) For New Construction, site-built housing units must meet or exceed the 2000 International Residential Code and all applicable local codes, standards, ordinances, and zoning

requirements. In addition, New Construction housing is required to meet 24 CFR §92.251(a)(2) as applicable. ~~Housing that is Rehabilitated under this Chapter must meet the Texas Minimum Construction Standards (TMCS) and all other applicable local codes, Rehabilitation standards, ordinances, and zoning ordinances in accordance with the HOME Final Rule.~~ MHUs must be installed according to the manufacturer's instructions and in accordance with Federal and State laws and regulations.

(n) Housing proposed to be constructed under this subchapter must meet the requirements of Chapters 20 and 21 of this ~~†~~Title (relating to Single Family Programs Umbrella Rule and Minimum Energy Efficiency Requirements for Single Family Construction Activities, respectively) and must be certified by a licensed architect or engineer.

(1) To the extent that a set of architectural plans are generated and used by an Applicant for more than one home site, the Department will reimburse only for the first time a set of architectural plans is used, unless any subsequent site specific fees are paid to a Third Party architect, or a licensed engineer for the reuse of the plans on that subsequent specific site.

(2) A NOFA may include incentives or otherwise require architectural plans to incorporate "green building" elements.

§23.8272 Homebuyer with New Construction (HANC) Administrative Requirements

(a) Commitment or Reservation of Funds. The Administrator must submit the true and complete information, certified as such, with a request for the Commitment or Reservation of Funds as described in paragraphs (1) - (14) of this subsection:

(1) Head of Household name and address of housing unit for which assistance is being requested;

(2) A budget that includes the amount of Activity funds specifying the acquisition costs, construction costs, soft costs and administrative costs requested, a maximum of ~~5%~~five percent of hard construction costs for contingency items, proposed Match to be provided, evidence that Direct Activity Cost and Soft Cost limitations are not exceeded, and evidence that any duplication of benefit is addressed;

(3) Verification of environmental clearance from the Department;

(4) A copy of the Household's intake application on a form prescribed by the Department;

(5) Certification of the income eligibility of the Household signed by the Administrator and all Household members age 18 or over, and including the date of the income eligibility determination. All documentation used to determine the income of the Household must be provided;

- (6) Project cost estimates, construction contracts, and other construction documents necessary to ensure applicable property standard requirements will be met at completion;
- (7) Identification of any Lead-Based Paint (LBP) if activity involves an existing unit and certification that LBP will be mitigated as required by 24 CFR §92.355;
- (8) Evidence that the housing unit will be located outside of the 100-year floodplain;
- (9) If applicable, documentation to address or resolve any potential conflict of interest, Identity of Interest, or duplication of benefit;
- (10) Information necessary to draft Mortgage Loan documents, including issuance of an SOL;
- (11) Life event documentation, as applicable, and all information necessary to prepare any applicable affidavits such as marital status and heirship;
- (12) Documentation of homebuyer completion of a homebuyer counseling program/class provided by a HUD certified housing counselor;
- (13) For Activities involving acquisition of real property:
 - (A) A title commitment to issue a title policy that evidences that the property will transfer with no tax lien, child support lien, mechanics or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. The effective date of the title commitment must be no more than ~~30~~60 days prior to the date of project submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close;
 - (B) Executed sales contract; and
 - (C) A loan estimate or letter from any other lender confirming that the loan terms and closing costs will be consistent with the executed sales contract, the first lien Mortgage Loan requirements, and the requirements of this Chapter.
- (14) For Activities that do not involve acquisition of real property:
 - (A) A title commitment or policy, or a down date endorsement to an existing title policy, and the actual documents, or legible copies thereof, establishing the Household's ownership, such as a warranty deed or ground lease for a 99-year leasehold. The effective date of the title commitment must be no more than ~~30~~60 days prior to the date of project submission. Title commitments for loan projects that expire prior

to the loan closing date must be updated and must not have any adverse changes. These documents must evidence the definition of Homeownership is met;

(B) A tax certificate that evidences a current paid status;

(C) Written consent from all Persons who have a valid lien or ownership interest in the Property ~~for the Rehabilitation or New Construction Activities;~~

(D) Consent to demolish from any existing Mortgage Loan lien holders and consent to subordinate to the Department's loan, if applicable; and

(15) Any other documentation necessary to evidence that the Activity meets the Program requirements.

(b) Loan closing. In addition to the documents required under subsection (a) of this section, the Administrator must submit the appraisal or other valuation method approved by the Department which establishes the post ~~Rehabilitation or New Construction~~ construction value of improvements prior to the issuance of loan documents by the Department.

(c) Disbursement of funds. The Administrator must comply with all of the requirements described in paragraphs (1) - (10) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of additional documentation related to the Administrator's compliance with requirements described in paragraphs (1) - (10) of this subsection, may be required with a request for disbursement:

(1) For construction costs that are part of a loan subject to the requirements of this subsection, a down date endorsement to the title policy not older than the date of the last disbursement of funds or 45 ~~calendar~~ days, whichever is later, is required. For release of retainage, the down date endorsement must be dated at least 40 ~~calendar~~ days after the Construction Completion Date;

(2) If applicable, a maximum of 50% percent of Activity funds for an Activity may be drawn before providing evidence of Match. Thereafter, each Administrator must provide evidence of Match, including the date of provision, in accordance with the percentage of Activity funds disbursed;

(3) Property inspections, including photographs of the front and side elevation of the housing unit and at least one picture of the kitchen, family room, one of the bedrooms and one of the bathrooms with date and property address reflected on each photo, are required to be submitted. The inspection must be signed and dated by the inspector and Administrator;

(4) Certification of the following is required:

- (A) That its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided;
 - (B) That no Person that would benefit from the award of HOME funds has satisfied the Applicant's cash reserve obligation or made promises in connection therewith;
 - (C) That each request for disbursement of HOME funds is for the actual cost of providing a service; and
 - (D) That the service does not violate any conflict of interest provisions;
- (5) Original, fully executed, legally enforceable loan documents for each assisted Household containing remedies adequate to enforce any applicable affordability requirements are required. Certified copies of fully executed, recorded loan documents that are required to be recorded in the real property records of the county in which the housing unit is located must be returned to the Department, duly certified as to recordation by the appropriate county official. This documentation prior to disbursement is not applicable for funds made available at the loan closing;
- (6) Expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness for expenditures submitted for reimbursement. The Department may request Administrator to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of HOME funds to Administrator as may be necessary or advisable for compliance with all ~~Program Rules~~ program requirements;
- (7) The request for funds for administrative costs must be proportionate to the amount of Direct Activity Costs requested or already disbursed;
- (8) Disbursement requests must include the withholding of ~~10%~~ ten percent of hard construction costs for retainage. Retainage will be held until at least 40 ~~calendar~~ days after the Construction Completion Date;
- (9) For final disbursement requests, the following is required:
- (A) Submission of documentation required for Activity completion reports and evidence that the demolition or, if an MHU, salvage and disposal of all dilapidated housing units on the lot ~~occurred for Newly Constructed or Rehabilitated housing unit~~;
 - (B) Certification or other evidence acceptable to Department that the replacement house, whether site-built or MHU, was constructed or placed on and within the same lot for which ownership was established and on and within the same lot secured by the loan; and

(C) A final appraisal of the property after completion of improvements.

(10) The final request for disbursement must be submitted to the Department with support documentation no later than 60 ~~calendar~~ days after the termination date of the Contract in order to remain in compliance with the Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract; and

(11) For costs associated with insurance policies, including title policies and homeowner insurance policies, charged as Activity costs, evidence of payment of the cost must be submitted with the retainage request.

10

BOARD ACTION REQUEST
BOND FINANCE DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and an order proposing new 10 TAC Chapter 12 concerning the Multifamily Housing Revenue Bond Rules, and directing their publication for public comment 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, the Department is authorized to issue multifamily housing revenue bonds for the State of Texas by Tex. Gov't Code §2306.351 and Tex. Gov't Code §2306.359 requires the Department to provide for specific scoring criteria and underwriting considerations for multifamily private activity bond activities;

WHEREAS, the Department developed the Multifamily Housing Revenue Bond Rules to establish the procedures and requirements relating to the issuance of bonds; and

WHEREAS, such proposed rulemaking will be published in the *Texas Register* for public comment and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed for and on behalf of the Department, to cause the proposed repeal of the current 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules, and the proposed new 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules, together with the preambles in the form presented to this meeting, to be published in the *Texas Register* for public comment and, in connection therewith, make non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

Attached to the Board Action Request is a draft that reflects the proposed changes to the 2021 Draft Multifamily Housing Revenue Bond Rules which incorporate staff's recommendations for the Board's consideration. The proposed changes are mostly to provide clarification or consistency with changes proposed to the Qualified Allocation Plan.

Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules (Bond Rules). The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed 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.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect, the proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous re-adoption making changes to an existing activity, the issuance of Private Activity Bonds (PAB).

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

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

4. The proposed repeal does not result in an increase in fees paid to the Department or in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous re-adoption making changes to an existing activity, the issuance of PABs.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal 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 repeal does not contemplate nor authorize a takings 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 repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal 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 repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated and more germane rule for administering the issuance of PAB. There will not be economic costs to individuals required to comply with the repealed 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 repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 18, 2020, to October 16, 2020, to receive stakeholder comment on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Shannon Roth, Bond Rule Public Comment, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-1895, attn: Shannon Roth, Bond Rule Public Comments, or by email to shannon.roth@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time OCTOBER 16, 2020.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 12, Multifamily Housing Revenue Bond Rule

§12.1. General.

§12.2. Definitions.

§12.3. Bond Rating and Investment Letter.

§12.4. Pre-Application Process and Evaluation.

§12.5. Pre-Application Threshold Requirements.

§12.6. Pre-Application Scoring Criteria.

§12.7. Full Application Process.

§12.8. Refunding Application Process

§12.9. Occupancy Requirements.

§12.10. Fees.

Attachment 2 Preamble, including required analysis, for proposed new 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules (Bond Rule). The purpose of the proposed new section is to provide compliance with Tex. Gov't Code §2306.67022 and to update the rule to make minor administrative revisions, and to ensure that it is reflective of changes made in the Department's Qualified Allocation Plan.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action pursuant to item (9), which excepts rule changes necessary to implement legislation. The proposed rule provides compliance with Tex. Gov't Code §2306.359, which requires the Department to provide for specific scoring criteria and underwriting considerations for multifamily private activity bond activities.

The Department has analyzed this proposed 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 new rule 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 issuance of Private Activity Bonds (PAB).
2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The proposed rule changes do not require additional future legislative appropriations.
4. The proposed rule changes will not result in an increase in fees paid to the Department, but may, under certain circumstances, result in a decrease in fees paid to the Department regarding Tax-Exempt Bond Developments.
5. The proposed rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.
6. The proposed rule will not limit, expand or repeal an existing regulation but merely revises a rule.
7. The proposed rule will not increase or decrease the number of individuals subject to the rule's applicability.
8. The proposed rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, §2306.359. Although these rules mostly pertain to the filing of a bond pre-application, some

stakeholders have reported that their average cost of filing a full Application is between \$50,000 and \$60,000, which may vary depending on the specific type of Application, location of the Development Site, and other non-state of Texas funding sources utilized. The proposed rules do not, on average, result in an increased cost of filing an application as compared to the existing program rules.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. This rule relates to the procedures in place for entities applying for multifamily PAB. Only those small or micro-businesses that participate in this program are subject to this rule. There are approximately 100 to 150 businesses, which could possibly be considered small or micro-businesses, subject to the proposed rule for which the economic impact of the rule would be a fee of \$8,500 which includes the filing fees associated with submitting a bond pre-application.

The Department bases this estimate on the potential number of Applicants and their related parties who may submit applications to TDHCA for PAB (and accompanying housing tax credits). There could be additional costs associated with pre-applications depending on whether the small or micro-businesses outsource how the application materials are compiled. The fee for submitting an Application for PAB layered with LIHTC is may range from \$480 to \$2,400 which is based on \$30 per unit, and all Applicants are required to propose constructing, at a minimum, 16 Units. The rule places a limit on the maximum number of Units that can be proposed in rural areas, at 120 Units.

These Application Fee costs are not inclusive of external costs required by the basic business necessities underlying any real estate transaction, from placing earnest money on land, conducting an Environmental Site Assessment, conducting a market study, potentially retaining counsel, hiring an architect and an engineer to construct basic site designs and elevations, and paying any other related, third-party fees for securing the necessary financing to construct multifamily housing. Nor does this estimate include fees from the Department for Applications that successfully attain an award.

There are approximately 1,300 rural communities potentially subject to the proposed rule for which the economic impact of the rule is projected to be \$0. 10 TAC Chapter 12 places no financial burdens on rural communities, as the costs associated with submitting an Application are born entirely by private parties. In an average year the volume of applications for PAB that are located in rural areas is not more than 20% of all PAB applications received. In those cases, a rural community securing a PAB Development will experience an economic benefit, not least among which is the potential increased property tax revenue from a large multifamily Development.

3. The Department has determined that because there are rural PAB awardees, this program helps promote construction activities and long term tax base in rural areas of Texas. Aside from the fees and costs associated with submitting an Application, there is a probable positive economic effect on small or micro-businesses or rural communities that receive PAB awards and successfully use those awards to construct multifamily housing, although the specific impact is not able to be quantified in advance.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate or authorize a takings 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 rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the proposed rule may provide a possible positive economic effect on local employment in association with this rule since PAB Developments, layered with housing tax credits, often involve a total input of, typically at a minimum, \$5 million in capital, but often an input of \$10 million - \$30 million. Such a capital investment has concrete direct, indirect, and induced effects on the local and regional economies and local employment. However, because the exact location of where program funds or developments are directed is not determined in rule, and is driven by real estate demand, there is no way to determine during rulemaking where the positive effects may occur. Furthermore, while the Department knows that any and all impacts are positive, that impact is not able to be quantified for any given community until PABs and LIHTCs are actually awarded to a proposed Development, given the unique characteristics of each proposed multifamily Development and region in which it is being developed.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..." Considering that significant construction activity is associated with any PAB Development layered with LIHTC and each apartment community significantly increases the property value of the land being developed, there are no probable negative effects of the new rule on particular geographic regions. If anything, positive effects will ensue in those communities where developers receive PAB awards.

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 new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule for administering the issuances of PABs and corresponding allocation of housing tax credits. There is no change to the economic cost to any individuals required to comply with the new section because the same processes described by the rule have already been in place through the rule found at this section being repealed. The average cost of filing a pre-application and application remain unchanged based on these rules changes. The proposed rules do not, on average, result in an increased cost of filing an application as compared to the existing program rules.

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 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 because the same processes described by the rule have already been in place through the rule found at this section being repealed.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held September 18, 2020, to October 16, 2020, to receive stakeholder comment on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Shannon Roth,

Bond Rule Public Comment, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-1895, attn: Shannon Roth, Bond Rule Public Comments, or by email to shannon.roth@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time OCTOBER 16, 2020.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

§12.1. General.

(a) Authority. The rules in this chapter apply to the issuance of multifamily housing revenue bonds (Bonds) by the Texas Department of Housing and Community Affairs (Department). The Department is authorized to issue Bonds pursuant to Tex. Gov't Code, Chapter 2306. Notwithstanding anything in this chapter to the contrary, Bonds which are issued to finance the Development of multifamily rental housing are subject to the requirements of the laws of the State of Texas, including but not limited to Tex. Gov't Code, Chapters 1372 and 2306, and federal law pursuant to the requirements of Internal Revenue Code (Code), §142.

(b) General. The purpose of this chapter is to state the Department's requirements for issuing Bonds, the procedures for applying for Bonds and the regulatory and land use restrictions imposed upon Bond financed Developments. The provisions contained in this chapter are separate from the rules relating to the Department's administration of the Housing Tax Credit program. Applicants seeking a Housing Tax Credit Allocation should consult Chapter 11 of this title (relating to the Housing Tax Credit Program Qualified Allocation Plan) for the current program year. In general, the Applicant will be required to satisfy the eligibility and threshold requirements of the Qualified Allocation Plan (QAP) in effect at the time the Certificate of Reservation is issued by the Texas Bond Review Board (TBRB). If the applicable QAP contradicts rules set forth in this chapter, the applicable QAP will take precedence over the rules in this chapter except in an instance of a conflicting statutory requirement, which shall always take precedence.

(c) Costs of Issuance. The Applicant shall be responsible for payment of all costs related to the preparation and submission of the pre-application and Application, including but not limited to, costs associated with the publication and posting of required public notices and all costs and expenses associated with the issuance of the Bonds, regardless of whether the Application is ultimately approved or whether Bonds are ultimately issued. At any point during the process, the Applicant is solely responsible for determining whether to proceed with the Application and the Department disclaims any and all responsibility and liability in this regard.

(d) Taxable Bonds. The Department may issue taxable Bonds and the requirements associated with such Bonds, including occupancy requirements, shall be determined by the Department on a case by case basis. Taxable bonds will not be eligible for an allocation of tax credits.

(e) Waivers. Requests for any permitted waivers of program rules must be made in accordance with §11.207 of this title (relating to Waiver of Rules).

§12.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. Any capitalized terms not specifically mentioned in this section shall have the meaning as defined in Tex. Gov't Code, Chapter 2306, §§141, 142, and 145 of the Internal Revenue Code, and Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan).

(1) Institutional Buyer--Shall have the meaning prescribed under 17 CFR §230.501(a), but excluding any natural person or any director or executive officer of the Department (17 CFR §230.501(a)(4) - (6)), or as defined by 17 CFR §230.144(a), promulgated under the Securities Act of 1933, as amended.

(2) Persons with Special Needs--Shall have the meaning prescribed under Tex. Gov't Code, §2306.511.

(3) Bond Trustee--A financial institution, usually a trust company or the trust department in a commercial bank, that holds collateral for the benefit of the holders of municipal securities. The Bond Trustee's obligations and responsibilities are set forth in the Indenture.

§12.3. Bond Rating and Investment Letter.

(a) Bond Ratings. All publicly offered Bonds issued by the Department to finance Developments shall have a debt rating the equivalent of at least an "A" rating assigned to long-term obligations by Standard & Poor's Ratings Services, or Moody's Investors Service, Inc. If such rating is based upon credit enhancement provided by an institution other than the Applicant or Development Owner, the form and substance of such credit enhancement shall be subject to approval by the Board, evidenced by a resolution authorizing the issuance of the credit enhanced Bonds.

(b) Investment Letters. Bonds rated less than "A" or Bonds which are unrated must be placed with one or more Institutional Buyers and must be accompanied by an investor letter acceptable to the Department. Subsequent purchasers of such Bonds must also be qualified as Institutional Buyers and must execute and deliver to the Department an investor letter in a form satisfactory to the Department. Bonds rated less than "A" and Bonds which are unrated shall be issued in physical form, in minimum denominations of one hundred thousand dollars (\$100,000), and must carry a legend requiring any purchasers of the Bonds to be Institutional Buyers and sign and deliver to the Department an investor letter in a form acceptable to the Department.

§12.4. Pre-Application Process and Evaluation.

(a) Pre-Inducement Questionnaire. Prior to the filing of a pre-application, the Applicant shall submit the Pre-Inducement Questionnaire, in the form prescribed by the Department, so the Department can have a preliminary understanding of the proposed Development plan before a pre-application and corresponding fees are submitted. After reviewing the pre-inducement questionnaire, Department staff will follow-up with the Applicant to discuss the next steps in the process and may schedule a pre-inducement conference call or meeting. Prior to the submission of a pre-application, it is essential that the Department and Applicant communicate regarding the Department's objectives and policies in the development of affordable housing throughout the State using Bond financing. The acceptance of the questionnaire by the Department does not constitute a pre-application or Application and does not bind the Department to any formal action regarding an inducement resolution.

(b) Neighborhood Risk Factors. If the Development Site has any of the characteristics described in §11.101(a)(3)(B) of this title (relating to [Neighborhood Risk FactorsSite and Development](#)

~~Requirements and Restrictions~~), the Applicant must disclose the presence of such characteristics to the Department. Disclosure may be done at time of pre-application and handled in connection with the inducement or it can be addressed at the time of Application submission. The Applicant understands that any determination made by staff or the Board at the time of bond inducement regarding Site eligibility based on the documentation presented, is preliminary in nature. Should additional information related to any of the Neighborhood Risk Factors become available while the Tax-Exempt Bond Development Application is under review, or the information by which the original determination was made changes in a way that could affect eligibility, then such information will be re-evaluated and presented to the Board. The Application may be subject to termination should staff conclude that the Development Site has any characteristics found in §11.101(a)(3)(B) of this title (relating to ~~Neighborhood Risk Factors Site and Development Requirements and Restrictions~~) and the Applicant failed to disclose.

(c) Pre-Application Process. An Applicant who intends to pursue Bond financing from the Department shall submit a pre-application by the corresponding pre-application submission deadline, as set forth by the Department. The required pre-application fee as described in §12.10 of this chapter (relating to Fees) must be submitted with the pre-application in order for the pre-application to be considered accepted by the Department. Department review at the time of the pre-application is limited and not all issues of eligibility, fulfillment of threshold requirements in connection with the full Application, and documentation submission requirements pursuant to Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan) are reviewed. The Department is not responsible for notifying an Applicant of potential areas of ineligibility or other deficiencies at the time of pre-application. If the Development meets the criteria as described in §12.5 of this chapter (relating to Pre-Application Threshold Requirements), the pre-application will be scored and ranked according to the selection criteria as described in §12.6 of this chapter (relating to Pre-Application Scoring Criteria).

(d) Scoring and Ranking. The Department will rank the pre-application according to score within each priority defined by Tex. Gov't Code, §1372.0321. All Priority 1 pre-applications will be ranked above all Priority 2 pre-applications which will be ranked above all Priority 3 pre-applications. This priority ranking will be used throughout the calendar year. The selection criteria, as further described in §12.6 of this chapter, reflect a structure which gives priority consideration to specific criteria as outlined in Tex. Gov't Code, §2306.359. Should two or more pre-applications receive the same score, the tie breaker will go to the pre-application with the highest number of points achieved under §12.6(8) of this chapter (relating to Underserved Area) to determine which pre-application will receive preference in consideration of a Certificate of Reservation.

(e) Inducement Resolution. After the pre-applications have been scored and ranked, the pre-application will be presented to the Department's Board for consideration of an inducement resolution declaring the Department's initial intent to issue Bonds with respect to the Development. Approval of the inducement resolution does not guarantee final Board approval of the Bond Application. Department staff may recommend that the Board not approve an inducement resolution for a pre-application or that an inducement resolution be approved

despite the presence of neighborhood risk factors not fully evaluated by staff. The Applicant recognizes the risk involved in moving forward should this be the case and the Department assumes no responsibility or liability in that regard. Each Development is unique, and therefore, making the final determination to issue Bonds is often dependent on the issues presented at the time the full Application is considered by the Board.

§12.5. Pre-Application Threshold Requirements.

The threshold requirements of a pre-application include the criteria listed in paragraphs (1) - (8) of this section. As the Department reviews the pre-application the assumptions as reflected in Chapter 11, Subchapter D of this title (relating to Underwriting and Loan Policy) will be utilized even if not reflected by the Applicant in the pre-application.

(1) Submission of the required tabs of the Uniform Application as prescribed by the Department in the Multifamily Bond Pre-Application Procedures Manual;

(2) Submission of the completed Bond Pre-Application Supplement in the form prescribed by the Department;

(3) Completed Bond Review Board Residential Rental Attachment for the current program year;

(4) Site Control, evidenced by the documentation required under §11.204(10) of this title (relating to Required Documentation for Application Submission). The Site Control must be valid through the date of the Board meeting at which the inducement resolution is considered and must meet the requirements of §11.204(10) of this title at the time of Application;

(5) Boundary survey or plat clearly identifying the location and boundaries of the subject Property;

(6) Organizational Chart showing the structure of the Development Owner and of any Developer and Guarantor, providing the names and ownership percentages of all Persons having an ownership interest in the Development Owner, Developer and Guarantor, as applicable. The List of Organizations form, as provided in the pre-application, must include all Persons identified on the organizational charts, and further identify which of those Persons listed exercise Control of the Development;

(7) Evidence of Entity Registration or Reservation with the Texas Office of the Secretary of State; and

(8) A certification, as provided in the pre-application, that the Applicant met the requirements and deadlines for public notifications as identified in §11.203 of this title (relating to Public Notifications (§2306.6705(9))). ~~Notifications must~~In general, notifications should not be older than three months prior to the date of Application submission. Re-notification will be required by Applicants who have submitted a change from pre-application to Application that reflects a total Unit increase of greater than 10% or a 5% increase in density (calculated as Units per acre) as a

result of a change in the size of the Development Site. In addition, should the jurisdiction of the official holding any position or role described in §11.203 of this title change between the submission of a pre-application and the submission of an Application, Applicants are required to notify the new entity no later than the Full Application Delivery Date.

§12.6. Pre-Application Scoring Criteria.

This section identifies the scoring criteria used in evaluating and ranking pre-applications. The criteria identified below include those items required under Tex. Gov't Code, §2306.359 and other criteria considered important by the Department. Any scoring items that require supplemental information to substantiate points must be submitted in the pre-application, as further outlined in the Multifamily Bond Pre-Application Procedures Manual. Applicants proposing multiple sites will be required to submit a separate pre-application for each Development Site, unless staff determines that one pre-application is more appropriate based on the specifics of the transaction. Each ~~Development Site~~individual pre-application will be scored on its own merits and the final score will be determined based on an average of all of the individual scores. Ongoing requirements, as selected in the pre-application, will be reflected in the Land Use Restriction Agreement.

(1) Income and Rent Levels of the Tenants. Pre-applications may qualify for up to (10 points) for this item.

(A) Priority 1 designation includes one of clauses (i) - (iii) of this subparagraph. (10 points)

- (i) set aside 50% of Units rent capped at 50% AMGI and the remaining 50% of Units rent capped at 60% AMGI; or
- (ii) set aside 15% of Units rent capped at 30% AMGI and the remaining 85% of Units rent capped at 60% AMGI; or
- (iii) set aside 100% of Units rent capped at 60% AMGI for Developments located in a census tract with a median income that is higher than the median income of the county, MSA, or PMSA in which the census tract is located.

(B) Priority 2 designation requires the set aside of at least 80% of the Units capped at 60% AMGI (7 points).

(C) Priority 3 designation. Includes any qualified residential rental development. Market rate Units can be included under this priority (5 points).

(2) Cost of Development per Square Foot. (1 point) For this item, costs shall be defined as either the Building Cost or the Hard Costs voluntarily included in Eligible Basis, as represented in the Development Cost Schedule, as originally provided in the pre-application. This calculation does not include indirect construction costs. Pre-applications that do not exceed \$95 per square foot of Net Rentable Area will receive one point. Rehabilitation will automatically receive (1 point).

(3) Unit Sizes. (5 points) The Development must meet the minimum requirements identified in

this subparagraph to qualify for points. Points for this item will be automatically granted for Applications involving Rehabilitation (excluding Reconstruction).

- (A) Five-hundred-fifty (550) square feet for an Efficiency Unit;
- (B) Six-hundred-fifty (650) square feet for a one Bedroom Unit;
- (C) Eight-hundred-fifty (850) square feet for a two Bedroom Unit;
- (D) One-thousand-fifty (1,050) square feet for a three Bedroom Unit; and
- (E) One-thousand, two-hundred-fifty (1,250) square feet for a four Bedroom Unit.

(4) Extended Affordability. (2 points) A pre-application may qualify for points under this item for Development Owners that are willing to extend the State Restrictive Period for a Development to a total of 35 years.

(5) Unit and Development Construction Features. A minimum of (9 points) must be selected, as certified in the pre-application, for providing specific amenity and quality features in every Unit at no extra charge to the tenant. The amenities and corresponding point structure is provided in §11.101(b)(6)(B) of this title (relating to Unit, Development Construction, and Energy and Water Efficiency Features ~~Site and Development Requirements and Restrictions~~). The points selected at pre-application and/or Application will be required to be identified in the LURA and the points selected must be maintained throughout the State Restrictive Period. Applications involving scattered site Developments must have a specific amenity located within each Unit to count for points. Rehabilitation Developments will start with a base score of (3 points).

(6) Common Amenities. All Developments must provide at least the minimum threshold of points for common amenities based on the total number of Units in the Development as provided in subparagraphs (A) - (F) of this paragraph. The common amenities include those listed in §11.101(b)(5) of this title and must meet the requirements as stated therein. The Owner may change, from time to time, the amenities offered; however, the overall points as selected at Application must remain the same.

- (A) Developments with 16 to 40 Units must qualify for (4 points);
- (B) Developments with 41 to 76 Units must qualify for (7 points);
- (C) Developments with 77 to 99 Units must qualify for (10 points);
- (D) Developments with 100 to 149 Units must qualify for (14 points);
- (E) Developments with 150 to 199 Units must qualify for (18 points); or
- (F) Developments with 200 or more Units must qualify for (22 points).

(7) Resident Supportive Services. (8 points) By electing points, the Applicant certifies that the Development will provide supportive services, which are listed in §11.101(b)(7) of this title, appropriate for the residents and that there will be adequate space for the intended services. The provision and complete list of supportive services will be included in the LURA and must be maintained throughout the State Restrictive Period. The Owner may change, from time to time, the services offered; however, the overall points as selected at Application must remain the same. Should the QAP in subsequent years provide different services ~~than that~~ those listed in

§11.101(b)(7)(A) – (E), the Development Owner may be allowed to select services as listed therein upon written consent from the Department and any services selected must be of similar value to the service it is intending to replace. ~~as provided in §10.405(a)(2) of this title (related to Amendments) and The Development Owner~~ will be required to substantiate such service(s) at the time of compliance monitoring, if requested by staff. The services provided should be those that will directly benefit the Target Population of the Development and be accessible to all. No fees may be charged to the residents for any of the services. Services must be provided on-site or transportation to those off-site services identified on the list must be provided. The same service may not be used for more than one scoring item. These services are intended to be provided by a qualified and reputable provider in the specified industry such that the experience and background of the provider demonstrates sufficient knowledge to be providing the service. In general, on-site leasing staff or property maintenance staff would not be considered a qualified provider. Where applicable, the services must be documented by a written agreement with the provider.

(8) Underserved Area. An Application may qualify to receive up to (2 points) if the Development Site meets the criteria described in §11.9(c)(5)(A) - (H) of this title. The pre-application must include evidence that the Development Site meets this requirement.

(9) Development Support/Opposition. (Maximum +24 to -24 points) Each letter will receive a maximum of +3 to -3 points and must be received 10 business days prior to the Board's consideration of the pre-application. Letters must clearly state support or opposition to the specific Development. State Representatives or Senators as well as local elected officials must be in office when the pre-application is submitted and represent the district containing the proposed Development Site. Letters of support from State or local elected officials that do not represent the district containing the proposed Development Site will not qualify for points. Neutral letters that do not specifically refer to the Development or do not explicitly state support will receive (zero points). A letter that does not directly express support but expresses it indirectly by inference (i.e., "the local jurisdiction supports the Development and I support the local jurisdiction") counts as a neutral letter except in the case of State elected officials. A letter from a State elected official that does not directly indicate support by the official, but expresses support on behalf of the official's constituents or community (i.e., "My constituents support the Development and I am relaying their support") counts as a support letter.

- (A) State Senator and State Representative of the districts whose boundaries include the proposed Development Site;
- (B) Mayor of the municipality (if the Development is within a municipality or its extraterritorial jurisdiction);
- (C) All elected members of the Governing Body of the municipality (if the Development is within a municipality or its extraterritorial jurisdiction);
- (D) Presiding officer of the Governing Body of the county in which the Development Site is located;
- (E) All elected members of the Governing Body of the county in which the Development Site is located;

- (F) Superintendent of the school district in which the Development Site is located; and
- (G) Presiding officer of the board of trustees of the school district in which the Development Site is located.

(10) Preservation Initiative. (10 points) Preservation Developments, including Rehabilitation proposals on Properties which are nearing expiration of an existing affordability requirement within the next two years or for which there has been a rent restriction requirement in the past 10 years may qualify for points under this item. Evidence must be submitted in the pre-application.

(11) Declared Disaster Areas. (7 points) A pre-application may receive points if the Development Site is located in an area declared a disaster area under Tex. Gov't Code §418.014 at the time of submission, or at any time within the two-year period preceding the date of submission.

§12.7. Full Application Process.

(a) Application Submission. Once the inducement resolution has been approved by the Board, an Applicant who elects to proceed with submitting a full Application to the Department must submit the complete tax credit Application pursuant to §11.201 of this title (relating to Procedural Requirements for Application Submission). While a Certificate of Reservation is required under §11.201 of this title (relating to Procedural Requirements for Application Submission) prior to submission of the complete tax credit Application, staff may allow the Application to be submitted prior to the issuance of a Certificate of Reservation depending on circumstances associated with the Development Site, structure of the transaction, volume cap environment, or other factors in the Department's sole discretion.

(b) Eligibility Criteria. The Department will evaluate the Application for eligibility and threshold at the time of full Application pursuant to Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan). If there are changes to the Application at any point prior to closing that have an adverse effect on the score and ranking order and that would have resulted in the pre-application being placed below another pre-application in the ranking, the Department will terminate the Application and withdraw the Certificate of Reservation from the Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points). The Development and the Applicant must satisfy the requirements set forth in Chapter 11 of this title in addition to Tex. Gov't Code, Chapter 1372, the applicable requirements of Tex. Gov't Code Chapter 2306, and the Code. The Applicant will also be required to select a Bond Trustee from the Department's approved list as published on its website.

(c) Bond Documents. Once the Application has been submitted and the Applicant has deposited funds to pay initial costs, the Department's bond counsel shall draft Bond documents.

(d) Public Hearings. The Department will hold a public hearing to receive comments pertaining to the Development and the issuance of the Bonds. A representative of the Applicant or member of the Development Team must be present at the public hearing and will be responsible for conducting a brief presentation on the proposed Development and providing handouts at the

hearing that should include at minimum, a description of the Development, maximum rents and income restrictions. If the proposed Development is Rehabilitation, the presentation should include the proposed scope of work that is planned for the Development. The handouts must be submitted to the Department for review at least two days prior to the public hearing. Publication of all notices required for the public hearing shall be at the sole expense of the Applicant, as well as any facility rental fees or required deposits.

(e) Approval of the Bonds. Subject to the timely receipt and approval of commitments for financing, an acceptable evaluation for eligibility, the satisfactory negotiation of Bond documents, and the completion of a public hearing, the Board, upon presentation by Department staff, will consider the approval of the final Bond resolution relating to the issuance, final Bond documents and in the instance of privately placed Bonds, the pricing, terms and interest rate of the Bonds. The process for appeals and grounds for appeals may be found under §1.7 of this title (relating to Appeals Process). To the extent applicable to each specific Bond issuance, the Department's conduit multifamily Bond transactions will be processed in accordance with 34 TAC Part 9, Chapter 181, Subchapter A (relating to Bond Review Board Rules) and Tex. Gov't Code, Chapter 1372.

(f) Local Permits. Prior to closing on the Bond financing, all necessary approvals, including building permits from local municipalities, counties, or other jurisdictions with authority over the Development Site must have been obtained or evidence that the permits are obtainable subject only to payment of certain fees. For Rehabilitation Developments, in instances where such permits will be not received prior to bond closing, the Department may, on a limited and case-by-case basis allow for the closing to occur, subject to receipt of confirmation, acceptable to the Department, by the lender and/or equity investor that they are comfortable proceeding with closing.

§12.8. Refunding Application Process.

(a) Application Submission. Owners who wish to refund or modify tax-exempt bonds that were previously issued by the Department must submit to the Department a summary of the proposed refunding plan or modifications. To the extent such modifications constitute a re-issuance under state law the Applicant shall then be required to submit a refunding Application in the form prescribed by the Department pursuant to the Bond Refunding Application Procedures Manual.

(b) Bond Documents. Once the Department has received the refunding Application and the Applicant has deposited funds to pay initial costs, the Department's bond counsel will draft the necessary Bond documents.

(c) Public Hearings. Depending on the proposed modifications to existing Bond covenants a public hearing may be required. Such hearing must take place prior to obtaining Board approval and must meet the requirements pursuant to §12.7(d) of this chapter (relating to Full Application Process) regarding the presence of a member of the Development Team and providing a summary of proposed Development changes.

(d) Rule Applicability. Refunding Applications must meet the applicable requirements pursuant to Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan). At the time of the original award the Application would have been subject to eligibility and threshold requirements under the QAP in effect the year the Application was awarded. Therefore, it is anticipated the Refunding Application would not be subject to the site and development requirements and restrictions pursuant to §11.101 of this title (relating to Site and Development Requirements and Restrictions). The circumstances surrounding a refunding Application are unique to each Development; therefore, upon evaluation of the refunding Application, the Department is authorized to utilize its discretion in the applicability of the Department's rules as it deems appropriate.

§12.9. Occupancy Requirements.

(a) Filing and Term of Regulatory Agreement. A Bond Regulatory and Land Use Restriction Agreement will be filed in the property records of the county in which the Development is located for each Development financed from the proceeds of Bonds issued by the Department. The [Regulatory Agreement shall include provisions relating to the Qualified Project Period, the State Restrictive Period, including any points claimed under §12.6\(4\) of this chapter for extending such term, and shall include provisions relating to Persons with Special Needs. The minimum](#) term of the Regulatory Agreement will be based on the criteria as described in paragraphs (1) - (3) of this subsection, as applicable:

- (1) The longer of 30 years, from the date the Development Owner takes legal possession of the Development;
- (2) The end of the remaining term of the existing federal government assistance pursuant to Tex. Gov't Code, §2306.185; or
- (3) The period required by the Code.

(b) Federal Set Aside Requirements.

(1) Developments which are financed from the proceeds of Private Activity Bonds must be restricted under one of the two minimum set-asides as described in subparagraphs (A) and (B) of this paragraph. Regardless of an election that may be made under Section 42 of the Code relating to income averaging, a Development will be required under the Bond Regulatory and Land Use Restriction Agreement to meet one of the two minimum set-asides described in subparagraphs (A) and (B) of this paragraph. [Any proposed market rate Units shall be limited to 140% of the area median income and be considered restricted units under the Bond Regulatory Agreement for purposes of using Bond proceeds to construct such Units.](#)

(A) At least 20% of the Units within the Development shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed 50% of the area median income; or

(B) At least 40% of the Units within the Development shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed 60% of the area median income.

(2) The Development Owner must, at the time of Application, indicate which of the two federal set-asides will apply to the Development and must also designate the selected priority for the Development in accordance with Tex. Gov't Code, §1372.0321. Units intended to satisfy set-aside requirements must be distributed equally throughout the Development, and must include a reasonably proportionate amount of each type of Unit available in the Development.

(3) No tenant qualifying under either of the minimum federal set-asides shall be denied continued occupancy of a Unit in the Development because, after commencement of such occupancy, such tenant's income increases to exceed the qualifying limit. However, should a tenant's income, as of the most recent determination thereof, exceed 140% of the applicable federal set-aside income limit and such tenant constitutes a portion of the set-aside requirement of this section, then such tenant shall only continue to qualify for so long as no Unit of comparable or smaller size is rented to a tenant that does not qualify as a Low-Income Tenant.

§12.10. Fees.

(a) Pre-Application Fees. The Applicant is required to submit, at the time of pre-application, the following fees: \$1,000 (payable to TDHCA), \$2,500 (payable to the Department's bond counsel) and \$5,000 (payable to the Texas Bond Review Board (TBRB) pursuant to Tex. Gov't Code, §1372.006(a)). These fees cover the costs of pre-application review by the Department, its bond counsel and filing fees associated with the Certificate of Reservation to the TBRB.

(b) Application Fees. At the time of Application the Applicant is required to submit a tax credit application fee of \$30 per Unit based on the total number of Units and a bond application fee of \$20 per Unit based on the total number of Units, unless otherwise modified by a specific program NOFA. Such fees cover the costs associated with Application review and the Department's expenses in connection with providing financing for a Development. For Developments proposed to be structured as a portfolio the bond application fees may be reduced on a case by case basis at the discretion of Department staff.

(c) Closing Fees. The closing fee for Bonds, other than refunding Bonds, is equal to 50 basis points (0.005) of the issued principal amount of the Bonds, unless otherwise modified by a **specific** program NOFA. The Applicant will also be required to pay at closing of the Bonds the first two years of the administration fee equal to 20 basis points (0.002) of the issued principal amount of the Bonds, with the first year prorated based on the actual closing date, and a Bond compliance fee equal to \$25/Unit (excludes market rate Units). Such compliance fee shall be applied to the third year following closing.

(d) Application and Issuance Fees for Refunding Applications. For refunding an Application the application fee will be \$10,000 unless the refunding is not required to have a public hearing, in which case the fee will be \$5,000. The closing fee for refunding Bonds is equal to 25 basis points

(0.0025) of the issued principal amount of the refunding Bonds. If applicable, administration and compliance fees due at closing may be prorated based on the current billing period of such fees. If additional volume cap is being requested other fees may be required as further described in the Bond Refunding Applications Procedures Manual. [Transactions previously issued that involved a financing structure that would constitute a re-issuance under state law, but do not fit under §12.8, will be required to pay a closing fee that shall not exceed 25 basis points \(0.0025\) of the re-issued principal amount of the bonds which may be reduced in the sole determination of the Department as commensurate with the review by staff in obtaining Board approval at the time of conversion.](#)

(e) Administration Fee. The annual administration fee is equal to 10 basis points (0.001) of the outstanding bond amount at the inception of each payment period and is paid as long as the Bonds are outstanding, unless otherwise modified by a specific program NOFA.

(f) Bond Compliance Fee. The Bond compliance monitoring fee is equal to \$25/Unit (excludes market rate Units), and is paid for the duration of the State Restrictive Period under the Regulatory Agreement, [regardless of whether the Bonds have been paid off and are no longer outstanding.](#)

2a

TDHCA Outreach Activities, July-September

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
Virtual Meeting	Texas Interagency Council for the Homeless Quarterly Meeting	July 21	N/A	Housing Resource Center
Virtual Meeting	Housing and Health Services Coordination Council Quarterly Meeting	July 22	N/A	Housing Resource Center
Virtual Meeting	TAAHP Texas Housing Conference Panel Discussion	July 22	N/A	Executive
Virtual Meeting	National Housing & Rehabilitation Association Housing Finance Agency Roundtable	August 22	N/A	Executive

Internet Postings of Note

The list of new or noteworthy postings to the Department's website.

Amy Young Barrier Removal

- Posted updated 2020 Fiscal Year Allocation funding to statewide pool
- Posted information related to 2021 Fiscal Year NOFA

Asset Management

- Posted updated Post Award Activities Manual (as of July 2020)
- Posted updated Rent Approval Tool (as of July 2020)
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application (#14427, Kennedy Brothers Communities; #17028/19702, The Vineyard on Lancaster; #18069, Palladium Farmersville; #19214, Lakeridge Villas; #19410, Eisenhower II)
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement (#97167, Columbia Luxar Townhomes; #05097, Cathy's Pointe; #05099, Madison Pointe)
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Trust Fund Affordable Housing Match Program Application and Land Use Restriction Agreement (#1001336, Temenos Place Apartments II)

Bond Finance

- Posted TDHCA Interim Financial Statements as of February 29, 2020

Communications:

- Added TDHCA 2020 Competitive 9% HTC awards news release to Press page
- Added TDHCA awards ESG CARES Act funds to various state subrecipients news release to Press page
- Posted TDHCA awards ESG CARES Act funds as homepage article (currently articles on Press page only)
- Added training webinars to TDHCA YouTube channel
- Posted new Press page article, “Four tips to prepare for a local disaster”

Community Affairs

- Added federal, state and national partners’ COVID-19 resources and guidance for subrecipients
- Posted updated Degradation Calculator (as of August 3)
- Added 2019 DOE WAP Historic Preservation Report
- Added 2019-2020 DOE Weatherization Assistance Program State Plan
- Posted 2021 Service Delivery Plan, 2021 Service Delivery Plan Instructions and 2021 Service Delivery Plan Guidance
- Posted PY19-20 WAP Production Schedule/Tool
- Added additions to agency staff and board roster to CA forms
- Posted updated COVID-19 FAQs (as of June 9)

Compliance

- Posted updated Notice of Property Damage from Hurricane Hanna form
- Posted updated Compliance Guidance Related to COVID-19 (as of July)
- Posted updated Utility Allowance Questionnaire
- Added 2020 Overview of Updates to Compliance, Affirmative Marketing and Written Policies and Procedures Rules webinar video link
- Posted updated Intake Application for Income Eligibility

Executive

- Updated list of Administrative Penalty Orders

HOME and Homeless:

- Added ESG CARES Reporting and handout to video library
- Added ESG CARES Implementation for New Subrecipients and handout to video library
- Added ESG CARES Reporting and ESG CARES Implementation for New Subrecipients videos to Announcements
- Posted updated HOME Reservation Summary (HOME TBRA COVID-19 set-aside activity funds)
- Posted 2020 ESG Program Annual Allocation Application documents (Notice of Funding Availability)
- Posted updated HOME Administrative Draw Workbook forms
- Posted updated Housing Contract System Access Request form
- Posted updated COVID-19 Project File Checklist

Homeownership

- Posted updated Texas Homeownership Lender Guide (as of August 18)

Housing Resource Center

- Added 2020-2021 Housing and Health Services Coordination Council Biennial Plan and Report
- Added 2020-2024 State of Texas Consolidated Plan

- Posted updated Community Development Block Grant CARES Act funding amount

Human Resources

- Posted updated organizational chart

Migrant Labor Housing

- Posted updated Application for a New License to Operate a Migrant Labor Housing Facility and Application to Renew or Change a License to Operate a Migrant Labor Housing Facility
- Posted updated List of licensed migrant labor housing facilities

Multifamily:

- Posted updated 2020-1 Multifamily Direct Loan NOFA Application Log (as of August 7)
- Posted updated 2020 4% HTC Bond Status Log (as of July 23)
- Posted updated Amended 2020-1 Multifamily Direct Loan Annual Notice of Funding Availability amount and rules
- Posted 2020 9% HTC Award and Waiting List (as of August 14)
- Posted updated Local Housing Finance Corporation Contact List

Neighborhood Stabilization Program

- Posted NSP1 Performance Report 4th Quarter 2019, 1st and 2nd Quarter 2020
- Posted NSP3 Performance Report 4th Quarter 2019, 1st and 2nd Quarter 2020

Public Comment

- Public comment period open for 10 TAC Section 1.21, Action by Department if Outstanding Balances Exist
- Public comment period open for environmental reviews for Fish Pond at Huntsville
- Public comment period open for DRAFT Community Services Block Grant (CSBG) CARES Act Supplemental State Plan

Purchasing

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

Section 8

- Added link HCV CARES Act Waivers and Alternatives chart
- Posted Owner/Agent Webinar
- Added Barrier Busting Chart, includes Fund Policy and Procedure and Request for Barrier Busting Fund Payment

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
CFD	Contract for Deed Program	MRB	Mortgage Revenue Bond Program
CFDC	Contract for Deed Conversion Assistance Grants	NHTF	National Housing Trust Fund
CHDO	Community Housing Development Organization	NOFA	Notice of Funding Availability
CMTS	Compliance Monitoring and Tracking System	NSP	Neighborhood Stabilization Program
CSBG	Community Services Block Grant	OIG	Office of Inspector General
		QAP	Qualified Allocation Plan
		QCP	Quantifiable Community Participation
		REA	Real Estate Analysis
		RFA	Request for Applications

	Program	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	TXMCC	Texas Mortgage Credit Certificate
HTF	Housing Trust Fund	VAWA	Violence Against Women Act
HUD	U.S. Department of Housing and Urban Development	WAP	Weatherization Assistance Program
IFB	Invitation for Bid		

2b



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Update on TDHCA Programs in Response to COVID-19 and CARES Act
As of August 27, 2020

This report provides an update on the programs TDHCA has targeted to assist with Texas' response to COVID-19 through reprogramming of existing funds and through the administration of CARES Act funds.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
HOME Program Tenant Based Rental Assistance (TBRA) for COVID-19 DR	NA: Reservation Agreements	3-6 months of rental assistance made available through existing or new HOME subrecipients. Geography: Available where subrecipients apply. Income Eligibility: Households at or below 80% AMFI based on current circumstances.	All necessary waivers for this activity were authorized by the OOG and HUD via HUD's mega-waiver of April 10, 2020.	21 contracted administrators representing 117 counties. 1 administrator in the review and approval process.	No added TDHCA staffing. No added admin funds.	71	Up to \$11,290,076 \$1,004,416* 8.89% \$65,176 6.48%	373 (households) activities submitted. Includes total served. * Amount Reserved
Reprogram 2019 and 2020 CSBG Discretionary and Admin. Funds	<ul style="list-style-type: none"> Board approval March 2020. Recipients contracts effective: 3/26/20 Expenditure Deadline: 8/31/20 	<p>Uses the existing network of Community Action Agencies to provide direct client assistance to low income households economically impacted by COVID-19.</p> <p>Geography: Available statewide (excluding CWCCP and CSI¹) Income Eligibility: 200% poverty (normally is 125%)</p>	None	<p>Contracts have been executed by subs. All funds obligated.</p> <p>Final reported data for the 8/31/20 deadline will be reflected on the next report.</p>	No added TDHCA staffing. No added admin funds.	5,375 persons	<p>\$1,477,993</p> <p>1,477,993 100%</p> <p>\$1,044,632 70%</p>	38 CAA subs

¹ CWCCP and CSI were omitted from this specific type of award because they have outstanding balances owed to the Department. The counties these two entities cover include: Anderson, Cameron, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt, and Willacy. It should be noted those counties will receive CSBG services under the CSBG CARES funds.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Recaptured 2018/2019 HHSP	<ul style="list-style-type: none"> Board approval March 2020. Spend by 8/31/20 for 2018 HHSP funds, and extensions on some 2019 HHSP funds. 	<p>To allow subrecipients to perform HHSP eligible activities in addressing homelessness and those at risk of homelessness.</p> <p>Geography: Available 9 largest metro areas. Income Eligibility: Generally 30% AMFI if applicable</p>	Approval from Comptroller granted.	<p>9 of the 9 contracts have been executed by subs.</p> <p>100% of \$88,547 in 2018 funds expended, and 46% of 2019 HHSP funds expended.</p>	<p>No added TDHCA staffing.</p> <p>No added admin funds.</p>	333	<p>\$239,884</p> <p>\$239,884 100%</p> <p>\$158,036 66</p>	9 subs
CSBG CARES	<ul style="list-style-type: none"> Board approved April 2020. (\$47,456,000) By 8/31/20 need to decide on the 7% reserve Expend by 8/31/22 45 day closeout 	<p>90% to CAAs using regular formula for households affected by COVID-19; 2% (\$949,120) to Texas Homeless Network²; 7% to be held in reserve for future emergency use or incentive awards; and 1% for state admin.</p> <p>Geography: Available statewide Income Eligibility: 200% of poverty (normally is 125%)</p>	The flexibilities allowed by USHHS have been accepted.	<p>Working on CSBG Plan Amendment.</p> <p>40 out of 40 contracts have been executed.</p>	<p>1 Art. IX FTE for CSBG reporting (Posted)</p> <p>1% admin (\$474,560)</p>	9,485 persons	<p>\$48,102,282</p> <p>\$43,292,056 90%</p> <p>\$3,161,056 7.3%</p>	40 CAA subs
LIHEAP CARES	<ul style="list-style-type: none"> Board approved April 2020 By 8/31/20 need to decide on the 9% reserve Expend by 8/30/21 45 day closeout 	<p>90% to CEAP subs using regular formula for households affected by COVID-19; 9% to be held in reserve for future emergency use or for subs; and 1% for state admin.</p> <p>Geography: Available statewide Income Eligibility: 150% of poverty</p>	<p>The flexibilities allowed by USHHS have been accepted. Told HHS no WAP w/ CARES.</p> <p>Sent waiver request 5/13/20 to HHS about performance measures for billing history.</p> <p>No 10% Carry Forward applies.</p>	37 out of 37 contracts have been executed.	<p>1 Art. IX FTE for CEAP TA/capacity (Filled)</p> <p>1% admin (\$892,670)</p>	6,670 persons	<p>\$94,023,896</p> <p>\$84,621,506 90%</p> <p>\$1,607,502 2%</p>	37 CAA subs. No subs declined funds.

² The award to THN is to: 1) address homelessness and at-risk of homelessness in the Balance of State Continuum of Care and to provide capacity building assistance to subrecipients of Emergency Solutions Grant CARES Act and 2020 and 2021 Emergency Solutions Grant funds as a result of COVID-19.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CDBG CARES – Phases I and II	<p>Board approved general use of the funds for CDBG Phase I in April 2020</p> <p>All phases of CDBG to be expended by 9/30/22</p> <p>90 day closeout</p>	<p>Recommended Usage in Plan Amendment: rental assistance, food bank operations, and assistance for providers of persons with disability.</p> <p>Geography: \$40,000,886 to be allocated to Units of General Local Government in non-entitlement areas. All remaining funds to be regionally allocated.</p> <p>Income Eligibility: For households at or below 80% of the Area Median Income (AMI) for rental assistance.</p>	<p>Federal Register guidance was released by HUD on August 10, 2020. May need waivers depending on what activity is decided. Action item for the Plan Amendment reflecting use of these funds is expected to be presented on the agenda for this Board meeting.</p>	<p>If approved on the separate agenda item, the Plan Amendment will be posted for a 5 day public comment period.</p>	<p>Number and type of remaining positions to be determined.</p> <p>All FTES are Art. IX</p> <p>Up to 7% admin and TA budget (\$7,237,522)</p>	0	<p>First allocation: \$40,000,886</p> <p>Second Allocation: \$63,392,290</p> <p>\$103,393,176</p> <p>\$0 0%</p> <p>\$0 0%</p>	<p>CDBG Director, Mariana Salazar, started August 10, 2020.</p> <p>Office of the Governor designated TDHCA as the state agency recipient for all CDBG CARES on June 15, 2020.</p>
ESG CARES – Phase I	<ul style="list-style-type: none"> Board approved programming plan on April 2020, and conditional awards on July 23, 2020. Expend by 9/30/22 90 day closeout 	<p>Four streams:</p> <ul style="list-style-type: none"> Existing subs were offered 100% to 200% of current contract amount (~\$12.5M) ESG Coordinators decided via local process for their CoC, and awards made in three areas without ESG Coordinators by offering funds to CoC awardees (~\$17.2M) Legal/HMIS (\$1.9M) <p>Geography: Locations of all funded grantees Income Eligibility: 50% AMI for homeless prevention.</p>	<ul style="list-style-type: none"> HUD mega-waivers accepted. Additional waiver request to HUD was submitted on June 15. One-Year Plan/ Con Plan amendment to HUD on May 8. Signed HUD grant agreement sent to HUD 5/15/20. Funds live in HUD system 5/22/20. 	<ul style="list-style-type: none"> 47 out of 49 contracts out for existing ESG subrecipients 45 new subrecipients conditionally awarded pending EARAC approval. 3 legal service providers awarded. 	<p>3 Art. IX FTE (for all phases of ESG as well) 2 hired; 1 in process</p> <p>5% admin (\$1,662,734)</p>	5,886	<p>\$33,254,679</p> <p>32,254,679 97%</p> <p>\$654,953 2%</p>	<p>This is the first \$1B of national ESG.</p> <p>HMIS/Coordination funds totaling \$365,826 will go to the 8 ESG Coordinators.</p>

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
ESG CARES – Phase II	Federal award amounts announced 6/9/2020.	TBD	Action item for the Plan Amendment reflecting use of these funds is expected to be presented on the agenda for this Board meeting. Still awaiting federal guidance on possible waivers.	If approved on the separate agenda item, the Plan Amendment will be posted for a 5 day public comment period.	FTEs noted under ESG CARES Phase I will be utilized for both phases.	0	\$64,537,937 \$0 0% \$0 0%	This is the state's share of the second (final) allocation of \$2.96 billion.
Housing Choice Voucher Program Admin	HUD has clarified that expenditure must occur by 12/31/20. (PIH 2020-08)	<ul style="list-style-type: none"> Software upgrades with Housing Pro to allow more efficient remote interface. Landlord incentive payments. 	Received HUD interpretation that using funds for software upgrades are acceptable.	ISP negotiation complete with Housing Pro. Purchase Order for upgrades in process. Materials for landlord incentives completed.	No added TDHCA staffing.	0	\$117,268 \$38,012* 32.4% \$0 0%	\$380M nationally *\$11,260 obligated for the system purchase. \$35,000 offered to 27 households for landlord incentives.
Housing Choice Voucher Program MVP	12 months of assistance, start date begins whenever we designate with HUD.	15 additional MVP vouchers consistent with our award of MVP, which for us is for the Project Access List.	None needed.	Received award from HUD. Issued the 15 vouchers on 5/22/20.	No added TDHCA staffing. No added admin funds.	2 families leased*	\$105,034 \$0 0% \$0 0%	*\$1,275 obligated to Mainstream families. There are 13 households searching for units
Housing Choice Voucher Program – Other/HAP	TBD	TBD	TBD	Awaiting HUD announcement or release of funds	TBD	0	TBD	\$870M nationally remaining

Note that Section 811 was initially reflected on this report. However, the funds in CARES have been clarified by HUD to be for traditional 811 Project Rental Assistance Contracts, not 811 PRA programs.

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BOARD REPORT ITEM
SECTION 811 PROGRAM
SEPTEMBER 3, 2020

Report to the Board on 811 PRA Program award.

REPORT

On October 9, 2019, the U.S. Department of Housing and Urban Development (HUD) released a Fiscal Year 2019 Notice of Funding Availability (NOFA) for the Section 811 Project Rental Assistance (PRA) Program to enable State Housing Agencies to provide project-based rental assistance in the development of supportive housing for low-income people with disabilities.

On December 12, 2019, the Board authorized staff to submit an application to HUD for these funds. Staff from the Housing Resource Center and Section 811 Program worked jointly to develop an application. On February 10, 2020, the application was submitted to HUD requesting \$6,982,087 to serve an estimated 140 households. The submission proposed that the funds would primarily be used to assist households currently on existing property waiting lists for the Department's successful Section 811 Program.

On August 3, 2020, HUD announced it had awarded more than \$74 million in Section 811 grants to 12 State Housing Agencies. TDHCA received one of these awards in the amount of \$6,982,087.

Including this newest award, Texas has now been awarded a total of \$31,324,087 in program funds, making Texas the largest single Section 811 PRA program grantee in the country.

The first household assisted with Texas' 811 PRA program moved in September 22, 2016. The Department now currently assists 437 active households occupying 811 PRA units, and has served 506 total households across 80 properties. The Department has secured commitments to the program from 146 properties, providing a sufficient supply to absorb this new award. According to HUD's most recent reporting data, Texas has already housed more households through Section 811 PRA than any other state.

The Section 811 PRA program provides project-based rental assistance linked with long term services for extremely low-income persons with disabilities. The program is made possible through a partnership between TDHCA, the Texas Health and Human Services Commission (HHSC), the Texas Department of Family and Protective Services (DFPS), and eligible multifamily properties.

2d

BOARD REPORT ITEM
TEXAS HOMEOWNERSHIP DIVISION
SEPTEMBER 3, 2020

Housing Finance Activity Report

BACKGROUND

The Texas Homeownership Division is primarily responsible for the creation, oversight, and administration of the Department's homeownership programs, which are designed to provide affordable financing options for low-to-moderate income homebuyers. This is accomplished through the issuance of tax-exempt and taxable single family mortgage revenue bonds, and through the Department's Taxable Mortgage Program (TMP).

Currently, the Department offers the following statewide options to homebuyers. Please note that conventional loans have been temporarily suspended due to potential fees imposed by Fannie Mae with respect to loans that enter forbearance as a result of COVID-19.

- **My First Texas Home Program.** Offers expanded mortgage loan opportunities to qualifying first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. All loans originated through the program are tax-exempt eligible, meeting Internal Revenue Service (IRS) requirements for inclusion in a tax-exempt bond issue or for receipt of a Mortgage Credit Certificate (MCC). As such, borrowers using this option must be first-time homebuyers (cannot have had an ownership interest in a primary residence within the last three years or must qualify for a veteran or targeted area exception), and borrower income and the purchase price of the home must be within IRS designated limits. Continuous funding for this program is provided through the issuance of tax-exempt single family mortgage revenue bonds (SFMRBs) and through TMP. The Department's SFMRBs typically offer borrowers multiple options, with at least one option providing down payment and closing cost assistance provided by the Department. Down payment and closing cost assistance is secured by a 30-year, non-amortizing, 0% interest second loan that is due upon sale of the property or refinance of the first loan. Loans funded with TMP include loans accompanied by an MCC (the IRS does not permit these loans to be included in SFMRBs) and tax-exempt eligible loans that are not used as collateral for SFMRBs.
- **My Choice Texas Home Program.** Offers mortgage loan opportunities to qualifying first-time and non-first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. Down payment and closing cost assistance is provided with each loan. While the same income and purchase price limits applicable to the My First Texas Home Program apply, income eligibility is based on the standard credit qualifying (1003) income instead of IRS methodology. Because all loans are funded through TMP, no IRS recapture provisions apply.

- Texas Mortgage Credit Certificate (MCC) Program.** Makes homeownership more affordable by providing first-time homebuyers a federal income tax credit, reducing the homebuyer’s potential federal income tax liability. By having an MCC, the homebuyer has the ability to convert a portion of their annual mortgage interest into a direct income tax credit on their U.S. individual income tax return. The credit may be applied for the life of the loan, as long as the home remains the borrower’s primary residence. The Texas MCC option is offered in combination with a My First Texas Home mortgage loan (TBA funding only), referred to as Combo loans for discussion and reporting purposes; or as a stand-alone option combined with any FHA, VA, USDA, or conventional fixed rate mortgage loan. The Department’s MCC Program offers MCC Credit Rates of 30% (for loan amounts up to \$175,000 and subject to the \$2,000 annual maximum credit) and 20% (for loan amounts greater than \$175,000, which has no annual maximum credit amount).

Income and Purchase Price Limits for All Loan Options. The Maximum income for all loan options is 100% of Area Median Family Income (AMFI) for households of one or two persons, and 115% of AMFI for households of three persons or more. The maximum purchase price is 90% of the average area purchase price. The Income and Purchase Price Limits Table is available on the Department’s website at <https://www.tdhca.state.tx.us/homeownership/fthb/docs/limits.pdf>, and an example, reflecting the limits with respect to loans originated in the Austin, Round Rock MSA is provided below.


Example	Income Limits		Maximum Purchase Price
	Households of 1-2 persons (100% AMFI)	Households of 3 persons or more (115% AMFI)	90% of Average Area Purchase Price
Location			
Austin, Round Rock MSA	\$ 97,600	\$ 112,240	\$ 359,460

Higher income and purchase price limits apply with respect to homes purchased in targeted areas, which are areas of severe economic distress.

IRS Recapture. Loans that are financed through SFMRBs and loans that receive an MCC are subject to IRS recapture provisions. Under certain circumstances, a borrower may owe a recapture tax to the IRS. To owe any recapture tax at all, the borrower must (1) sell the MCC- or MRB-financed home **at a gain** within nine years of purchase, **AND** (2) earn significantly more income than when the home was purchased (generally more than 5% increase in income per year). Both of these criteria must be met before a borrower has a recapture liability. In addition, the recapture liability cannot exceed the amount of the borrower’s gain on the sale of the home.

Current Mortgage Rates and Terms. The following table details the Department’s loan options and mortgage rates as of August 21, 2020. Down payment and closing cost assistance (DPA) is provided as a 30-year, non-amortizing, 0% interest second mortgage loan that is due on sale or refinance.

Texas Department of Housing and Community Affairs
Texas Homeownership Programs

 Rate Notice and Available Options 08/21/2020	Loans with Down Payment Assistance						Unassisted Loans										
	Government Loans (FHA, USDA, VA)				Fannie Mae Preferred Available only with My Choice Texas Home Taxable Loans <i>Below 80% AMFI</i>		Government Loans (FHA, USDA, VA)										
Amount of DPA Provided	2 Points DPA	3 Points DPA	4 Points DPA	5 Points DPA	3 Points DPA	5 Points DPA	No DPA										
My First Texas Home Program	First-Time Homebuyer requirement; considers the income of all person(s) who will sign the Deed of Trust (including Non-Purchasing Spouse).																
My FIRST Texas Home Bond Eligible Loans, No MCC	2.500%	2.625%	2.750%	3.375%	Temporarily Suspended		Unassisted Funds available with Bond Program only										
My FIRST Texas Home Combo Loans with MCC	2.625%	2.750%	2.875%	3.500%	Temporarily Suspended												
My Choice Texas Home Program	No First-Time Homebuyer requirement; considers the standard lender income calculation (1003/credit qualifying income).																
My CHOICE Texas Home Taxable Loans, No MCC	2.625%	2.750%	2.875%	3.500%	Temporarily Suspended		N/A										
Mortgage Credit Certificate (MCC) Program																	
My FIRST Texas Home Combo Loans <i>and</i> Stand-Alone MCCs	MCC Credit Rate is Based on Loan Amount Loans at or below \$175,000 - 30% MCC Credit Rate with a \$2,000 annual maximum tax credit Loans above \$175,000 - 20% MCC Credit Rate with no annual maximum tax credit																
APPLICABLE TO ALL LOANS ORIGINATED THROUGH THE ABOVE TBA AND BOND OPTIONS																	
Minimum FICO Score	620			<table border="1" style="width: 100%;"> <tr> <th colspan="2">Loans must be purchased within 60 days of the date reserved. Extensions are available at the following cost:</th> </tr> <tr> <td>7-Day</td> <td>0.0625%</td> </tr> <tr> <td>15-Day</td> <td>0.1250%</td> </tr> <tr> <td>22-Day</td> <td>0.1875%</td> </tr> <tr> <td>30-Day</td> <td>0.2500%</td> </tr> </table>				Loans must be purchased within 60 days of the date reserved. Extensions are available at the following cost:		7-Day	0.0625%	15-Day	0.1250%	22-Day	0.1875%	30-Day	0.2500%
Loans must be purchased within 60 days of the date reserved. Extensions are available at the following cost:																	
7-Day	0.0625%																
15-Day	0.1250%																
22-Day	0.1875%																
30-Day	0.2500%																
Origination Points	0%																
SRP to Lender	2.75%																
Program Compliance Fee	\$275																
Program Compliance Fee - MCC	\$275																
MCC Issuance Fee	\$400																
Loan Review and Acquisition Fee	\$150																
Tax Service Fee	\$85																
	All MCCs, Combo and Stand-Alone																
APPLICABLE TO FNMA LOANS																	
Fannie Mae Preferred program has been temporarily suspended.																	

The attached Housing Finance Activity Report reflects activity for each available homeownership option for calendar year 2020 – Quarter 2 (April 1, 2020 – June 30, 2020), aggregate loan activity over a 12-month period, and a map that reflects Texas counties served.

TDHCA Housing Finance Activity Quarter 2-2020



Borrowers Served

3,270

(Financed and/or MCC Issued)
Increase of 32%
from Quarter 2-2019

Homes Financed

2,889

Increase of 21%
from Quarter 2-2019

First Mortgages

\$538.8 Million

Increase of 28%
from Quarter 2-2019

MCCs Issued

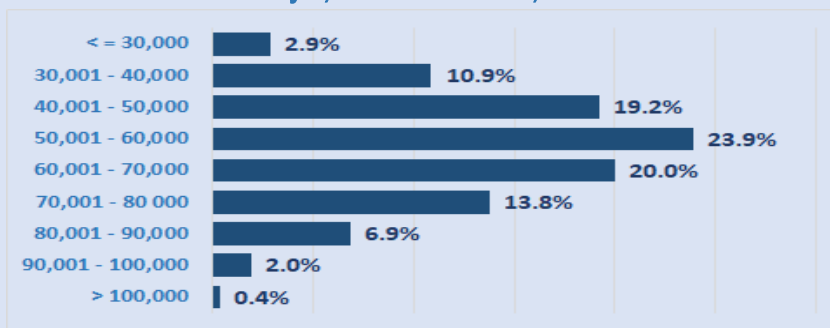
804

Increase of 23%
from Quarter 2-2019

423 MCC and First Mortgage
381 Stand-alone MCC

Income Distribution

July 1, 2019 to June 1, 2020

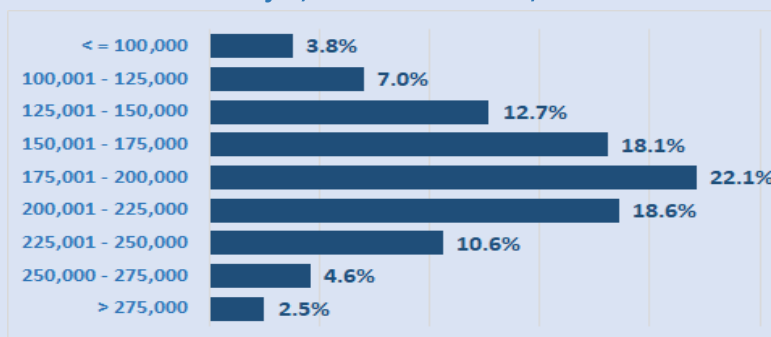


Average Income \$57,780

72% of Borrowers at or below 80% AMFI

Loan Amount Distribution

July 1, 2019 to June 30, 2020



Average Loan Amount \$183,585

2019 Statewide Economic Impact

Based on 38% New Construction Loans

\$1 Billion Wages Generated

\$144.5 Million Tax Revenue

12,422 Jobs Created

Estimates based on formulas published by the National Home Builders Association - [The Economic Impact of Home Building in a Typical Local Area](#), provided by National Council of State Housing Agencies (NCSHA).

TDHCA Aggregate Loan Originations

July 1, 2019 to June 30, 2020

Loan Volume by COUNTY (Top 20)			
Top Originating Counties	Total Originated	# of Loans	% of Loans
Harris	\$ 315,428,990	1727	14.9%
Bexar	\$ 268,963,382	1495	12.7%
Tarrant	\$ 216,459,295	1087	10.2%
Dallas	\$ 168,277,208	888	7.9%
El Paso	\$ 113,512,067	839	5.4%
Travis	\$ 109,373,808	484	5.2%
Williamson	\$ 108,437,635	504	5.1%
Collin	\$ 63,039,058	273	3.0%
Denton	\$ 62,083,876	259	2.9%
Fort Bend	\$ 52,598,072	263	2.5%
Hays	\$ 46,750,550	208	2.2%
Brazoria	\$ 43,884,854	219	2.1%
Montgomery	\$ 42,878,228	227	2.0%
Kaufman	\$ 37,984,268	182	1.8%
Johnson	\$ 29,487,735	157	1.4%
Webb	\$ 28,665,645	180	1.4%
Ellis	\$ 26,393,497	124	1.2%
Galveston	\$ 23,743,929	126	1.1%
Comal	\$ 23,217,297	104	1.1%
Bell	\$ 23,012,735	166	1.1%

New Construction vs Existing Dwelling			
New Construction / Existing	Orig Loan Amount	# of Loans	% of Loans
New	\$ 864,144,275	4140	35.9%
Existing	\$ 1,254,785,468	7402	64.1%

Property Type			
Property Type	Orig Loan Amount	# of Loans	% of Loans
1 Unit Single Family Detached	\$ 2,036,533,896	11045	95.7%
Condominium	\$ 36,659,094	198	1.7%
Manufactured	\$ 29,426,162	202	1.8%
Townhouse	\$ 11,217,201	70	0.6%
Rowhouse	\$ 2,701,864	14	0.1%
Duplex	\$ 2,391,526	13	0.1%

Borrower Gender			
Gender	Orig Loan Amount	# of Loans	% of Loans
Male	\$ 1,230,700,866	6659	58.1%
Female	\$ 887,630,582	4880	41.9%
Declined to Answer	\$ 598,295	3	0.0%

First Time Home Buyer			
FTHB Status	Orig Loan Amount	# of Loans	% of Loans
Yes	\$ 2,093,899,401	11409	98.8%
No	\$ 25,030,342	133	1.2%

Household Size			
Household Size	Orig Loan Amount	# of Loans	% of Loans
1	\$ 597,829,825	3349	29.0%
2	\$ 520,056,817	2848	24.7%
3	\$ 429,202,942	2318	20.1%
4	\$ 335,376,391	1788	15.5%
5	\$ 160,104,706	847	7.3%
6	\$ 57,217,439	294	2.5%
7	\$ 13,439,110	69	0.6%
8+	\$ 5,702,513	29	0.3%

Max: 8+ \ Min: 1 \ WAvg: 2.6

FICO Score Distribution			
FICO Score	Orig Loan Amount	# of Loans	% of Loans
<= 640	\$ 591,352,029	3186	27.6%
641 to 660	\$ 454,873,442	2503	21.7%
661 to 680	\$ 314,740,369	1732	15.0%
681 to 700	\$ 224,448,906	1224	10.6%
701 to 720	\$ 165,659,566	906	7.8%
721 to 740	\$ 136,998,714	753	6.5%
741 to 760	\$ 106,416,871	581	5.0%
761 to 780	\$ 64,678,803	343	3.0%
780 to 800	\$ 44,509,049	233	2.0%
> 800	\$ 15,251,994	81	0.7%

Max: 816 \ Min: 555 \ WAvg: 674

Household Income Distribution			
Household Income (\$)	Orig Loan Amount	# of Loans	% of Loans
<= 20,000	\$ 6,937,122	43	0.4%
20,001 - 30,000	\$ 35,399,940	292	2.5%
30,001 - 40,000	\$ 177,956,009	1261	10.9%
40,001 - 50,000	\$ 366,475,386	2219	19.2%
50,001 - 60,000	\$ 510,460,429	2761	23.9%
60,001 - 70,000	\$ 451,185,574	2307	20.0%
70,001 - 80,000	\$ 327,373,990	1591	13.8%
80,001 - 90,000	\$ 177,509,277	791	6.9%
90,001 - 100,000	\$ 55,455,969	234	2.0%
> 100,000	\$ 10,176,047	43	0.4%

Max: \$152,604 \ Min: \$11,148 \ WAvg: \$57,780

AMFI Distribution			
AMFI	Orig Loan Amount	# of Loans	% of Loans
<= 30%	\$ 17,793,723	129	1.1%
30.1% to 60%	\$ 619,628,086	3829	33.2%
60.1% to 80%	\$ 823,051,015	4352	37.7%
80.1% to 100%	\$ 656,507,918	3222	27.9%
100.1% to 115%	\$ 1,620,311	8	0.1%
> 115.1%	\$ 328,690	2	0.0%

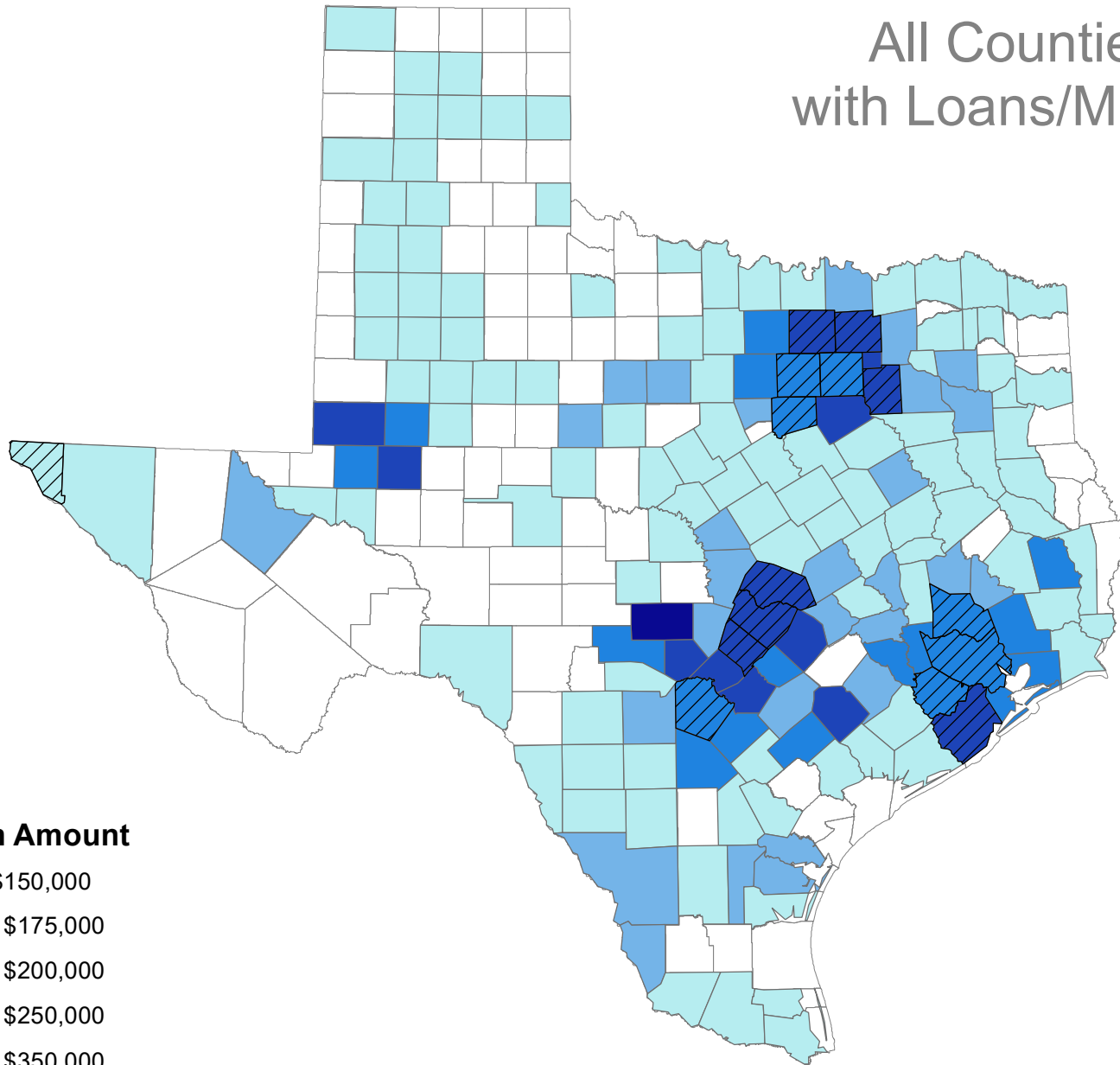
Max: 103% \ Min: 14% \ WAvg: 68%

Age Distribution			
Age	Orig Loan Amount	# of Loans	% of Loans
<= 20	\$ 88,716,103	532	4.6%
21 to 25	\$ 217,548,072	1226	10.6%
26 to 30	\$ 493,026,284	2706	23.4%
31 to 35	\$ 386,485,678	2074	18.0%
36 to 40	\$ 304,097,323	1616	14.0%
41 to 45	\$ 213,021,179	1122	9.7%
46 to 50	\$ 165,664,775	887	7.7%
51 to 55	\$ 117,529,167	633	5.5%
56 to 60	\$ 68,919,833	385	3.3%
>61	\$ 63,921,329	361	3.1%

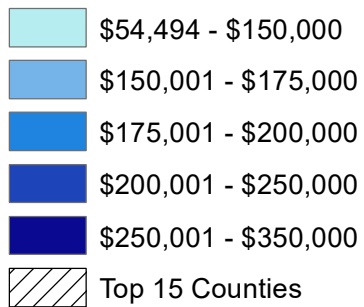
Max: 96 \ Min: 18 \ WAvg: 36

Loan Type			
Loan Type	Orig Loan Amount	# of Loans	% of Loans
FHA	\$ 1,828,440,565	9970	86.4%
HFA Preferred	\$ 224,361,204	1251	10.8%
USDA-RHS	\$ 36,469,954	179	1.6%
VA	\$ 29,658,020	142	1.2%

All Counties with Loans/MCCs



Average Loan Amount



Date: 8/25/2020

Document Path: Q:\Maps\Homeownership\homeownership.mxd

Disclaimer: This map is not a survey product; boundaries, distances and scale are approximate only.

2e

BOARD REPORT ITEM
BOND FINANCE DIVISION
SEPTEMBER 3, 2020

Report on the closing of the Department's 2020 Series A Single Family Mortgage Revenue Bonds and 2020 Series B Single Family Mortgage Revenue Refunding Bonds (Taxable)

BACKGROUND

On April 23, 2020, the Board approved the issuance of 2020 Series A Single Family Mortgage Revenue Bonds (2020A Bonds) and 2020 Series B Single Family Mortgage Revenue Refunding Bonds (Taxable) (2020B Bonds and, together with the 2020A Bonds, the Bonds). The Preliminary Official Statement (POS) was published May 4, 2020, and a supplement was published June 9, 2020. The Bonds were priced June 11, 2020, and closed July 8, 2020.

The financing team included Bracewell LLP, Bond Counsel; McCall, Parkhurst & Horton, L.L.P., Disclosure Counsel; Stifel, Nicolaus & Co., Inc., Financial Advisor; and an underwriting team led by of RBC Capital Markets as Book Running Senior Manager, Barclays, Jefferies, and J.P. Morgan as co-senior managers, and Morgan Stanley, Piper Sandler & Co., and Ramirez & Co., Inc. as co-managers.

The 2020A Bonds, issued to provide funds for new loan origination, were structured to maximize premium received while keeping mortgage rates as low as possible. Fixed rate and tax-exempt, the bond structure included par and premium serial bonds, par and premium term bonds, and a high premium PAC (Planned Amortization Class) bond. The par amount of 2020A Bonds sold was \$174,250,000, and the premium received was \$10,747,155, for total 2020A Bond proceeds of \$184,997,155. The premium fully funded the down payment and closing cost assistance for loans originated through this bond issue. This series made \$174,250,000 available for assisted loans, providing 4 points of down payment and closing cost assistance in the form of 30-year, non-amortizing, 0% interest second loans that are due on sale or refinance of the first mortgage. Eligible loan types are FHA, VA, and USDA-RD loans. Since pricing, assistance provided has been expanded to include 5 points of down payment and closing cost assistance. Mortgage rates have ranged between 3.50% and 4.00%, and the issue is currently over 50% committed.

The 2020B Bonds, issued to refund the Department's outstanding 2013 Series A Bonds, were structured to achieve maximum debt service savings. Fixed rate and taxable, \$12,395,143 of 2020B Bonds were sold as a single maturity, pass through bond. The refunding achieved approximately \$482,420 in present value savings.

Attached is a detailed summary of the pricing that was prepared by RBC Capital Markets.



\$186,645,143
Single Family Mortgage Revenue Bonds
\$ 174,250,000 2020 Series A (Non-AMT)
\$12,395,143 2020 Series B (Taxable Pass-Through)

Pricing Information

July 8, 2020

Pricing Date..... June 11, 2020
Sale Date..... June 12, 2020
Settlement Date..... July 8, 2020



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SECTION 1

Overview of Financing



PARTICIPANTS

Issuer	Texas Department of Housing and Community Affairs
Bond Counsel	Bracewell LLP
Disclosure Counsel	McCall, Parkhurst & Horton, L.L.P.
Financial Advisor	Stifel, Nicolaus & Company
Senior Manager	RBC Capital Markets, LLC
Co-Senior Managers	Jefferies LLC Barclays Capital Inc. J.P. Morgan Securities LLC
Co-Managers	Ramirez & Co. Morgan Stanley Piper Sandler
Underwriter’s Counsel	Chapman and Cutler LLP
Trustee	The Bank of New York Mellon Trust Company, N.A.
Trustee’s Counsel	McGuire, Craddock & Strother, P.C.
Master Servicer	Idaho Housing and Finance Association
Rating Agencies	Moody’s Investors Service Standard & Poor’s Rating Services
Printer	ImageMaster



EXECUTIVE SUMMARY

Timing and Underwriting

Retail Order Period:	Thursday, June 11, 2020
Institutional Pricing:	Thursday, June 11, 2020
Method of Sale:	Negotiated
Underwriters:	
Senior Manager	RBC Capital Markets, LLC
Co-Senior Managers	Jefferies LLC Barclays Capital Inc. JP Morgan
Co-Managers	Ramirez & Co. Morgan Stanley Piper Sandler

Use of Proceeds

The 2020 Series A proceeds in the amount of \$174,250,000 (par) and \$10,747,154.90 (premium) are expected to be applied to purchase GNMA MBS and DPA second mortgage loans.

The 2020 Series B proceeds in the amount of \$12,395,143 will be used to refund the Series 2013A Bonds.

Bond Structure

The 2020 Series A Non-AMT bonds are structured with semi-annual par serial bonds from 3/1/2021 through 9/1/2025, and 3/1/2029 through 9/1/2031, semi-annual premium serial (lock out) bonds 3/1/2026 through 9/1/2028, a super sinker term bond due in 2035, a par term bond due 2040, premium term bonds due 2045 and 2050, and a 5.9 yr avg life (monthly pay) Premium PAC bond structured pro rata @ 100% - 400% PSA to yield 1.53%

The 2020 Series B bonds are structured as Taxable, Pass-Through bonds.

Tax Status

2020 Series A: Non-AMT
2020 Series B: Taxable

Ratings

Moody's: Aaa
S&P: AA+

Bondholder Security

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money and Investment Securities held in the Funds (excluding the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account), and other property pledged under the Trust Indenture and any Supplemental Indenture.



Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any supplemental indenture. Revenues do not include Swap Agreement Periodic Receipts or Swap Agreement Termination Receipts, payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department. Swap Agreement Periodic Receipts will be available to pay Debt Service on the Bonds. Bondholders have no rights to or lien on the Swap Agreements.

Results of Sale

Bond Issue Component	Buyer Profile
SERIES 2020A	
\$19,835,000 2021 – 2025 and 2029 – 2031 Par Serial Bonds	Retail: 95% Institutional: 5%
\$7,905,000 2026-2028 Premium 2033 Serial Bonds	Retail: 100% Institutional: 0%
\$12,075,000 2035 Super Sinker Term Bonds	Retail: 25% Institutional: 75%
\$17,120,000 2040 Term Bonds	Retail: 3% Institutional: 97%
\$20,005,000 2045 Premium Term Bonds	Retail: 0% Institutional: 100%
\$21,035,000 2050 Premium Term Bonds	Retail: 4% Institutional: 96%
\$76,275,000 2051 Premium PAC Bonds	Retail: 0% Institutional: 100%
SERIES 2020B	
\$12,395,143 2036 Taxable, Pass-Through	Retail: 0% Institutional: 100%



Borrowing Cost

Bond Yield – 2020A 2.236%
Bond Yield – 2020B 2.000%

Investment of Proceeds

Moneys in all Funds will be invested pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company in Investment Securities. Moneys held or invested in all Funds and Accounts under the Trust Indenture (other than the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account) are for the equal and ratable benefit of all owners of the Bonds.

PRICING HIGHLIGHTS AND TRANSACTION ACCOMPLISHMENTS

***Financing Goals-
2020A***

- Issue \$174,250,000 million in bonds including \$76.275 million of Premium PAC bonds at a price of 110.895%, \$7.905 million of Premium Serial bonds at a weighted average price of 120.943% and \$41.04 million of Premium Term bonds at a weighted average price of 101.904% to generate total proceeds of \$184,997,154.90
- Proceeds applied to purchase \$174,250,000 of Mortgage Certificates and \$10.747 million for down payment assistance funds, lender servicing release premiums, and servicing fees for second mortgage loans.
- Average mortgage rate is anticipated to be 3.78%

***Financing Goals-
2020B***

Market Conditions

- Issue \$12,395,143 million in bonds to refund the 2013 Series A bonds.

Before the onset of the COVID-19 crisis, TDHCA planned on pricing mid-May. Following the market disruption in March leading to a dislocation between MMD and TBA pricing (based off of treasuries), a bond issue priced in mid-May would have yielded a full spread mortgage rate in excess of what was being offered around the state at that time. TDHCA patiently waited on the sidelines (with a "day to day" status) for a market correction and found a window of opportunity in mid-June. The 2020A Bonds were priced on a day after the Federal Open Market Committee met and voted to keep the federal funds rate unchanged as expected. Prior to pricing, RBC CM restructured the bond issue in response to investor demand for premium serial bonds. RBC CM orchestrated a one day combined retail and institutional order period for the Bonds on June 11th.

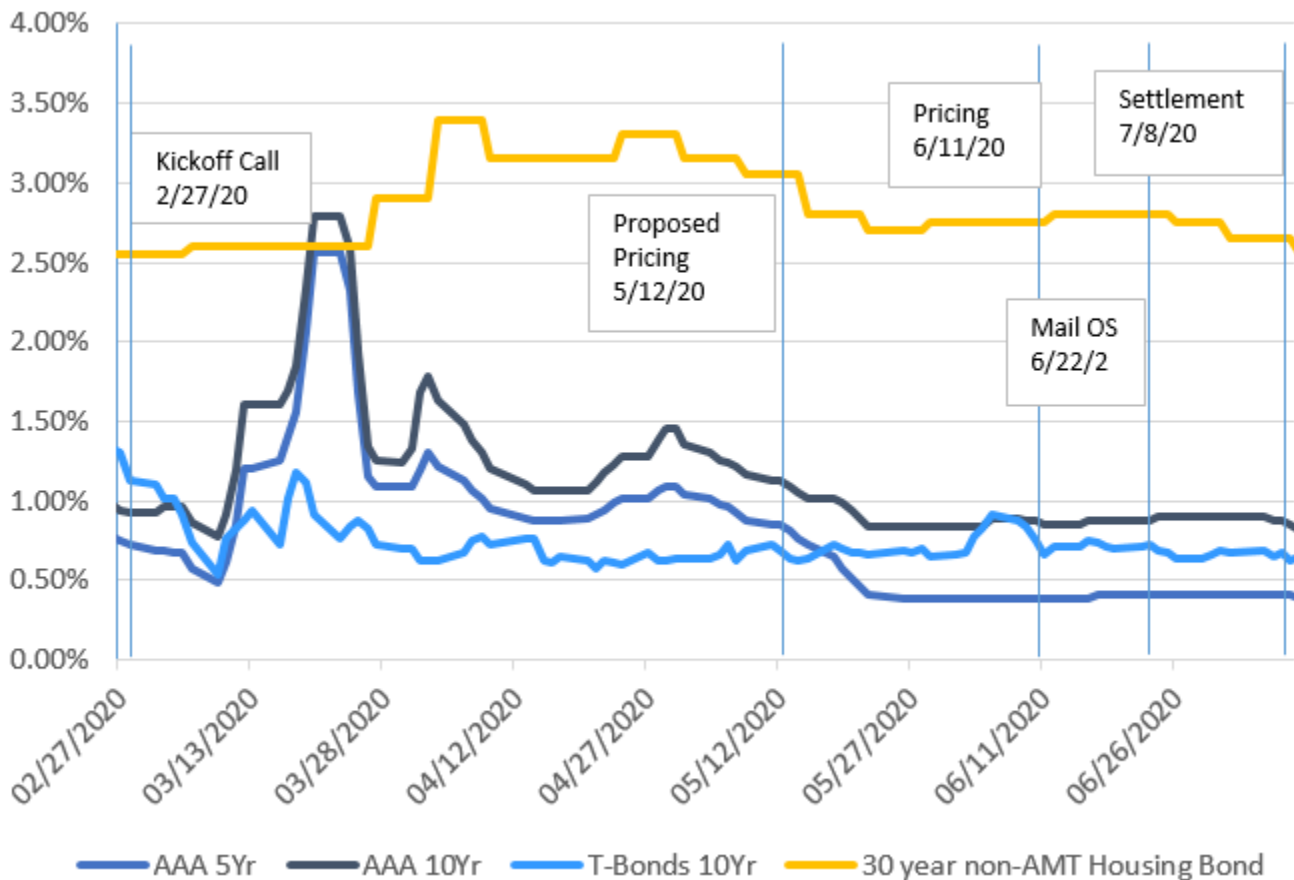
The 2020 Series A Bonds generated approximately \$60 million of retail orders (Texas and National including SMAs) of which \$49.750 million (83%) were placed



by RBC CM. In addition to significant retail participation, over \$1.034 billion of institutional priority orders were placed. The 2020A Bonds were over-subscribed in the aggregate by 6.3x, allowing for reductions, on average of 8bp across the maturities. The Premium Serial bonds on average were 4x over-subscribed, the 2035 Super Sinker Term bond 7.9x over, the 2045 Premium Term Bonds 8.1x over, and the 2050 Premium Term Bonds 6.7x over. The PAC bond was 6.9x over-subscribed, allowing for a 10bp reduction in the yield and a spread to MMD of +100, the tightest level achieved since the COVID crisis began. A record 13 different institutional investors placed orders on the PAC bond.

The 2020 Series B Bonds were also well received, generating \$131.9million orders on \$12.395 bonds (10.6x over).

Time Line of the Transaction





GROSS SPREAD

		2020A	2020B	TOTAL/BOND
	TOTAL	\$174,250,000	\$12,395,143	\$186,645,143
<i>Underwriting Fee</i>				
Takedown	1,028,306.97	966,331.25	61,975.72	5.509
Management Fee	186,645.14	174,250.00	12,395.14	1.000
Expenses	80,595.61	78,542.43	2,053.18	0.432
Total UW Fee	\$1,295,547.72	\$1,219,123.68	\$76,424.04	\$6.941

BREAKDOWN OF SYNDICATE EXPENSES

		2020A	2020B	TOTAL/BOND
	TOTAL	\$174,250,000	\$12,395,143	\$186,645,143
Day Loan	5,184.59	4,840.28	344.31	0.028
CUSIP	1,092.00	871.00	221.00	0.006
Ipreo	17,344.02	16,206.15	1,137.87	0.093
DTC Fees	1,150.00	800.00	350.00	0.006
UW Counsel	50,000.00	50,000.00	0.00	0.268
DAC Fee	825.00	825.00	0.00	0.004
T&E	5,000.00	5,000.00	0.00	0.027
Total Underwriter Expenses	\$80,595.61	\$78,542.43	\$2,053.18	\$0.432



SOURCES AND USES OF FUNDS

	2020A	2020B	Total
Par Amount of Bonds	\$ 174,250,000.00	\$ 12,395,143.00	\$ 186,645,143.00
Bond Premium	10,747,154.90		10,747,154.90
Total Bond Proceeds	\$ 184,997,154.90	\$ 12,395,143.00	\$ 197,392,297.90
Refunded Bonds Series 2013A			
Revenue Fund	-	597,843.00	597,843.00
Issuer Contribution	3,231,689.00	(91,934.00)	3,139,755.00
TOTAL SOURCES	\$ 188,228,843.90	\$ 12,901,052.00	\$ 201,129,895.90
Uses of Funds			
Redemption of Refunded Bonds	-	\$ 12,735,840.00	\$ 12,735,840.00
2020 A Mortgage Loan Account	\$ 186,099,000.00	-	186,099,000.00
Underwriter Compensation	1,219,123.68	76,424.04	1,295,547.72
Costs of Issuance	910,720.22	88,787.96	999,508.18
TOTAL USES	\$ 188,228,843.90	\$ 12,901,052.00	\$ 201,129,895.90



SECTION 2

Bond Offering Documents and Pricing Wires

PRELIMINARY OFFICIAL STATEMENT DATED MAY 4, 2020

NEW ISSUES - BOOK-ENTRY ONLY

**RATINGS:
S&P: "AA+"
Moody's: "Aaa"
(See "RATINGS" herein)**

Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2020A BONDS" herein. Interest on the Series 2020B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2020B BONDS" herein.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

\$175,000,000*

**Single Family Mortgage
Revenue Bonds
2020 Series A (Non-AMT)**

\$12,829,925*

**Single Family Mortgage
Revenue Refunding Bonds
2020 Series B (Taxable)
(Mortgage-Backed Securities
Pass-Through Bonds)**

<i>Dated Date/Delivery Date:</i>	_____, 2020*
<i>Due:</i>	March 1 and September 1, as shown on the inside cover.
<i>Interest Payment Dates:</i>	Interest accrued on the Series 2020A Bonds will be payable on each March 1 and September 1, commencing September 1, 2020* as described herein. Interest accrued on the Series 2020B Bonds will be payable on the first day of each month, commencing _____, 2020* as described herein.
<i>Interest Rates:</i>	Payable at the rates as shown on the inside cover.
<i>Redemption:</i>	The Series 2020 Bonds are subject to redemption on the dates and at the redemption prices more fully described herein. See "THE SERIES 2020 BONDS – Redemption Provisions."
<i>Denominations:</i>	The Series 2020A Bonds will be available to purchasers in book-entry form only in \$5,000 or any integral multiple thereof as described herein. The Series 2020B Bonds will be available to purchasers in book-entry form only in denominations of \$1.00 and any integral multiple thereof as described herein.
<i>Tax Matters:</i>	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2020A BONDS" herein. Interest on the Series 2020B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2020B BONDS" herein.
<i>Purpose:</i>	The Series 2020A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"). The Mortgage Certificates purchased with the proceeds of the Series 2020A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES." The Series 2020B Bonds are being issued for the primary purpose of refunding the Department's outstanding Single Family Mortgage Revenue Refunding Bonds, 2013 Series A (Taxable) (the "Refunded Bonds").
<i>Security:</i>	The Series 2020 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture (as defined herein). The Series 2020 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, Freddie Mac, and Fannie Mae, is obligated to pay the principal or redemption price of or interest on the Series 2020 Bonds. Neither the faith and credit nor the taxing power of the state or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae, Freddie Mac, and Fannie Mae guarantee only the payment of the principal of and interest on the Ginnie Mae Certificates, Freddie Mac Certificates, and Fannie Mae certificates, respectively, when due and do not guarantee the payment of the Series 2020 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE."
<i>Book-Entry Only System:</i>	The Series 2020 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – DTC and Book-Entry."
<i>Trustee:</i>	The Bank of New York Mellon Trust Company, N.A.
<i>Bond Counsel:</i>	Bracewell LLP
<i>Disclosure Counsel:</i>	McCall, Parkhurst & Horton L.L.P.
<i>Underwriter's Counsel:</i>	Chapman and Cutler LLP
<i>Financial Advisor:</i>	Stifel, Nicolaus & Co., Inc.

RBC Capital Markets

**Barclays
Morgan Stanley**

**Jefferies
Piper Sandler & Co.**

**J.P. Morgan
Ramirez & Co., Inc.**

* Preliminary, subject to change.

MATURITY SCHEDULE*

\$27,730,000 Series 2020A Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Price	CUSIP
3/1/2021	\$ 230,000			
9/1/2021	1,210,000			
3/1/2022	1,220,000			
9/1/2022	1,230,000			
3/1/2023	1,235,000			
9/1/2023	1,245,000			
3/1/2024	1,255,000			
9/1/2024	1,265,000			
3/1/2025	1,275,000			
9/1/2025	1,285,000			
3/1/2026	1,290,000			
9/1/2026	1,300,000			
3/1/2027	1,315,000			
9/1/2027	1,325,000			
3/1/2028	1,335,000			
9/1/2028	1,345,000			
3/1/2029	1,365,000			
9/1/2029	1,375,000			
3/1/2030	1,385,000			
9/1/2030	1,400,000			
3/1/2031	1,415,000			
9/1/2031	1,430,000			

\$12,080,000 ___% Series 2020A Term Bonds due September 1, 2035 Price ___% CUSIP _____
 \$17,130,000 ___% Series 2020A Term Bonds due September 1, 2040 Price ___% CUSIP _____
 \$20,080,000 ___% Series 2020A Term Bonds due September 1, 2045 Price ___% CUSIP _____
 \$76,845,000 ___% Series 2020A Premium PAC Term Bonds due September 1, 2050 Price ___% CUSIP _____
 \$21,135,000 ___% Series 2020A Term Bonds due March 1, 2050 Price ___% CUSIP _____

(Interest Accrues from Date of Delivery)

\$12,829,925 Series 2020B Bonds (Taxable)

\$12,829,925 ___% Series 2020B Bonds Due March 1, 2036, Price ___% CUSIP _____

(Interest Accrues from Date of Delivery)

* Preliminary, subject to change.

Wires

Rec'd Date/Time (CST)	Sender	ST	Wire Type/Title	Master Message #	Deal Type
06/10/20 10:11 AM	RBC Capital Markets	IL	PRE-MARKETING WIRE		Neg

RE: \$ 174,625,000*
 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 SINGLE FAMILY MORTGAGE REVENUE BONDS, 2020 SERIES A (NON-AMT)

PLEASE USE THE SCALE BELOW FOR PRE-MARKETING PURPOSES.

THIS TRANSACTION IS SCHEDULED TO PRICE TOMORROW, THURSDAY, JUNE 11TH.

POS & SUPPLEMENT LINK: <http://munios.com/e/4A5PP>

MOODY'S: Aaa
 FITCH:
 S&P: AA+
 KROLL:

DATED: 07/08/2020 FIRST COUPON: 09/01/2020

DUE: 03/01 & 09/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
03/01/2021	230M	0.35%	100.00	1/4
09/01/2021	1,210M	0.40%	100.00	1/4
03/01/2022	1,225M	0.55%	100.00	3/8
09/01/2022	1,235M	0.60%	100.00	3/8
03/01/2023	1,240M	0.75%	100.00	3/8
09/01/2023	1,250M	0.80%	100.00	3/8
03/01/2024	1,260M	0.90%	100.00	1/2
09/01/2024	1,270M	0.95%	100.00	1/2
03/01/2025	1,280M	5.00%	1.10	1/2
		(Approx. \$ Price 117.620)		
09/01/2025	1,290M	5.00%	1.15	1/2
		(Approx. \$ Price 119.186)		
03/01/2026	1,290M	5.00%	1.35	1/2
		(Approx. \$ Price 119.780)		
09/01/2026	1,300M	5.00%	1.40	1/2
		(Approx. \$ Price 121.131)		
03/01/2027	1,315M	5.00%	1.55	5/8
		(Approx. \$ Price 121.709)		
09/01/2027	1,325M	5.00%	1.60	5/8
		(Approx. \$ Price 122.874)		
03/01/2028	1,335M	5.00%	1.70	5/8
		(Approx. \$ Price 123.568)		
09/01/2028	1,340M	5.00%	1.75	5/8
		(Approx. \$ Price 124.575)		
03/01/2029	1,365M	1.95%	100.00	5/8
09/01/2029	1,370M	2.00%	100.00	5/8
03/01/2030	1,380M	2.05%	100.00	5/8
09/01/2030	1,395M	2.10%	100.00	5/8
03/01/2031	1,410M	2.15%	100.00	5/8
09/01/2031	1,425M	2.20%	100.00	5/8
09/01/2035	12,075M	2.25%	100.00	5/8
09/01/2040	17,120M	2.55%	100.00	5/8

09/01/2045 20,060M 3.00% 2.80 5/8
 (Approx. \$ Price PTC 03/01/2029 101.524 Approx. YTM 2.914)

03/01/2050 21,055M 3.00% 2.85 5/8
 (Approx. \$ Price PTC 03/01/2029 101.140 Approx. YTM 2.942)

03/01/2051 76,575M 3.50% 1.63 1/2
 (Approx. \$ Price 110.328)

(PAC)

(Avg. Life: 5.90 years over a range of 100.00 to 400.00% of PSA experience)

 CALL FEATURES: Optional call in 03/01/2029 @ 100.00

AVERAGE LIFE TABLES:

PSA SPEED	9/1/35 TERM	9/1/40 TERM	9/1/45 TERM	3/1/50 TERM	3/1/51 PAC	AVG LIFE
	AVG LIFE	AVG LIFE	AVG LIFE	AVG LIFE	CALL NOT EXERCISED/EXERCISED	
0%	13.4	18.0	23.0	27.7	18.3	8.1
50%	13.4	18.0	22.7	25.5	9.2	6.8
75%	13.4	17.6	20.9	22.3	7.0	6.1
100%	11.5	16.7	19.0	19.6	5.9	5.5
125%	5.3	15.8	17.5	17.8	5.9	5.5
150%	3.0	14.4	15.6	15.7	5.9	5.5
175%	2.5	12.9	13.7	13.8	5.9	5.5
200%	2.2	11.6	12.1	12.1	5.9	5.5
300%	1.7	7.5	7.6	7.6	5.9	5.5
400%	1.4	4.8	4.8	4.8	5.9	5.5
500%	1.3	4.7	4.7	4.7	4.4	4.2

Sinking Fund Schedule

2035 Term Bond

03/01/2032 1,450M
 09/01/2032 1,470M
 03/01/2033 1,485M
 09/01/2033 1,500M
 03/01/2034 1,515M
 09/01/2034 1,540M
 03/01/2035 1,545M
 09/01/2035 1,570M

Sinking Fund Schedule

2040 Term Bond

03/01/2036 1,600M
 09/01/2036 1,625M
 03/01/2037 1,650M
 09/01/2037 1,670M
 03/01/2038 1,695M
 09/01/2038 1,725M
 03/01/2039 1,755M
 09/01/2039 1,775M
 03/01/2040 1,800M

09/01/2040 1,825M

Sinking Fund Schedule

2045 Term Bond

03/01/2041 1,870M
09/01/2041 1,900M
03/01/2042 1,930M
09/01/2042 1,960M
03/01/2043 1,990M
09/01/2043 2,020M
03/01/2044 2,055M
09/01/2044 2,075M
03/01/2045 2,110M
09/01/2045 2,150M

Sinking Fund Schedule

2050 Term Bond

03/01/2046 2,190M
09/01/2046 2,230M
03/01/2047 2,260M
09/01/2047 2,300M
03/01/2048 2,345M
09/01/2048 2,375M
03/01/2049 2,410M
09/01/2049 2,450M
03/01/2050 2,495M

Sinking Fund Schedule

2051 Term Bond

09/01/2021 540M
03/01/2022 555M
09/01/2022 565M
03/01/2023 580M
09/01/2023 595M
03/01/2024 615M
09/01/2024 615M
03/01/2025 630M
09/01/2025 650M
03/01/2026 700M
09/01/2026 740M
03/01/2027 755M
09/01/2027 775M
03/01/2028 790M
09/01/2028 810M
03/01/2029 825M
09/01/2029 845M
03/01/2030 870M
09/01/2030 950M
03/01/2031 970M
09/01/2031 990M
03/01/2032 1,010M
09/01/2032 1,030M
03/01/2033 1,050M
09/01/2033 1,070M
03/01/2034 1,095M
09/01/2034 1,115M
03/01/2035 1,140M
09/01/2035 1,250M
03/01/2036 1,280M

09/01/2036 1,305M
 03/01/2037 1,330M
 09/01/2037 1,355M
 03/01/2038 1,380M
 09/01/2038 1,355M
 03/01/2039 1,380M
 09/01/2039 1,410M
 03/01/2040 1,435M
 09/01/2040 1,465M
 03/01/2041 1,495M
 09/01/2041 1,525M
 03/01/2042 1,550M
 09/01/2042 1,580M
 03/01/2043 1,615M
 09/01/2043 1,645M
 03/01/2044 1,675M
 09/01/2044 1,705M
 03/01/2045 1,740M
 09/01/2045 1,770M
 03/01/2046 1,910M
 09/01/2046 1,945M
 03/01/2047 1,985M
 09/01/2047 2,020M
 03/01/2048 2,055M
 09/01/2048 2,195M
 03/01/2049 2,235M
 09/01/2049 2,235M
 03/01/2050 2,215M
 09/01/2050 2,355M
 03/01/2051 1,305M

* - APPROXIMATE SUBJECT TO CHANGE

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS*
 (POS APPENDIX G)

SIFMA PREPAYMENT MODEL	9/1/35 TERM	9/1/40 TERM	9/1/45 TERM	3/1/50 TERM	3/1/51 PAC OPT CALL NOT EXERCISED	3/1/51 PAC OPT CALL EXERCISED
0% Avg Life	13.4	18.0	23.0	27.7	18.3	8.1
Avg Mty Date	12/11/2033	06/22/2038	06/23/2043	03/19/2048	11/11/2038	08/17/2028
1st Redemption	03/01/2032	03/01/2036	03/01/2041	03/01/2046	02/01/2021	02/01/2021
Last Redemption	09/01/2035	09/01/2040	09/01/2045	03/01/2050	02/01/2050	03/01/2029
50% Avg Life	13.4	18.0	22.7	25.5	9.2	6.8
Avg Mty Date	12/11/2033	06/22/2038	03/05/2043	12/27/2045	09/12/2029	04/15/2027
1st Redemption	03/01/2032	03/01/2036	05/01/2040	05/01/2040	02/01/2021	02/01/2021
Last Redemption	09/01/2035	09/01/2040	09/01/2045	09/01/2048	05/01/2040	03/01/2029
75% Avg Life	13.4	17.6	20.9	22.3	7.0	6.1
Avg Mty Date	11/15/2033	02/03/2038	06/03/2041	10/18/2042	07/16/2027	08/26/2026
1st Redemption	03/01/2032	05/01/2035	05/01/2035	05/01/2035	02/01/2021	02/01/2021
Last Redemption	05/01/2035	09/01/2040	09/01/2045	09/01/2047	12/01/2034	03/01/2029
100% Avg Life	11.5	16.7	19.0	19.6	5.9	5.5
Avg Mty Date	01/11/2032	04/01/2037	07/15/2039	02/15/2040	05/24/2026	01/22/2026
1st Redemption	10/01/2027	07/01/2033	07/01/2033	07/01/2033	02/01/2021	02/01/2021
Last Redemption	07/01/2033	09/01/2040	09/01/2045	08/01/2046	05/01/2033	03/01/2029
125% Avg Life	5.3	15.8	17.5	17.8	5.9	5.5

	Avg Mty Date	11/09/2025	05/07/2036	01/05/2038	04/30/2038	05/23/2026	01/21/2026
	1st Redemption	02/01/2021	03/01/2031	03/01/2031	03/01/2031	02/01/2021	02/01/2021
	Last Redemption	03/01/2031	09/01/2040	09/01/2045	02/01/2046	05/01/2033	03/01/2029
150%	Avg Life	3.0	14.4	15.6	15.7	5.9	5.5
	Avg Mty Date	07/13/2023	12/11/2034	02/22/2036	04/05/2036	05/23/2026	01/21/2026
	1st Redemption	02/01/2021	05/01/2025	05/01/2025	05/01/2025	02/01/2021	02/01/2021
	Last Redemption	05/01/2025	09/01/2040	07/01/2045	07/01/2045	05/01/2033	03/01/2029
175%	Avg Life	2.5	12.9	13.7	13.8	5.9	5.5
	Avg Mty Date	12/21/2022	06/07/2033	03/29/2034	04/28/2034	05/23/2026	01/21/2026
	1st Redemption	02/01/2021	02/01/2024	02/01/2024	02/01/2024	02/01/2021	02/01/2021
	Last Redemption	02/01/2024	09/01/2040	11/01/2044	11/01/2044	05/01/2033	03/01/2029
200%	Avg Life	2.2	11.6	12.1	12.1	5.9	5.5
	Avg Mty Date	09/09/2022	02/10/2032	08/13/2032	08/25/2032	05/23/2026	01/21/2026
	1st Redemption	02/01/2021	08/01/2023	08/01/2023	08/01/2023	02/01/2021	02/01/2021
	Last Redemption	08/01/2023	09/01/2040	04/01/2044	04/01/2044	05/01/2033	03/01/2029
300%	Avg Life	1.7	7.5	7.6	7.6	5.9	5.5
	Avg Mty Date	03/06/2022	12/27/2027	02/24/2028	02/17/2028	05/23/2026	01/21/2026
	1st Redemption	02/01/2021	10/01/2022	10/01/2022	10/01/2022	02/01/2021	02/01/2021
	Last Redemption	10/01/2022	09/01/2040	10/01/2042	11/01/2042	05/01/2033	03/01/2029
400%	Avg Life	1.4	4.8	4.8	4.8	5.9	5.5
	Avg Mty Date	12/18/2021	04/25/2025	05/06/2025	05/04/2025	05/23/2026	01/21/2026
	1st Redemption	02/01/2021	06/01/2022	06/01/2022	06/01/2022	02/01/2021	02/01/2021
	Last Redemption	06/01/2022	09/01/2040	04/01/2041	03/01/2041	05/01/2033	03/01/2029
500%	Avg Life	1.3	4.7	4.7	4.7	4.4	4.2
	Avg Mty Date	11/02/2021	04/04/2025	04/02/2025	04/02/2025	11/14/2024	09/17/2024
	1st Redemption	02/01/2021	04/01/2022	04/01/2022	04/01/2022	02/01/2021	02/01/2021
	Last Redemption	04/01/2022	11/01/2037	11/01/2037	10/01/2037	01/01/2034	03/01/2029

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Friday, June 12, 2020.

Delivery is firm for Wednesday, July 8, 2020.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
 Barclays Capital Inc.
 Jefferies LLC
 J.P. Morgan Securities LLC
 Morgan Stanley & Co. LLC
 Piper Sandler & Co
 Ramirez & Co., Inc.

By: RBC Capital Markets Chicago, IL

Email Address

Date Sent

[Print](#) [Email](#)

RE: \$ 12,395,143*
 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS, 2020 SERIES B (TAXABLE)
 (MORTGAGE-BACKED SECURITIES PASS-THROUGH BONDS)

PLEASE USE THE SCALE BELOW FOR PRE-MARKETING PURPOSES.

THIS TRANSACTION IS SCHEDULED TO PRICE ON THURSDAY, JUNE 11TH.

POS & SUPPLEMENT LINK: <http://munios.com/e/4A5PP>

***** ATTENTION *****

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS
 SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL
 ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A
 MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa
 FITCH:

S&P: AA+
 KROLL:

DATED: 07/08/2020 FIRST COUPON: 08/01/2020

DUE: 03/01

ALL BONDS ARE PRICED AT PAR.

MATURITY	AMOUNT*	COUPON	ADD'L TAKEDOWN (Pts)
03/01/2036	12,395.143M	2.25%	1/2
		AREA	

CALL FEATURES: Optional call in 03/01/2029 @ 100.00

INTEREST ACCRUAL DATES: FIRST DAY OF EACH MONTH
 INTEREST PAYMENT DATES: FIRST DAY OF EACH MONTH
 PRINCIPAL PAYMENT DATES: FIRST DAY OF EACH MONTH

MINIMUM DENOMINATIONS:
 \$1.00 OR ANY MULTIPLE THEREOF AT ORIGINAL ISSUANCE;
 THEREAFTER \$1.00 OR ANY MULTIPLE THEREOF.

AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	AVERAGE LIFE ESTIMATE
0%	7.5
50%	6.5
75%	6.1
100%	5.7
125%	5.4
150%	5.0
175%	4.7
200%	4.4

300%	3.5
400%	2.9
500%	2.4

UNDERLYING MORTGAGE RATES (WAC): 5.294%

UNDERLYING PASS-THROUGH RATES (WEIGHTED AVERAGE): 4.794%

WEIGHTED AVERAGE REMAINING TERM (WAM): 161 MONTHS

* - APPROXIMATE SUBJECT TO CHANGE

PRIORITY OF ORDERS AS FOLLOWS:

1. Net Designated

(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager will pay out all designations.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Friday, June 12, 2020.

Delivery is firm for Wednesday, July 8, 2020.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
Barclays Capital Inc.
Jefferies LLC
J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: RBC Capital Markets Chicago, IL

Wires

Rec'd Date/Time (CST) Sender ST Wire Type/Title Master Message # Deal Type
 06/12/20 10:50 AM RBC Capital Markets IL FINAL PRICING WIRE Neg

RE: \$ 174,250,000
 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 SINGLE FAMILY MORTGAGE REVENUE BONDS, 2020 SERIES A (NON-AMT)

MOODY'S: Aaa S&P: AA+
 FITCH: KROLL:

DATED: 07/08/2020 FIRST COUPON: 09/01/2020

DUE: 03/01 & 09/01

INITIAL TRADE DATE: 06/12/2020 @ 2:00PM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
03/01/2021	230M	0.35%	100.00	1/4	88275FRE1
09/01/2021	1,210M	0.40%	100.00	1/4	88275FRF8
03/01/2022	1,225M	0.55%	100.00	3/8	88275FRG6
09/01/2022	1,235M	0.60%	100.00	3/8	88275FRH4
03/01/2023	1,240M	0.75%	100.00	3/8	88275FRJ0
09/01/2023	1,250M	0.80%	100.00	3/8	88275FRK7
03/01/2024	1,260M	0.90%	100.00	1/2	88275FRL5
09/01/2024	1,270M	0.95%	100.00	1/2	88275FRM3
03/01/2025	1,280M	1.25%	100.00	1/2	88275FRN1
09/01/2025	1,290M	1.25%	100.00	1/2	88275FRP6
03/01/2026	1,290M	4.00%	1.27	1/2	88275FRQ4
		(Approx. \$ Price 114.830)			
09/01/2026	1,300M	4.00%	1.34	1/2	88275FRR2
		(Approx. \$ Price 115.644)			
03/01/2027	1,315M	5.00%	1.49	5/8	88275FRS0
		(Approx. \$ Price 122.133)			
09/01/2027	1,325M	5.00%	1.54	5/8	88275FRT8
		(Approx. \$ Price 123.330)			
03/01/2028	1,335M	5.00%	1.62	5/8	88275FRU5
		(Approx. \$ Price 124.216)			
09/01/2028	1,340M	5.00%	1.68	5/8	88275FRV3
		(Approx. \$ Price 125.178)			
03/01/2029	1,365M	1.90%	100.00	5/8	88275FRW1
09/01/2029	1,370M	1.95%	100.00	5/8	88275FRX9
03/01/2030	1,380M	2.00%	100.00	5/8	88275FRY7
09/01/2030	1,395M	2.05%	100.00	5/8	88275FRZ4
03/01/2031	1,410M	2.10%	100.00	5/8	88275FSA8
09/01/2031	1,425M	2.15%	100.00	5/8	88275FSB6
09/01/2035	12,075M	2.15%	100.00	5/8	88275FSC4
09/01/2040	17,120M	2.50%	100.00	5/8	88275FSD2
09/01/2045	20,005M	3.00%	2.72	5/8	88275FSE0
		(Approx. \$ Price PTC 03/01/2029 102.142 Approx.			
		YTM 2.880)			

03/01/2050 21,035M 3.00% 2.78 5/8 88275FSF7
 (Approx. \$ Price PTC 03/01/2029 101.678 Approx.
 YTM 2.915)

03/01/2051 76,275M 3.50% 110.895 1/2 88275FSG5
 (Approx. Yield 1.530)

(PAC)

(Avg. Life: 5.86 years over a range of 100.00 to 400.00% of PSA experience)

*APPROXIMATE AVERAGE LIFE DATE: 5/19/2026

 CALL FEATURES: Optional call in 03/01/2029 @ 100.00

The Series 2020A Bonds (except for the Premium PAC Term Bonds) are subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on and after March 1, 2029, at the option of the Department after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of such Series 2020A Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date.

The Premium PAC Term Bonds are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after March 1, 2029, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to the redemption date:

Redemption Date:	Redemption Price:
3/1/2029	103.314%
9/1/2029	103.023%
3/1/2030	102.724%
9/1/2030	102.378%
3/1/2031	101.997%
9/1/2031	101.568%
3/1/2032	101.146%
9/1/2032	100.700%
3/1/2033	100.230%
5/1/2033 and thereafter	100.000%

AVERAGE LIFE TABLES:

PSA SPEED	9/1/35 TERM AVG LIFE	9/1/40 TERM AVG LIFE	9/1/45 TERM AVG LIFE	3/1/50 TERM AVG LIFE	3/1/51 PAC CALL NOT EXERCISED/EXERCISED	AVG LIFE
0%	13.4	18.0	23.0	27.7	18.6	8.1
50%	13.4	18.0	22.7	25.8	9.2	6.8
75%	13.4	17.6	21.0	22.5	7.0	6.1
100%	11.4	16.8	19.1	19.8	5.9	5.5
125%	5.3	15.9	17.6	18.0	5.9	5.5
150%	3.0	14.4	15.7	15.9	5.9	5.5
175%	2.5	12.9	13.8	13.9	5.9	5.5
200%	2.2	11.6	12.1	12.2	5.9	5.5
300%	1.7	7.5	7.6	7.6	5.9	5.5
400%	1.4	4.8	4.8	4.8	5.9	5.5
500%	1.3	4.7	4.7	4.7	4.4	4.2

Sinking Fund Schedule

2035 Term Bond

03/01/2032	1,450M
09/01/2032	1,470M
03/01/2033	1,485M
09/01/2033	1,500M
03/01/2034	1,515M
09/01/2034	1,540M
03/01/2035	1,545M
09/01/2035	1,570M

Sinking Fund Schedule

2040 Term Bond

03/01/2036	1,600M
09/01/2036	1,625M
03/01/2037	1,650M
09/01/2037	1,670M
03/01/2038	1,695M
09/01/2038	1,725M
03/01/2039	1,755M
09/01/2039	1,775M
03/01/2040	1,800M
09/01/2040	1,825M

Sinking Fund Schedule

2045 Term Bond

03/01/2041	1,865M
09/01/2041	1,895M
03/01/2042	1,925M
09/01/2042	1,955M
03/01/2043	1,985M
09/01/2043	2,015M
03/01/2044	2,050M
09/01/2044	2,070M
03/01/2045	2,105M
09/01/2045	2,140M

Sinking Fund Schedule

2050 Term Bond

03/01/2046	2,185M
09/01/2046	2,225M
03/01/2047	2,255M
09/01/2047	2,295M
03/01/2048	2,345M
09/01/2048	2,375M
03/01/2049	2,410M
09/01/2049	2,450M
03/01/2050	2,495M

Sinking Fund Schedule

2051 Term Bond

09/01/2021	530M
03/01/2022	545M
09/01/2022	555M
03/01/2023	570M
09/01/2023	585M

03/01/2024	605M
09/01/2024	605M
03/01/2025	620M
09/01/2025	640M
03/01/2026	690M
09/01/2026	730M
03/01/2027	745M
09/01/2027	765M
03/01/2028	780M
09/01/2028	800M
03/01/2029	815M
09/01/2029	835M
03/01/2030	860M
09/01/2030	940M
03/01/2031	960M
09/01/2031	980M
03/01/2032	1,000M
09/01/2032	1,020M
03/01/2033	1,040M
09/01/2033	1,060M
03/01/2034	1,085M
09/01/2034	1,105M
03/01/2035	1,130M
09/01/2035	1,240M
03/01/2036	1,270M
09/01/2036	1,305M
03/01/2037	1,330M
09/01/2037	1,355M
03/01/2038	1,380M
09/01/2038	1,355M
03/01/2039	1,380M
09/01/2039	1,410M
03/01/2040	1,435M
09/01/2040	1,465M
03/01/2041	1,495M
09/01/2041	1,525M
03/01/2042	1,550M
09/01/2042	1,580M
03/01/2043	1,615M
09/01/2043	1,645M
03/01/2044	1,675M
09/01/2044	1,705M
03/01/2045	1,740M
09/01/2045	1,770M
03/01/2046	1,910M
09/01/2046	1,945M
03/01/2047	1,985M
09/01/2047	2,020M
03/01/2048	2,055M
09/01/2048	2,195M
03/01/2049	2,235M
09/01/2049	2,235M
03/01/2050	2,215M
09/01/2050	2,355M
03/01/2051	1,305M

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS*
(POS APPENDIX G)

SIFMA	9/1/35	9/1/40	9/1/45	3/1/50	3/1/51 PAC	3/1/51 PAC
PREPAYMENT	TERM	TERM	TERM	TERM	OPT CALL	NOT OPT CALL

MODEL						EXERCISED	EXERCISED
0%	Avg Life	13.4	18.0	23.0	27.7	18.6	8.1
	Avg Mty Date	12/11/2033	06/22/2038	06/23/2043	03/20/2048	02/17/2039	08/12/2028
	1st Redemption	03/01/2032	03/01/2036	03/01/2041	03/01/2046	02/01/2021	02/01/2021
	Last Redemption	09/01/2035	09/01/2040	09/01/2045	03/01/2050	06/01/2050	03/01/2029
50%	Avg Life	13.4	18.0	22.7	25.8	9.2	6.8
	Avg Mty Date	11/17/2033	02/09/2038	04/01/2043	05/04/2046	09/18/2029	04/08/2027
	1st Redemption	03/01/2032	03/01/2036	10/01/2040	10/01/2040	02/01/2021	02/01/2021
	Last Redemption	09/01/2035	09/01/2040	09/01/2045	01/01/2049	10/01/2040	03/01/2029
75%	Avg Life	13.4	17.6	21.0	22.5	7.0	6.1
	Avg Mty Date	11/17/2033	02/09/2038	07/07/2041	01/20/2043	07/09/2027	08/19/2026
	1st Redemption	03/01/2032	05/01/2035	05/01/2035	05/01/2035	02/01/2021	02/01/2021
	Last Redemption	05/01/2035	09/01/2040	09/01/2045	12/01/2047	12/01/2034	03/01/2029
100%	Avg Life	11.4	16.8	19.1	19.8	5.9	5.5
	Avg Mty Date	12/14/2031	04/08/2037	08/14/2039	04/20/2040	05/19/2026	01/15/2026
	1st Redemption	01/01/2022	07/01/2033	07/01/2033	07/01/2033	02/01/2021	02/01/2021
	Last Redemption	07/01/2033	09/01/2040	09/01/2045	08/01/2046	05/01/2033	03/01/2029
125%	Avg Life	5.3	15.9	17.6	18.0	5.9	5.5
	Avg Mty Date	10/23/2025	05/15/2036	01/29/2038	07/01/2038	05/19/2026	01/15/2026
	1st Redemption	02/01/2021	02/01/2031	02/01/2031	02/01/2031	02/01/2021	02/01/2021
	Last Redemption	01/01/2031	09/01/2040	09/01/2045	06/01/2046	05/01/2033	03/01/2029
150%	Avg Life	3.0	14.4	15.7	15.9	5.9	5.5
	Avg Mty Date	07/13/2023	06/14/2034	03/18/2036	05/21/2036	05/19/2026	01/15/2026
	1st Redemption	02/01/2021	05/01/2025	05/01/2025	05/01/2025	02/01/2021	02/01/2021
	Last Redemption	05/01/2025	09/01/2040	09/01/2045	11/01/2045	05/01/2033	03/01/2029
175%	Avg Life	2.5	12.9	13.8	13.9	5.9	5.5
	Avg Mty Date	12/21/2022	06/14/2033	04/17/2034	05/28/2034	05/19/2026	01/15/2026
	1st Redemption	02/01/2021	02/01/2024	02/01/2024	02/01/2024	02/01/2021	02/01/2021
	Last Redemption	02/01/2024	09/01/2040	04/01/2045	04/01/2045	05/01/2033	03/01/2029
200%	Avg Life	2.2	11.6	12.1	12.2	5.9	5.5
	Avg Mty Date	09/09/2022	02/14/2032	08/29/2032	09/18/2032	05/19/2026	01/15/2026
	1st Redemption	02/01/2021	08/01/2023	08/01/2023	08/01/2023	02/01/2021	02/01/2021
	Last Redemption	08/01/2023	09/01/2040	08/01/2044	08/01/2044	05/01/2033	03/01/2029
300%	Avg Life	1.7	7.5	7.6	7.6	5.9	5.5
	Avg Mty Date	03/07/2022	12/25/2027	02/11/2028	02/04/2028	05/19/2026	01/15/2026
	1st Redemption	02/01/2021	10/01/2022	10/01/2022	10/01/2022	02/01/2021	02/01/2021
	Last Redemption	10/01/2022	09/01/2040	05/01/2042	05/01/2042	05/01/2033	03/01/2029
400%	Avg Life	1.4	4.8	4.8	4.8	5.9	5.5
	Avg Mty Date	12/18/2021	05/01/2025	05/12/2025	05/07/2025	05/19/2026	01/15/2026
	1st Redemption	02/01/2021	06/01/2022	06/01/2022	06/01/2022	02/01/2021	02/01/2021
	Last Redemption	06/01/2022	01/01/2040	02/01/2040	01/01/2040	05/01/2033	03/01/2029
500%	Avg Life	1.3	4.7	4.7	4.7	4.4	4.2
	Avg Mty Date	11/02/2021	04/06/2025	04/03/2025	04/02/2025	11/17/2024	09/21/2024
	1st Redemption	02/01/2021	04/01/2022	04/01/2022	04/01/2022	02/01/2021	02/01/2021
	Last Redemption	04/01/2022	02/01/2037	02/01/2037	01/01/2037	01/01/2034	03/01/2029

PRIORITY OF ORDERS AS FOLLOWS:

1. Texas Retail
2. National Retail
3. Net Designated

(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

4. Member

PRIORITY OF ORDERS AS FOLLOWS (3/1/2051 PAC):

1. Net Designated

(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

 A "RETAIL" ORDER IS DEFINED AS AN ORDER PLACED FOR THE ACCOUNT OF AN INDIVIDUAL, BANK TRUST, OR INVESTMENT ADVISOR ACTING ON BEHALF OF AN INDIVIDUAL, WITH A MAXIMUM OF \$500,000 PER ACCOUNT, OR AT THE DISCRETION OF THE ISSUER, SOME LARGER AMOUNT. RETAIL ORDERS DO NOT INCLUDE BANK PORTFOLIOS, INSURANCE COMPANIES, BOND FUNDS OR MUNICIPALITIES. ZIP CODES ARE REQUIRED WITH ALL RETAIL ORDERS.

THE MANAGER WILL ASSUME THAT ORDERS FOR THE SERIAL MATURITIES WITH THE SAME COUPON ON EITHER SIDE CAN BE FILLED IN 3/1 OR 9/1.

The compliance addendum MSRB Rule G-11 will apply.

 Pursuant to MSRB Rule G-11, all syndicate members must inform RBC Capital Markets, LLC if they are submitting an order for their own account, an affiliated account or a related account to themselves or to any other syndicate member.

The Award is expected on Friday, June 12, 2020 at 10:21AM Eastern .

Delivery is firm for Wednesday, July 8, 2020.

This issue is book entry only. This issue is clearing through DTC.

Award: 06/12/2020
 Award Time: 10:21AM Eastern
 Delivery: 07/08/2020 (Firm)
 Initial trade: 06/12/2020
 Date of Execution: 06/12/2020
 Time of Execution: 2:00PM Eastern

RBC Capital Markets
Barclays Capital Inc.
Jefferies LLC
J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: RBC Capital Markets Chicago, IL

Email Address

Date Sent

Print

Email

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Wires

Rec'd Date/Time (CST)	Sender	ST	Wire Type/Title	Master Message #	Deal Type
06/12/20 10:09 AM	RBC Capital Markets	IL	FINAL PRICING WIRE		Neg

RE: \$ 12,395,143

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS, 2020 SERIES B (TAXABLE)
 (MORTGAGE-BACKED SECURITIES PASS-THROUGH BONDS)

***** ATTENTION *****

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS
 SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL
 ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A
 MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa
 FITCH:

S&P: AA+
 KROLL:

DATED:07/08/2020 FIRST COUPON:08/01/2020

DUE: 03/01

INITIAL TRADE DATE: 06/12/2020 @ 2:00PM Eastern

ALL BONDS ARE PRICED AT PAR.

MATURITY	AMOUNT	COUPON	ADD'L TAKEDOWN (Pts)	CUSIP
03/01/2036	12,395.143M	2.00%	1/2	88275FSH3

 CALL FEATURES: Optional call in 03/01/2029 @ 100.00

INTEREST ACCRUAL DATES: FIRST DAY OF EACH MONTH
 INTEREST PAYMENT DATES: FIRST DAY OF EACH MONTH
 PRINCIPAL PAYMENT DATES: FIRST DAY OF EACH MONTH

MINIMUM DENOMINATIONS:

\$1.00 OR ANY MULTIPLE THEREOF AT ORIGINAL ISSUANCE;
 THEREAFTER \$1.00 OR ANY MULTIPLE THEREOF.

AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	AVERAGE LIFE ESTIMATE
0%	7.4
50%	6.5
75%	6.1
100%	5.7

125%	5.3
150%	5.0
175%	4.7
200%	4.4
300%	3.5
400%	2.8
500%	2.3

HISTORICAL PREPAYMENT SPEEDS OF 2020B TRANSFERRED MORTGAGE CERTIFICATES
(AS % OF THE PSA):

SINCE ISSUANCE	146%
LAST 12 MONTHS	110%
LAST 6 MONTHS	118%
LAST 3 MONTHS	98%

UNDERLYING MORTGAGE RATES (WAC): 5.294%

UNDERLYING PASS-THROUGH RATES (WEIGHTED AVERAGE): 4.794%

WEIGHTED AVERAGE REMAINING TERM (WAM): 160 MONTHS

PRIORITY OF ORDERS AS FOLLOWS:

1. Net Designated

(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)

2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager will pay out all designations.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

Pursuant to MSRB Rule G-11, all syndicate members must inform RBC Capital Markets, LLC if they are submitting an order for their own account, an affiliated account or a related account to themselves or to any other syndicate member.

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Friday, June 12, 2020 at 10:21AM Eastern .

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Award: 06/12/2020
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RBC Capital Markets
Barclays Capital Inc.
Jefferies LLC
J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: RBC Capital Markets Chicago, IL

Email Address

Date Sent

Print

Email

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OFFICIAL STATEMENT DATED JUNE 12, 2020

NEW ISSUES - BOOK-ENTRY ONLY

RATINGS:
S&P: "AA+"
Moody's: "Aaa"
(See "RATINGS" herein)

Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2020A BONDS" herein. Interest on the Series 2020B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2020B BONDS" herein.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

\$174,250,000
Single Family Mortgage
Revenue Bonds
2020 Series A (Non-AMT)

\$12,395,143
Single Family Mortgage
Revenue Refunding Bonds
2020 Series B (Taxable)
(Mortgage-Backed Securities
Pass-Through Bonds)

Dated Date/Delivery Date: July 8, 2020

Due: March 1 and September 1, as shown on the inside cover.

Interest Payment Dates: Interest accrued on the Series 2020A Bonds will be payable on each March 1 and September 1, commencing September 1, 2020 as described herein. Interest accrued on the Series 2020B Bonds will be payable on the first day of each month, commencing August 1, 2020 as described herein.

Interest Rates: Payable at the rates as shown on the inside cover.

Redemption: The Series 2020 Bonds are subject to redemption on the dates and at the redemption prices more fully described herein. See "THE SERIES 2020 BONDS – Redemption Provisions."

Denominations: The Series 2020A Bonds will be available to purchasers in book-entry form only in \$5,000 or any integral multiple thereof as described herein. The Series 2020B Bonds will be available to purchasers in book-entry form only in denominations of \$1.00 and any integral multiple thereof as described herein.

Tax Matters: Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2020A BONDS" herein. Interest on the Series 2020B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2020B BONDS" herein.

Purpose: The Series 2020A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"). The Mortgage Certificates purchased with the proceeds of the Series 2020A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES." The Series 2020B Bonds are being issued for the primary purpose of refunding the Department's outstanding Single Family Mortgage Revenue Refunding Bonds, 2013 Series A (Taxable) (the "Refunded Bonds").

Security: The Series 2020 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture (as defined herein). The Series 2020 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, Freddie Mac, and Fannie Mae, is obligated to pay the principal or redemption price of or interest on the Series 2020 Bonds. Neither the faith and credit nor the taxing power of the state or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae, Freddie Mac, and Fannie Mae guarantee only the payment of the principal of and interest on the Ginnie Mae Certificates, Freddie Mac Certificates, and Fannie Mae certificates, respectively, when due and do not guarantee the payment of the Series 2020 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE."

Book-Entry Only System: The Series 2020 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – DTC and Book-Entry."

Trustee: The Bank of New York Mellon Trust Company, N.A.

Bond Counsel: Bracewell LLP

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P.

Underwriter's Counsel: Chapman and Cutler LLP

Financial Advisor: Stifel, Nicolaus & Co., Inc.

RBC Capital Markets

Barclays
Morgan Stanley

Jefferies
Piper Sandler & Co.

J.P. Morgan
Ramirez & Co., Inc.

MATURITY SCHEDULE

\$27,740,000 Series 2020A Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Price	CUSIP
3/1/2021	\$ 230,000	0.35%	100.000%	88275FRE1
9/1/2021	1,210,000	0.40	100.000	88275FRF8
3/1/2022	1,225,000	0.55	100.000	88275FRG6
9/1/2022	1,235,000	0.60	100.000	88275FRH4
3/1/2023	1,240,000	0.75	100.000	88275FRJ0
9/1/2023	1,250,000	0.80	100.000	88275FRK7
3/1/2024	1,260,000	0.90	100.000	88275FRL5
9/1/2024	1,270,000	0.95	100.000	88275FRM3
3/1/2025	1,280,000	1.25	100.000	88275FRN1
9/1/2025	1,290,000	1.25	100.000	88275FRP6
3/1/2026	1,290,000	4.00	114.830	88275FRQ4
9/1/2026	1,300,000	4.00	115.644	88275FRR2
3/1/2027	1,315,000	5.00	122.133	88275FRS0
9/1/2027	1,325,000	5.00	123.330	88275FRT8
3/1/2028	1,335,000	5.00	124.216	88275FRU5
9/1/2028	1,340,000	5.00	125.178	88275FRV3
3/1/2029	1,365,000	1.90	100.000	88275FRW1
9/1/2029	1,370,000	1.95	100.000	88275FRX9
3/1/2030	1,380,000	2.00	100.000	88275FRY7
9/1/2030	1,395,000	2.05	100.000	88275FRZ4
3/1/2031	1,410,000	2.10	100.000	88275FSA8
9/1/2031	1,425,000	2.15	100.000	88275FSB6

\$12,075,000 2.15% Series 2020A Term Bonds due September 1, 2035 Price 100% CUSIP 88275FSC4

\$17,120,000 2.50% Series 2020A Term Bonds due September 1, 2040 Price 100% CUSIP 88275FSD2

\$20,005,000 3.00% Series 2020A Term Bonds due September 1, 2045 Price 102.142% CUSIP 88275FSE0

\$21,035,000 3.00% Series 2020A Term Bonds due March 1, 2050 Price 101.678% CUSIP 88275FSF7

\$76,275,000 3.50% Series 2020A Premium PAC Term Bonds due March 1, 2051 Price 110.895% CUSIP 88275FSG5

(Interest Accrues from Date of Delivery)

\$12,395,143 Series 2020B Bonds (Taxable)

\$12,395,143 2.00% Series 2020B Bonds Due March 1, 2036, Price 100% CUSIP 88275FSH3

(Interest Accrues from Date of Delivery)



SECTION 3

Summary of Results



SUMMARY OF RESULTS











2020 A / 2020 B PAR BONDS	\$	174,250,000	\$	12,395,143	
BOND PRICING DATE/SALE DATE				06/11/2020	
SALE DATE				06/12/2020	
DELIVERY DATE				07/08/2020	
CONFIRMED RATINGS				Aaa (Moody's)/AA+ (S&P)	
TAX EXEMPT/TAXABLE BOND YIELD		2.236%		2.000%	
Maturity	Par	Interest Rate	Price (%)	Premium	Yield
2020 Series A - Serials					
03/01/2021	\$230,000	0.350%	100%		0.35%
09/01/2021	1,210,000	0.400%	100%		0.40%
03/01/2022	1,225,000	0.550%	100%		0.55%
09/01/2022	1,235,000	0.600%	100%		0.60%
03/01/2023	1,240,000	0.750%	100%		0.75%
09/01/2023	1,250,000	0.800%	100%		0.80%
03/01/2024	1,260,000	0.900%	100%		0.90%
09/01/2024	1,270,000	0.950%	100%		0.95%
03/01/2025	1,280,000	1.250%	100%		1.25%
09/01/2025	1,290,000	1.250%	100%		1.25%
03/01/2026	1,290,000	4.000%	114.830%	191,307.00	1.27%
09/01/2026	1,300,000	4.000%	115.644%	203,372.00	1.34%
03/01/2027	1,315,000	5.000%	122.133%	291,048.95	1.49%
09/01/2027	1,325,000	5.000%	123.330%	309,122.50	1.54%
03/01/2028	1,335,000	5.000%	124.216%	323,283.60	1.62%
09/01/2028	1,340,000	5.000%	125.178%	337,385.20	1.68%
03/01/2029	1,365,000	1.900%	100%		1.90%
09/01/2029	1,370,000	1.950%	100%		1.95%
03/01/2030	1,380,000	2.000%	100%		2.00%
09/01/2030	1,395,000	2.050%	100%		2.05%
03/01/2031	1,410,000	2.100%	100%		2.10%
09/01/2031	1,425,000	2.150%	100%		2.15%
2020 Series A - Term Bonds					
09/01/2035	12,075,000	2.15%	100%	-	2.15%
09/01/2040	17,120,000	2.50%	100%	-	2.50%
09/01/2045	20,005,000	3.00%	102.142%	428,507.10	2.72%
03/01/2050	21,035,000	3.00%	101.678%	352,967.30	2.78%
2020 Series A - Premium PAC Bonds - 5.86 Year Average Life					
03/01/2051	76,275,000		110.895%	8,310,161.25	1.53%
2020 Series A -TOTAL					
	\$174,250,000			\$ 10,747,154.90	
2020 Series B -PASS THROUGH					
03/01/2036	12,395,143	2.00%	100%	-	2.00%
2020 Series A and B Total					
	\$186,645,143			\$ 10,747,154.90	



SECTION 4

Pricing Comparisons

PRICING COMPARISONS

Housing Transactions	Wk 6/8				Wk 6/1				Wk 5/25				Wk 5/18		Wk 5/11							
	Texas		Minnesota		West Virginia		Michigan		Maine		Rhode Island		Pennsylvania		Oregon		Nebraska		Washington			
State HFA																						
Series Name	2020-A		2020-E		2020-A		2020-A		2020-D		2020-72A		2020-132A		2020-A		2020-A		2020 Series 1-N			
Rating	Aaa/AA+		Aa1/AA+		Aaa/AAA		Aa2/AA+		Aa1/AA+		Aa1/AA+		Aa2/AA+		Aa2/		NR/AA+		Aaa/			
Par Amount (\$000)	\$174,250		\$130,700		\$30,000		\$127,045		\$35,000		\$58,380		\$117,965		\$47,905		\$125,290		\$34,395			
Managing Underwriter	RBC CM		RBC CM		R. James		RBC CM		Barclays		JPM		Wells		BofA		JPM		RBC CM			
RBC CM Role	Senior Manager		Senior Manager		-		Senior Manager		Co-Manager		Co-Manager		Co-Manager		Co-Manager		N/A		Senior Manager			
Pricing Date	6/11		6/9		6/4		6/3		6/2		6/2		5/27		5/27		5/19		5/12			
Tax Status	Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT			
Maturity	Coupon	Spread*	Approx. Value of Lockout*		Coupon	Spread*	Coupon	Spread*	Coupon	Spread*	Coupon	Spread*	Coupon	Spread*	Coupon	Spread*	Coupon	Spread*	Coupon	Spread*		
2020																						
2021	.35/.40	.18/.22			.30/.35	.16/.19	.35/.40	.19/.24	.35/.45	.19/.29			.40	.24	.30/.35	.19/.24	x/.30	x/.19	.45/.55	.10/.19		
2022	.55/.60	.36/.39			.40/	.24/x	.50/.55	.32/.36	.60/.65	.41/.46			.55	.36	.50/.55	.35/.39	.40/.50	.29/.34	.70/.80	.30/.38		
2023	.75/.80	.53/.57					.70/.75	.48/.52	.80/.85	.57/.62			.75	.52	.65/.75	.43/.52	.55/.70	.35/.47	.90/1.00	.42/.51		
2024	.90/.95	.62/.65					.85/.90	.56/.60	.90/1.00	.60/.70	.90	.60	.90	.60	.85/.95	.56/.65	.875/.90	.615/.60	1.15/1.30	.61/.74		
2025	1.25/1.25	.89/.86	/1.20		x/.82		1.15/1.20	.78/.82	1.25/1.30	.87/.92	1.15	0.77	1.20	.82	1.15/1.25	.78/.87	1.10/1.15	.76/.77	1.45/1.50	.82/.85		
2026	1.27/1.34	.78/.80	.23/.21				1.40/1.45	.93/.92	1.40/1.45	.90/.93	1.50/1.55	.99/1.03	1.45	.93	1.45/1.50	.95/.98	1.375/1.45	.925/.94	1.60/1.65	.88/.90		
2027	1.49/1.54	.87/.89	.21/.21				1.55/1.60	.94/.96	1.55/1.60	.95/.98	1.65/1.75	1.04/1.13	1.60	0.98	1.60/1.65	1.00/1.03	1.50/1.60	.92/.99	1.75/1.80	.94/.98		
2028	1.62/1.68	.91/.94	.23/.22				1.75/1.75	1.05/1.02	1.70/1.75	1.02/1.04	1.85/1.90	1.17/1.19	1.75	1.04	1.75/1.80	1.07/1.10	1.625/1.70	.965/1.01	1.85/1.90	.99/1.01		
2029	1.90/1.95	1.12/1.15					1.85/1.90	1.07/1.11	1.85/1.90	1.11/1.14	1.95/2.00	1.21/1.24	1.90	1.14	1.85/1.90	1.11/1.15	1.75/1.80	1.02/1.06	1.95/2.00	1.02/1.06		
2030	2.00/2.05	1.13/1.16					1.95/2.00	1.08/1.11	1.95/2.00	1.11/1.14	2.05/2.05	1.21/1.19	2.00	1.14	1.95/2.00	1.11/1.15			2.05/2.10	1.05/1.08		
2031	2.10/2.15	1.15/1.17					2.05/2.05	1.10/1.06	2.05/2.10	1.12/1.15	2.10/2.15	1.16/1.20	2.10	1.15	2.05/2.10	1.12/1.15			2.15/2.20	1.06/1.08		
2032							2.15/2.20	1.10/1.11	2.125/2.15	1.085/1.10			2.20	1.15	2.20	1.15			2.25/2.30	1.06/1.08		
2033																						
2034																						
2035	2.15	.89					2.25	.97	2.25	1.02	2.30	1.07	2.30	1.07	2.30	1.07			2.35	.95		
2036																						
2037																						
2038																						
2039																						
2040	2.50	1.03					2.50	1.01	2.50	1.06	2.50's @ 2.55	1.11	2.55	1.11	2.55's at 2.57	1.11			2.55	.94		
2041															2.55	1.07						
2042																						
2043																			2.70	.98		
2044			2.70		1.07																	
2045	3's @ 2.72	1.09					2.75	1.15	2.80	1.20	2.80	1.20	2.80	1.20								
2046																						
2047																						
2048																						
2049																						
2050	3's @ 2.78	1.10	1.43**		1.05	2.80	1.15	2.85/1.54**	1.20/1.16				1.55**	1.17			1.60**	1.22	1.85**	1.20		
2051	1.53**	1.00			*PAC*				*PAC*				*PAC*		1.50**	1.20	*PAC*		*PAC*	*PAC*		
2052			*PAC*												*PAC*							
*PAC Bond Info																						
Size (\$000)	\$76,275		\$44,965						\$79,200				\$17,760		\$26,385		\$25,485		\$39,010		\$12,775	
Average Life (Years)	5.86		5.00						5.00				5.00		4.00		5.00		5.00		5.00	
Band (PSA)	100-400		100-500						100-500				100-500		75-500		100-400		100-500		100-500	
Coupon	3.50%		3.50%						3.50%				3.50%		3.50%		3.50%		3.50%		4.00%	
Price	\$110.895		\$109.871						\$109.326				\$109.729		\$107.705		\$109.009		\$107.713		\$109.622	

*Reflects spread to Aaa GO MMD as of morning of pricing

**Denotes PAC Bond

Note: **denotes 4.00% couponed lock-out bond yields and spreads; denotes 5.00% couponed lock-out bond yields and spreads**



SECTION 5

Orders and Allotments



ORDERS AND ALLOTMENTS BY BOND MATURITY

2020 SERIES A		RETAIL		INSTITUTIONAL		MEMBER	
Maturity	Total Bonds (\$M)	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
03/01/2021	230	460	230	0	0	0	0
09/01/2021	1,210	2,420	1,210	0	0	0	0
03/01/2022	1,225	3,100	1,225	0	0	0	0
09/01/2022	1,235	2,470	1,235	0	0	0	0
03/01/2023	1,240	3,255	1,240	0	0	0	0
09/01/2023	1,250	1,450	1,250	0	0	0	0
03/01/2024	1,260	1,735	1,260	175	0	0	0
09/01/2024	1,270	1,920	1,270	175	0	0	0
03/01/2025	1,280	1,705	1,280	1,280	0	1,280	0
09/01/2025	1,290	2,580	1,290	1,290	0	1,290	0
03/01/2026	1,290	5,325	1,290	1,290	0	0	0
09/01/2026	1,300	2,600	1,300	1,300	0	0	0
03/01/2027	1,315	3,380	1,315	1,315	0	0	0
09/01/2027	1,325	2,650	1,325	1,325	0	0	0
03/01/2028	1,335	5,430	1,335	1,335	0	0	0
09/01/2028	1,340	4,020	1,340	1,340	0	0	0
03/01/2029	1,365	800	800	3,845	565	0	0
09/01/2029	1,370	1,300	1,300	3,740	0	1,440	70
03/01/2030	1,380	1,425	1,380	5,140	0	2,760	0
09/01/2030	1,395	1,000	1,000	5,185	395	1,395	0
03/01/2031	1,410	2,660	1,410	4,230	0	1,410	0
09/01/2031	1,425	2,975	1,425	4,275	0	1,425	0
09/01/2035	12,075	3,900	3,000	90,950	9,075	7,500	0
09/01/2040	17,120	500	500	76,980	16,620	7,500	0
09/01/2045	20,005	0	0	163,030	20,005	10,000	0
03/01/2050	21,035	875	875	139,140	20,160	11,000	0
03/01/2051	76,275	0	0	527,375	76,275	43,500	0
Total: (\$M)	174,250	59,935	31,085	1,034,715	143,095	90,500	70
2020 SERIES B		RETAIL		INSTITUTIONAL		MEMBER	
Maturity	Total Bonds	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
03/01/2036	12,395.143	0	0	131,931.287	12,295.143	3,500	0
Total: (\$M)	12,395.143	0	0	131,931	12,295.143	3,500	0



ALLOTMENT BY MANAGER

2020 SERIES A		RBC		JEFFERIES		BARCLAYS		JP MORGAN		MORGAN STANLEY		PIPER SANDLER		RAMIREZ & CO	
Maturity	Total Bonds (\$M)	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
03/01/2021	230	230	100%		0%		0%		0%		0%		0%		0%
09/01/2021	1,210	760	63%		0%		0%		0%		0%	450	37%		0%
03/01/2022	1,225	1,225	100%		0%		0%		0%		0%		0%		0%
09/01/2022	1,235	775	63%		0%		0%		0%		0%	460	37%		0%
03/01/2023	1,240	1,240	100%		0%		0%		0%		0%		0%		0%
09/01/2023	1,250	1,250	100%		0%		0%		0%		0%		0%		0%
03/01/2024	1,260	1,260	100%		0%		0%		0%		0%		0%		0%
09/01/2024	1,270	1,270	100%		0%		0%		0%		0%		0%		0%
03/01/2025	1,280	1,180	92%		0%		0%	50	4%	50	4%		0%		0%
09/01/2025	1,290	1,290	100%		0%		0%		0%		0%		0%		0%
03/01/2026	1,290	1,290	100%		0%		0%		0%		0%		0%		0%
09/01/2026	1,300	1,300	100%		0%		0%		0%		0%		0%		0%
03/01/2027	1,315	1,315	100%		0%		0%		0%		0%		0%		0%
09/01/2027	1,325	1,325	100%		0%		0%		0%		0%		0%		0%
03/01/2028	1,335	1,335	100%		0%		0%		0%		0%		0%		0%
09/01/2028	1,340	1,340	100%		0%		0%		0%		0%		0%		0%
03/01/2029	1,365	915	67%		0%		0%	50	4%	50	4%		0%	350	26%
09/01/2029	1,370	1,270	93%		0%		0%		0%	100	7%		0%		0%
03/01/2030	1,380	1,380	100%		0%		0%		0%		0%		0%		0%
09/01/2030	1,395	1,395	100%		0%		0%		0%		0%		0%		0%
03/01/2031	1,410	1,410	100%		0%		0%		0%		0%		0%		0%
09/01/2031	1,425	1,425	100%		0%		0%		0%		0%		0%		0%
09/01/2035	12,075	11,875	98%		0%		0%		0%	200	2%		0%		0%
09/01/2040	17,120	16,620	97%		0%		0%		0%	500	3%		0%		0%
09/01/2045	20,005	20,005	100%		0%		0%		0%		0%		0%		0%
03/01/2050	21,035	20,360	97%		0%		0%		0%	675	3%		0%		0%
03/01/2051	76,275	76,275	100%		0%		0%		0%		0%		0%		0%
Total: (\$M)	174,250	171,315	98.3%	0	0.0%	0	0.0%	100	0.1%	1,575	0.9%	910	0.5%	350	0.2%
2020 SERIES B		RBC		JEFFERIES		BARCLAYS		JP MORGAN		MORGAN STANLEY		PIPER SANDLER		RAMIREZ & CO	
Maturity	Total Bonds	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
03/01/2036	12,395.143	11,545.143	93%	750	6%	0	0	100	0	0	0	0	0	0	0
Total: (\$M)	12,395.143	11,545	93.1%	750	6.1%	0	0.0%	100	0.8%	0	0.0%	0	0.0%	0	0.0%



ORDERS AND ALLOTMENTS BY MANAGER										
SERIES 2020A	RETAIL - TEXAS		RETAIL - NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
Senior Managers										
RBC Capital Markets	28,165	22,865	21,585	5,285	1,034,715	143,095	70	70	1,084,535	171,315
Jefferies LLC	0		0		0		22,500		22,500	0
Barclays Capital Inc.	0		0		0		35,000		35,000	0
JP Morgan	0		125	100			0		125	100
Co-Managers										
Morgan Stanley	475	275	4,325	1,300			10,180		14,980	1,575
Piper Sandler	0		4,910	910			10,000		14,910	910
Ramirez & Co.	0		350	350			12,750		13,100	350
Total: (\$M)	\$28,640	\$23,140	\$31,295	\$7,945	\$1,034,715	\$143,095	\$90,500	\$70	\$1,185,150	\$174,250

SERIES 2020B	RETAIL - TEXAS		RETAIL - NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
Senior Managers										
RBC Capital Markets					94,495.858	11,545.143			94,495.858	11,545.143
Jefferies LLC					12,395.143	750.000	1,500.000		13,895.143	750.000
Barclays Capital Inc.									0.000	0.000
JP Morgan					12,645.143	100.000			12,645.143	100.000
Co-Managers										
Morgan Stanley									0.000	0.000
Piper Sandler					12,395.143				12,395.143	0.000
Ramirez & Co.							2,000.000		2,000.000	0.000
Total: (\$M)	\$0	\$0	\$0	\$0	\$131,931	\$12,395	\$3,500	\$0	\$135,431	\$12,395

TAKEDOWN DESIGNATIONS					
		RETAIL	INSTITUTIONAL	MEMBER	TOTAL
Senior Managers					
RBC Capital Markets		\$151,513	\$472,337	\$438	\$624,287
Jefferies LLC			39,816		39,816
Barclays Capital Inc.			64,508		64,508
JP Morgan		563	96,490		97,053
Co-Managers					
Morgan Stanley		9,781	90,646		100,427
Piper Sandler		2,850	60,820		63,670
Ramirez & Co.		2,188	36,360		38,548
Total: (\$M)		\$166,894	\$860,976	\$438	\$1,028,307



SECTION 6

Rating Letters

Rating Action: Moody's assigns Aaa to Texas Dept. of Housing and Community Affairs' Single Family Mortgage Revenue Bonds 2020 Series A and Single Family Mortgage Revenue Refunding Bonds 2020 Series B; outlook stable

21 Apr 2020

New York, April 21, 2020 -- Moody's Investors Service, ("Moody's") has assigned a rating of Aaa to the proposed Texas Department of Housing and Community Affairs' ("TDHCA") \$175.0 million Single Family Mortgage Revenue Bonds, 2020 Series A (Non-AMT) and \$13.3 million Single Family Mortgage Revenue Refunding Bonds, 2020 Series B (Taxable) (Mortgage-Backed Securities Pass-Through Bonds) (collectively, the "Bonds"). Moody's maintains existing Aaa ratings on all outstanding Single Family Mortgage Revenue Senior Lien Bonds.

RATINGS RATIONALE

The Aaa rating on the Bonds reflects the strong program portfolio which consists of 100% mortgage-backed securities ("MBS") and a program asset-to-debt ratio (PADR) of 1.22 as of August 31, 2019. The rating also reflects that variable rate bonds comprise 12% of program debt as of December 31, 2019 and that 100% of the liquidity on the variable rate bonds is provided by the Texas Comptroller of Public Accounts (State of Texas general obligation rating of Aaa with a stable outlook).

We regard the coronavirus (COVID-19) outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for the TDHCA. However, the situation surrounding Coronavirus is rapidly evolving and the longer-term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the TDHCA changes, we will update the rating and/or outlook at that time.

RATING OUTLOOK

The stable outlook is based on the solid financial position, strong mortgage portfolio, and variable rate debt position.

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Replacement of the State Comptroller-provided liquidity with agreements containing terms that are too onerous to withstand Moody's cash flow tests.
- A severe decline in the financial performance of the program that causes the PADR to drop.

LEGAL SECURITY

The Bonds are special obligations of TDHCA and are secured by GNMA, FNMA, and Freddie Mac MBS, mortgage loans, and all reserves and other assets under the indenture. Payment of senior lien debt is on parity with \$579 million (as of 12/31/2019) in Single Family Mortgage Revenue Bonds. There is also \$3.855 million (as of 12/31/2019) of junior lien Single Family Mortgage Revenue Bonds. The junior lien bonds are payable solely from surplus revenues of the indenture subordinate to the pledge of the senior bonds.

USE OF PROCEEDS

Proceeds of the 2020 Series A bonds will be primarily used to finance the purchase of new GNMA mortgage-backed pass-through certificates. Proceeds of the 2020 Series B bonds will be primarily used to refund and redeem the TDHCA's outstanding taxable Single Family Mortgage Revenue Refunding Bonds, 2013 Series A.

PROFILE

The Single Family Mortgage Revenue Bond Program was established in 1980. This indenture was TDHCA's initial single family financing program. The proceeds of bonds issued under this indenture are used to finance

affordable residential housing to low and moderate income persons in the State of Texas. All bonds under the indenture are secured equally by all of the mortgages.

METHODOLOGY

The principal methodology used in these ratings was US Housing Finance Agency Single-Family Housing Methodology published in October 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1154478 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1133569 .

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April 21, 2020

Texas Department of Housing & Community Affairs
PO Box 13941
Austin, TX 78711
Attention: Ms. Monica Galuski, Director of Bond Finance

Re: *US\$175,000,000 Texas Department of Housing & Community Affairs, Single Family Mortgage Revenue Bonds, Series 2020A (Non-AMT)*

Dear Ms. Galuski:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

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S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

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S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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April 21, 2020

Texas Department of Housing & Community Affairs
PO Box 13941
Austin, TX 78711
Attention: Ms. Monica Galuski, Director of Bond Finance

Re: ***US\$14,000,000 Texas Department of Housing & Community Affairs, Single Family Mortgage Revenue Refunding Bonds, Series 2020B (Taxable) (Mortgage Pass-Through Bonds)***

Dear Ms. Galuski:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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ACTION ITEMS

3a

BOARD REPORT ITEM
INTERNAL AUDIT DIVISION
September 3, 2020

Report on the Meeting of the Audit and Finance Committee and Action on recommendations of that committee

Verbal Report

4a

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**

5a

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**

6a

BOARD REPORT ITEM
ASSET MANAGEMENT DIVISION
SEPTEMBER 3, 2020

Report on six-month extension to the placed-in-service deadline for 2018 9% Housing Tax Credit developments

BACKGROUND

Pursuant to 26 U.S.C. §42(h)(1)(E)(i), Internal Revenue Code of 1986, Development Owners are required to place in service each building by no later than the close of the second calendar year following the calendar year in which the allocation is made. Revenue Procedure 2014-49, issued by the Internal Revenue Service (IRS), provides latitude to the allocating agency to approve relief to the placed in service requirements for those projects located in a Major Disaster Area, defined as any city, county, or other local jurisdiction for which a Major Disaster has been declared by the President and which has been designated by the Federal Emergency Management Agency (FEMA) as eligible for Individual Assistance, Public Assistance, or both.

In accordance with IRS Revenue Procedure 2014-49, the agency may approve such relief only for projects whose Owners cannot reasonably satisfy the deadline of §42(h)(1)(E)(i) because of an event that led to a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Depending on the extent of the damage in a Major Disaster Area, the agency's determination may be made on an individual project basis or the agency may determine that all Owners or a particular group of Owners in the Major Disaster Area warrant the relief. The extension to the placed-in-service requirement must not extend beyond December 31 of the year following the end of the two-year period described in §42(h)(1)(E)(i). Based upon all facts and circumstances, an Agency has the discretion to provide shorter periods of relief than the maximum period allowed or no relief at all.

On March 25, 2020, under FEMA DR-4485-TX, notice was given of a Major Disaster declaration resulting from the COVID-19 pandemic that includes all of Texas counties as eligible to receive individual and public assistance.

Staff has determined that the COVID-19 pandemic, now going on for several months, affected the construction progress of all developments under construction such that 2018 9% HTC developments were delayed in their ability to meet the placed-in-service deadline of December 31, 2020. The COVID-19 pandemic led to disruptions in construction for a variety of reasons including, but not limited to, suspended site inspections, broken supply chains for materials, and local suspensions on construction. In addition, developers and contractors are trying to honor local restrictions regarding social distancing on construction sites. Therefore, the Department has determined to automatically extend the placed-in-service deadline for all 2018 9% HTC developments in the State of Texas by six months, going from December 31, 2020, to June 30, 2021.

Any extensions beyond this six month period will necessitate further Executive Director or designee approval.

7a

BOARD ACTION REQUEST
BOND FINANCE DIVISION
SEPTEMBER 3, 2020

Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Fish Pond at Corpus Christi Apartments) Series 2020 Resolution No. 21-002, an Award of Direct Loan Funds, and a Determination Notice of Housing Tax Credits

RECOMMENDED ACTION

WHEREAS, the Board adopted an inducement resolution for Fish Pond at Corpus Christi at the Board meeting of July 25, 2019;

WHEREAS, an application for Fish Pond at Corpus Christi requesting 4% Housing Tax Credits and \$4,000,000 in Direct Loan funds, sponsored by Fish Pond Corpus Christi Manager, LLC, which includes David Fournier, Alan Stalcup, and Wayforward as principals was submitted to the Department on September 6, 2019;

WHEREAS, a Certification of Reservation was issued in the amount of \$10,000,000 on May 20, 2020, with a bond delivery deadline of November 16, 2020;

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

WHEREAS, EARAC recommends the issuance of Multifamily Housing Revenue Bonds (Series 2020) for Fish Pond at Corpus Christi, an award of TCAP Repayment Funds (TCAP RF), and the issuance of a Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the issuance of Multifamily Housing Revenue Bonds Series 2020 (Fish Pond at Corpus Christi) in an amount not to exceed \$10,000,000, Resolution No. 21-002 is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of \$682,849 in 4% Housing Tax Credits, and the award of \$4,000,000 in TCAP RF, for Fish Pond at Corpus Christi 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 §2306.353 *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: Fish Pond at Corpus Christi is proposed to be located at 1006 Sixth Street in Corpus Christi, Nueces County, and proposes the new construction of 112 units. The applicant is purchasing an existing 111-unit building that was built in 1928 and is located approximately one mile north of the proposed development site. The existing building originally served as a hospital that was converted to the Sea Gulf Apartments in 1979. The building has been determined to be functionally obsolete for residency and the applicant is planning to relocate the residents. The U.S. Department of Housing and Urban Development (HUD) has approved the transfer of the HAP Contract from the previous site to the proposed site. Once the HUD HAP Contract is transferred over to the proposed site, the number of units covered by the contract will decrease from 111 to 64; however, tenant protection vouchers will be provided by HUD for those units not covered by the HAP Contract. For underwriting purposes, because those with tenant protection vouchers can choose not to move to the Fish Pond at Corpus Christi development and take their voucher to another multifamily development, the use of those vouchers has not been factored into the underwriting analysis. Those units are instead underwritten at the 60% tax credit rents. The development proposes to continue to serve the elderly population (elderly preference). The Certificate of Reservation from the Bond Review Board was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of Area Median Family Income (AMFI) that must be served; however, seven of the units will be rent and income restricted at 50% AMFI, and the remaining 104 units will be rent and income restricted at 60% AMFI. Also, there will be one employee-occupied unit included at the development. Layered among the HTC-restricted units will be six TCAP RF restricted units at 50% AMI/Low HOME and 23 TCAP RF restricted units at 60% AMI/High HOME.

Organizational Structure and Previous Participation: The Borrower is Fish Pond Living at Corpus Christi, LP and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 2 and the previous participation was deemed acceptable by EARAC.

Public Hearing/Public Comment: A public hearing for the proposed development was conducted by staff on February 25, 2020, and there were none in attendance. A copy of the hearing transcript is included herein. The Department received letters of support for the development from the Joe McComb, Mayor of the City of Corpus Christi; Everett Roy, Corpus Christi City Council Member; Joe A.

Gonzalez, Nueces County Commissioner, Precinct 2; Carolyn Vaughn, Nueces County Commissioner, Precinct 1; and Barbara Canales, Nueces County Judge, all of which are included herein.

Summary of Financial Structure

Under the proposed structure, the Department will issue tax-exempt fixed rate bonds in an amount not to exceed \$10,000,000 that will be initially publically offered. Sterling Bank will provide a construction loan of up to \$17,000,000 that will carry an approximate interest rate of 5.25%. The bonds will be cash collateralized during the construction period.

Berkadia Commercial Mortgage, LLC will purchase the loan upon conversion to the permanent phase. Shortly thereafter, Freddie Mac will acquire the loan and the Bonds from Berkadia, where it is expected to be securitized with other loans. Berkadia will remain as the servicer of the loan for Freddie Mac, who will be the permanent lender and bondholder. The purchase of the Bonds by Freddie Mac will be exercised through a mandatory tender provision contemplated in the bond documents, and will effectively convert to a Tax-Exempt Loan under the Freddie Mac platform. This will result in a reissuance under state law. As such, the substantially final Bond documents being approved today include the form of documents required at the time of conversion, and those associated with a reissuance which will require Board approval. The interest rate on the bonds will be fixed prior to closing, at a rate of approximately 3.51%. The term of the bonds will be 15 years with a 35-year amortization and a final maturity on November 1, 2038.

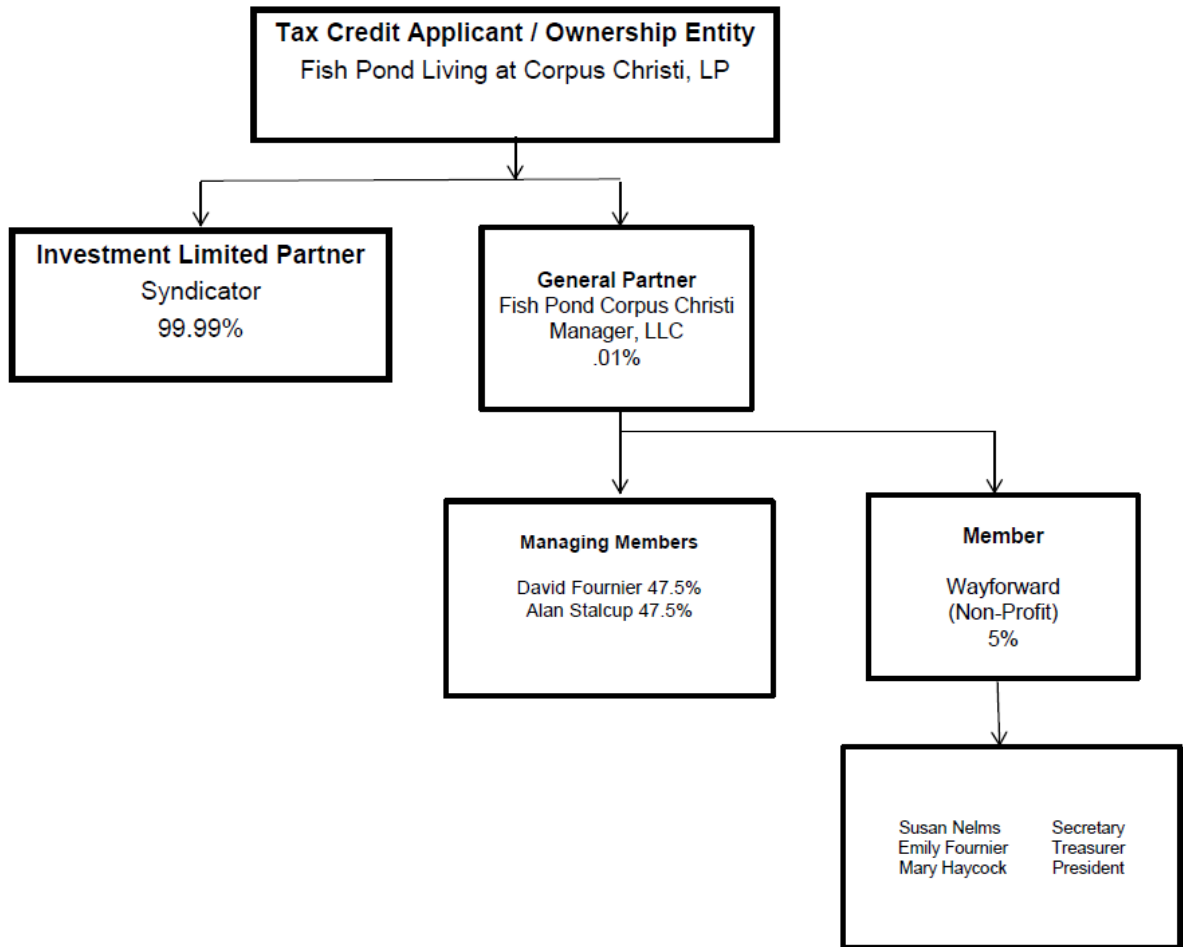
The \$4,000,000 TCAP RF loan will be structured as a construction-to-permanent repayable loan at a 2.50% interest rate in accordance with section 3a of the 2019-1 NOFA, with a 35-year amortization and a 16-year term. Although the funds are coming from the 2019-1 NOFA, the Applicant has indicated that they will elect to follow the 2020 state rules to the extent allowed by 10 TAC §13.5(i).

The City of Corpus Christi will be providing funding in the form of \$350,000 worth of HOME Funds (requiring 3 HOME Units that will be separate from the Department's TCAP_RF units) and \$500,000 in Type A funds. The Type A funds will serve as the Direct Loan Match and will be awarded to Wayforward, the non-profit partner, who will then loan these funds to the Borrower.

A copy of the Exhibits recommended to be approved by the Board as referenced in Resolution No. 21-002 can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

Exhibit A

APPLICANT OWNERSHIP CHART



RESOLUTION NO. 21-002

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY HOUSING REVENUE BONDS (FISHPOND AT CORPUS CHRISTI 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 Housing Revenue Bonds (FishPond at Corpus Christi Apartments) Series 2020 (the "Bonds") pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") between the Department and BOKF, NA, as trustee (the "Trustee"), for the purpose of providing funds in connection with the financing of the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to FishPond Living at Corpus Christi, LP, a Texas limited partnership (the "Borrower"), in connection with the acquisition, construction and equipping of a qualified residential rental development for seniors 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 or notes 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 and the Borrower will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the 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 "Borrower Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

WHEREAS, it is anticipated that the obligations of the Borrower under the Loan Agreement will be secured by a Subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing (the "Subordinate Mortgage") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department's rights (except for certain unassigned rights) under the Indenture, the Borrower Note and the Subordinate Mortgage will be assigned to the Trustee pursuant to an Assignment of Security Instrument (the "Assignment") from the Department to the Trustee; and

WHEREAS, with respect to the Bonds, the Board has determined that the Department, the Trustee, and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") with respect to the Development, which will be filed of record in the real property records of Nueces County, Texas; 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 Trustee and the Borrower will execute a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement"), in connection with the Bonds, pursuant to which the Department and the Borrower will make certifications, representations and covenants relating to the treatment of the interest on the Bonds as exempt from gross income for federal income tax purposes; and

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

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

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Purchase Agreement") with Ramirez & Co. Inc. (the "Underwriter") and the Borrower, setting forth certain terms and conditions upon which the Underwriter will purchase the Bonds from the Department and the Department will sell the Bonds to the Underwriter; and

WHEREAS, it is anticipated that all or a portion of the Bonds will be refunded by the issuance of a refunding note (the "Refunding Note") on or prior to the final Mandatory Tender Date (as defined in the Indenture), which Refunding Note will be sold and initially delivered to Berkadia Commercial Mortgage LLC, as the initial funding lender (the "Initial Funding Lender") as provided in the Funding Loan Agreement (as defined herein) for subsequent transfer to the Federal Home Loan Mortgage Corporation; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture; and

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

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

ARTICLE 1

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

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

forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or upon the order of the Underwriter.

Section 1.2 Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chair of the Board or the Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption and tender provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by an Authorized Representative (as defined below) of the Department of the Indenture and the Purchase Agreement; provided, however, that (i) the Bonds shall bear interest at the initial interest rate set forth in the Purchase Agreement in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; and provided further that the initial interest rate on the Bonds shall not exceed 3.0%; (ii) the aggregate principal amount of the Bonds shall not exceed \$10,000,000; (iii) the final maturity of the Bonds shall occur not later than November 1, 2038; and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Purchase Agreement shall not exceed 100% of the principal amount thereof.

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

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

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

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

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

Section 1.8 [Reserved].

Section 1.9 [Reserved].

Section 1.10 Acceptance of the Borrower Note and the Subordinate Mortgage. That the form and substance of the Borrower Note and the Subordinate Mortgage are hereby accepted by the Department and that the Authorized Representatives each are hereby authorized to endorse and deliver the Borrower Note without recourse.

Section 1.11 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 Trustee.

Section 1.12 Approval, Execution, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Authorized Representatives are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934; that the Authorized Representatives named in this Resolution each are authorized hereby to make or approve such changes in the Official Statement as may be required to provide a final Official Statement for the Bonds; that the Authorized Representatives named in this Resolution each are authorized hereby to accept the Official Statement, as required; and that the use and distribution of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Purchase Agreement and as may be approved by the Executive Director of the Department and the Department's counsel.

Section 1.13 [Reserved].

Section 1.14 [Reserved].

Section 1.15 [Reserved].

Section 1.16 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 1.17 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 1.18 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Borrower Note
- Exhibit F - Subordinate Mortgage
- Exhibit G - Assignment
- Exhibit H - Purchase Agreement
- Exhibit I - Official Statement
- Exhibit J - Tax Exemption Agreement

Section 1.19 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 Bonds in accordance with Chapter 1231, Texas Government Code.

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

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

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

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

Section 2.6 Underwriter. That the underwriter with respect to the issuance of the Bonds will be Ramirez & Co., Inc., or any other party identified in the Purchase Agreement.

Section 2.7 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 Purchase Agreement and the requirements of Bond Counsel, provided such engagement is done in accordance with applicable law of the State.

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

ARTICLE 3

CERTAIN FINDINGS AND DETERMINATIONS

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

(a) Need for Housing Development.

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

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

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

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement, the 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) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement, the Regulatory Agreement and the Tax Exemption

Agreement, which require, among other things, that the “affordable unit” portion of the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds in connection with the financing of 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 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 Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department’s costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

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

ARTICLE 4

GENERAL PROVISIONS

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

Section 4.2 Non-Governmental Obligations. That the Bonds shall not be and 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. Each 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 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act regarding meetings of the Governing Board.

PASSED AND APPROVED this 3rd day of September, 2020.

EXHIBIT A

Description of Development

Borrower: FishPond Living at Corpus Christi, LP, a Texas limited partnership

Development: The Development is an approximately 112-unit multifamily community for seniors to be known as FishPond at Corpus Christi Apartments and to be located at 1006 6th Street, Corpus Christi, Nueces County, Texas 78404. It consists of two (2) residential apartment buildings with approximately 79,350 net rentable square feet. The Development will consist of 112 one-bedroom/one-bath units ranging from approximately 700 square feet to approximately 717 square feet.

20606 FishPond at Corpus Christi - Application Summary

REAL ESTATE ANALYSIS DIVISION

August 26, 2020

PROPERTY IDENTIFICATION		RECOMMENDATION					
Application #	20606	TDHCA Program		Request		Recommended	
Development	FishPond at Corpus Christi	LIHTC (4% Credit)	\$682,849	\$682,849	\$6,097/Unit	\$0.83	
City / County	Corpus Christi / Nueces		Amount	Rate	Amort	Term	Lien
Region/Area	10 / Urban	MF Direct Loan Const. to Perm. (Repayable)	\$4,000,000	2.50%	35	15	2
Population	Elderly Preference						
Set-Aside	General						
Activity	New Construction	Private Activity Bonds	\$10,000,000	3.51%	35	15	1

KEY PRINCIPAL / SPONSOR			
Fish Pond Living-Developer David Fournier 47.5% GP and Alan Stalcup 47.5% GP Wayforward Nonprofit 5% GP Hoke Development Services, LLC-Consultant- Tim Smith			
Related Parties	Contractor -	No	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	112	100%	40%	-	0%
2	-	0%	50%	7	6%
3	-	0%	60%	104	94%
4	-	0%	MR	-	0%
TOTAL	112	100%	TOTAL	111	99%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	Expense Ratio	49.8%
Breakeven Occ.	85.5%	Breakeven Rent	\$937
Average Rent	\$1,014	B/E Rent Margin	\$77
Property Taxes	\$1,161/unit	Exemption/PILOT	0%
Total Expense	\$5,648/unit	Controllable	\$2,826/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)		1.8%	
Highest Unit Capture Rate	NA	NA	NA
Dominant Unit Cap. Rate	NA	NA	NA
Premiums (↑60% Rents)	# DIV/0!	# DIV/0!	
Rent Assisted Units	64	57% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	708 SF	Density	75.7/acre
Acquisition		\$02K/unit	\$203K
Building Cost	\$117.96/SF	\$84K/unit	\$9,360K
Hard Cost		\$97K/unit	\$10,916K
Total Cost		\$167K/unit	\$18,690K
Developer Fee	\$2,250K	(40% Deferred)	Paid Year: 8
Contractor Fee	\$1,080K	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	
Berkadia-Freddie TEL	15/35	3.51%	\$7,300,000	1.72						PNC	\$5,646,596	
					Corpus Christi HOME (pass through)	0/0	1.00%	\$350,000	1.18			
					Corpus Christi TYPE A	0/0	0.00%	\$500,000	1.18	Deferred Developer Fee	\$893,318	
TDHCA MDL Repayable Loan	15/35	2.50%	\$4,000,000	1.18						TOTAL EQUITY SOURCES	\$6,539,914	
TOTAL DEBT (Must Pay)			\$11,300,000		CASH FLOW DEBT / GRANTS				\$850,000		TOTAL DEBT SOURCES	\$12,150,000
											TOTAL CAPITALIZATION	\$18,689,914

CONDITIONS

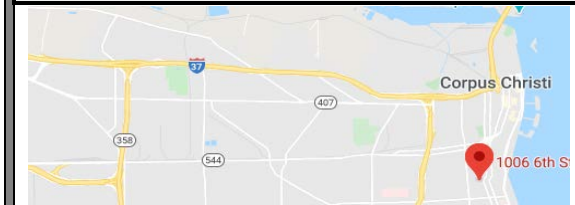
- 1 Receipt and acceptance before Direct Loan Closing
 - a: Substantially final construction contract with Schedule of Values.
 - b: Updated term sheets with substantially final terms from all lenders
 - c: Substantially final draft of limited partnership agreement.
 - d: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a 1.15 DCR.
 - e: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

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	11/16/2020
Bond Amount	\$10,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Freddie TEL
% Financed with Tax-Exempt Bonds	65.3%

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	HAP Contract/TPV's
▫	Overall Feasibility Indicators
WEAKNESSES/RISKS	
▫	0.67 parking ratio
▫	Low DCR

AREA MAP



AERIAL PHOTOGRAPH(s)





DEVELOPMENT IDENTIFICATION

TDHCA Application #: 20606 Program(s): TDHCA Bonds/4% HTC

FishPond at Corpus Christi

Address/Location: 1006 Sixth Street

City: Corpus Christi County: Nueces Zip: 78404

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

Activity: New Construction Building Type: Elevator Served Region: 10

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
MF Direct Loan Const. to Perm. (Repayable)	\$4,000,000	2.50%	35	35	\$4,000,000	2.50%	35	15	2
Private Activity Bonds	\$10,000,000	4.00%	35	15	\$10,000,000	3.51%	35	15	1
LIHTC (4% Credit)	\$682,849				\$682,849				

* Multifamily Direct Loan Terms:

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

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

CONDITIONS

- 1 Receipt and acceptance before Direct Loan Closing
 - a: Substantially final construction contract with Schedule of Values.
 - b: Updated term sheets with substantially final terms from all lenders
 - c: Substantially final draft of limited partnership agreement.
 - d: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a 1.15 DCR.
 - e: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	7
60% of AMI	60% of AMI	105

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	6
60% of AMFI	High HOME	23

DEVELOPMENT SUMMARY

Applicant purchased Sea Gulf Apartments, an existing 112-unit mid-rise elderly building that was built in 1928 as a hospital and converted to apartments in 1979. It is 99% occupied, 100% covered by a HAP contract, and is also encumbered by a Mark to Market Use Agreement that expires on June 26, 2041. Upon completing their due diligence, Applicant determined that the existing building was functionally obsolete for the current residency.

On June 17, 2020 HUD approved the transfer of the existing Housing Assistance Payments contract to the proposed Subject. HUD increased the contract rents, but reduced the number of assisted units to 64 to keep the overall assistance dollar amount the same. The renewed HAP contract will be for a 20 year term. The remaining 47 tenants/units will receive Tenant Protection Vouchers (TPV's) from HUD, giving them the choice to move to the newly constructed Subject or to another property of their choice and pay only 30% of income as with the HAP covered units. All 111 residents will qualify to be transferred to the newly constructed Subject which includes an employee unit. The new 112-unit FishPond at Corpus Christi will be located on a 1.48-acre site approximately 1.2 miles south of the existing Sea Gulf property, at a location that is more residential and nearer to amenities. Subject is all one bedroom units as Sea Gulf was efficiency and one bedroom units.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	HAP Contract/TPV's
▫	Overall Feasibility Indicators

WEAKNESSES/RISKS	
▫	0.67 parking ratio
▫	Low DCR

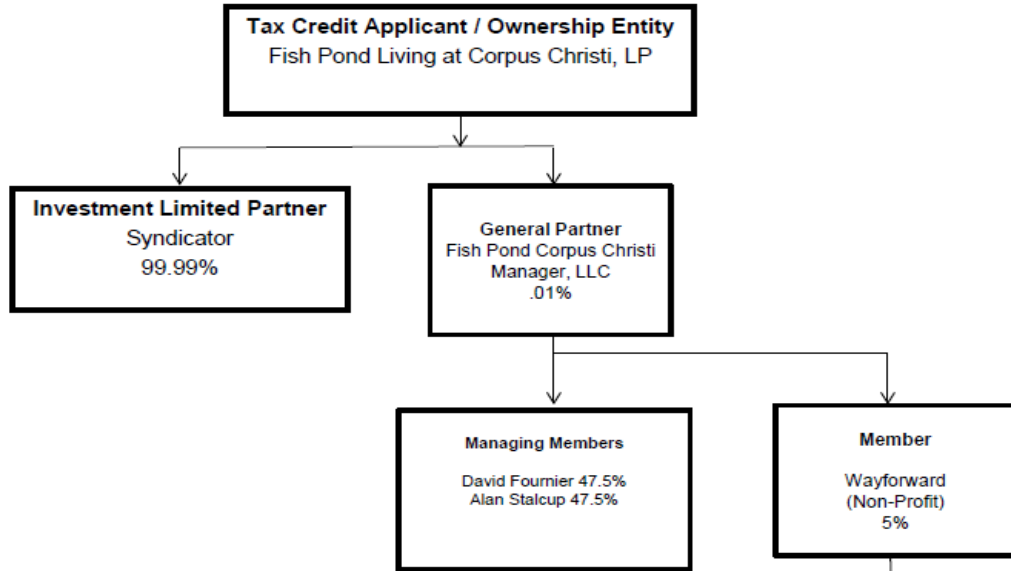
DEVELOPMENT TEAM

PRIMARY CONTACTS

Name: David Fournier
Phone: (512) 970-3889
Relationship: Developer

Name: Tim Smith
Phone: 832-230-4302
Relationship: Consultant

OWNERSHIP STRUCTURE



- Fish Pond Living is an affordable housing developer in Texas. They have participated in two projects since 2018.

DEVELOPMENT SUMMARY

SITE PLAN





Comments:

1.48-acre flat site with no detention. The ingress and egress to the site are from Buford Ave. and Hancock Ave. Podium garage and surface parking for 75 spaces; 71spaces required per PUD. This is a 0.67 parking ratio which is more than what is on site at the Sea Gulf Apartments.

Little green space with no outdoor amenities except a courtyard in the back and some landscaped sitting areas in the front of the building.

Parking	No Fee		Tenant-Paid		Total	
	Count	Ratio	Count	Ratio	Count	Ratio
Open Surface	20	0.2/unit	0	--	20	0.2/unit
Carport	0	--	0	--	0	--
Garage	55	0.5/unit	0	--	55	0.5/unit
Total Parking	75	0.7/unit	0	--	75	0.7/unit

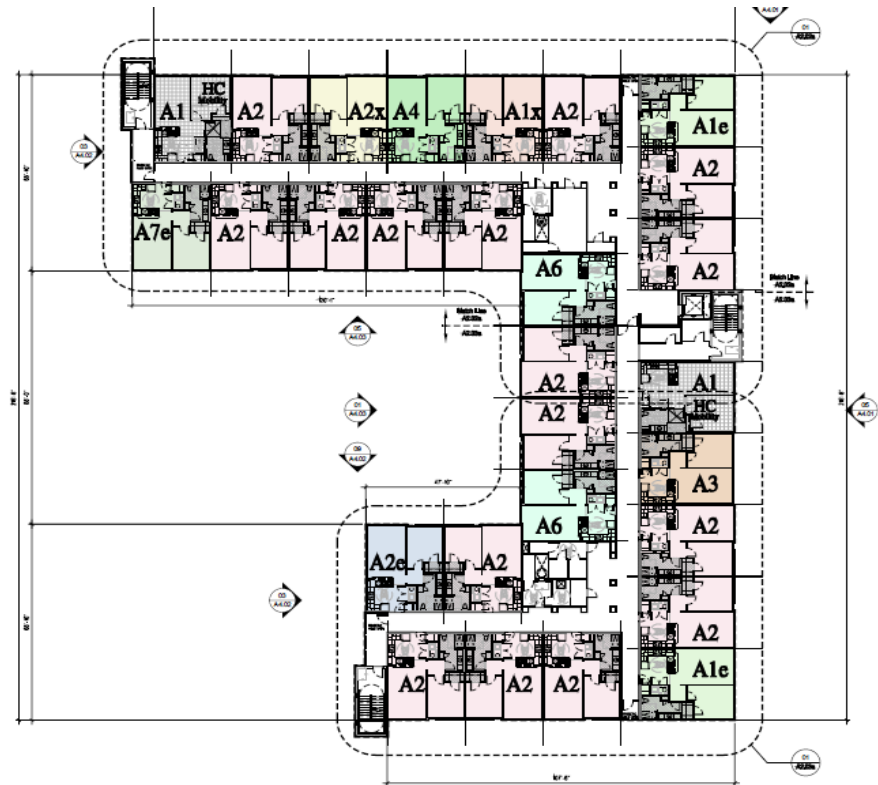
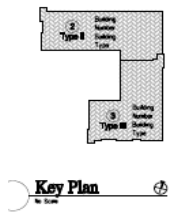
BUILDING ELEVATION



Comments:

Four-story U-shaped building over podium with a 5/12 slope shingle roof with 6/12 details; 15% CMU block and 85% hardie siding; little articulation.

BUILDING PLAN (typical)



Comments:

Plumbing runs center "U"; one elevator; each floor is the same design, save for the first floor community area.

GENERAL INFORMATION

Flood Zone:	<u> x </u>	Scattered Site?	<u> No </u>
Zoning:	<u> RM-3 PUD </u>	Within 100-yr floodplain?	<u> No </u>
Re-Zoning Required?	<u> No </u>	Utilities at Site?	<u> Yes </u>
Year Constructed:	<u> 0 </u>	Title Issues?	<u> No </u>

Current Use:

Vacant grassy land including 6th Street. The prior usage was residential property. The residential buildings were demolished in the early 1990s.

Property has been re-zoned to PUD

Surrounding Uses:

North: Hancock Avenue, single-family residential property and multi-family residential property

East: Two abandoned residential properties, two office buildings, Nurses on Wheels Hospice and parking space

South: Buford Street, single-family residential property and The Purple Door

West: Single-family residential property

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc Date: 7/20/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

The combined projected Day/Night Noise Level (DNL) for each NAL was calculated based on the effective distance from each of the noise sources; all the calculated noise values fall below 65 dB, and are therefore considered "acceptable."

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/9/2020

ELIGIBLE HOUSEHOLDS BY INCOME								
Nueces County Income Limits								
HH Size		1	2	3	4	5	6	7+
50% AMGI	Min	\$1	\$1	---	---	---	---	---
	Max	\$23,350	\$26,650	---	---	---	---	---
60% AMGI	Min	\$22,500	\$22,500	---	---	---	---	---
	Max	\$28,020	\$31,980	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
19332	Avanti at South Bluff	Yes	New	Elderly	30	42
Other Affordable Developments in PMA since 2015						
17253	Samuel Place Apartments		A/R	General	n/a	60
Stabilized Affordable Developments in PMA (pre-2015)					Total Units	1,066
					Total Developments	8

Proposed, Under Construction, and Unstabilized Competitive Supply:

Avanti at South Bluff (#19332) is located within a half mile of the Subject and will compete with it's non-assisted 60% units.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	37,057	37,057		
Senior Households in the Primary Market Area	17,853	17,853		
Potential Demand from the Primary Market Area	3,602	5,057		
10% External Demand	360	506		
Potential Demand from Other Sources	0	0		
GROSS DEMAND	3,962	5,563		
Subject Affordable Units	111	70		
Unstabilized Competitive Units	30			
RELEVANT SUPPLY	71	70		
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	1.8%	1.3%		

Population:	Elderly Preference	Market Area:	Urban	Maximum Gross Capture Rate:	10%
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Capture rate limits do not apply to existing affordable housing that is at least 50% occupied and that provides a leasing preference to existing tenants. An existing Housing Assistance Program contract for 112 units that the Subject is replacing, will be marked up to market rate and transferred to 64 units (58% of units) at the Subject. The remaining tenants will receive Tenant Protection Vouchers and be able to move the Subject if they wish. Current property is 99% occupied.

Revisions to Market Study:	1
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Ineligible Costs:

\$770k for tenant relocation is not included in eligible basis. This includes packing, moving, and unpacking all tenants at Sea Gulf Apartments to their new homes.

Reserves:

Reserves equal six months operating expenses and debt service as required by equity.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$18,689,914	\$17,132,347	\$717,160

Related-Party Contractor: No

Related-Party Cost Estimator: No

Revisions to Development Cost Schedule:	3
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UNDERWRITTEN CAPITALIZATION

BOND RESERVATION			
Issuer	Amount	Reservation Date	Priority
TDHCA	\$10,000,000	5/20/2020	Priority 3
Closing Deadline	Expected Closing	Bond Structure	
11/16/2020	TBD	Freddie TEL	

Percent of Cost Financed by Tax-Exempt Bonds	65.3%
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Comments:

The tax exempt bonds are projected to finance approximately 65.3% of the aggregate basis of the development, which exceeds the minimum 50% requirement to qualify for 4% tax credits under IRC§142.

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
TDHCA	MF Direct Loan Const. to Perm. (Repayable)	\$4,000,000	0.00%	17%
Sterling	Private Loan	\$17,000,000	5.25%	71%
PNC	HTC	\$546,989	0.00%	2%
Deferred Developer Fee	Deferred Fee	\$2,250,000	0.00%	9%
		\$23,796,989	Total Sources	

Comments:

At closing, TDHCA will issue \$10M in tax-exempt bonds and will include an initial "cash backed" mode during the construction and stabilization periods. The bonds will initially be sold and be cash collateralized with loan proceeds held by a trustee in a collateral account. Construction draws will be funded by Sterling Bank (\$17M taxable construction loan into a collateral account equal to an amount of tax-exempt bond proceeds disbursed to pay project costs.

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Berkadia-Freddie TEL	\$7,300,000	3.51%	35	15	\$7,300,000	3.51%	35	15	39%
TDHCA MDL Repayable Loan	\$4,000,000	2.50%	35	15	\$4,000,000	2.50%	35	15	21%
Corpus Christi HOME (pass through)	\$350,000	1.00%	0	0	\$350,000	1.00%	0	0	2%
Corpus Christi TYPE A	\$500,000	0.00%	0	0	\$500,000	0.00%	0	0	3%
Total	\$12,150,000				\$12,150,000				

Comments:

Once the development is placed in service and conversation to the perm phase occurs, Sterling's construction loan will be paid in full from a combination of tax credit equity and collateral funds they provided to the trustee, and the Berkadia perm loan along with additional funds in the collateral account will be used to pay the purchase price of the tax exempt bonds and Berkadia will receive a tax exempt note equal to the perm loan that will be purchased by Freddie Mac a few weeks thereafter.

The \$4M TDHCA MDL loan is funded from TCAP.

Corpus Christi has approved a grant for \$350k of HOME funds to the nonprofit GP who will then pass through the funds to the LIHTC partnership for tax purposes (unsecured note at 1%, payable from cash flow, 35 year amortization).

\$500k Corpus Christi Type A grant is sourced from a sales and use tax set-aside for developing affordable housing. The grant of Type A funds is the MDL match. Per the signed agreement, the reimbursement will be for up to \$500k and will be reimbursed after certificate of occupancy is received. More developer fee could be deferred if the award is less than \$500k.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
PNC	\$5,646,596	\$0.83		\$5,646,596	\$0.83	30%	
Deferred Developer Fee	\$606,988		27%	\$893,318		5%	40%
Total	\$6,253,584			\$6,539,914			
				\$18,689,914			Total Sources

Credit Price Sensitivity based on current capital structure	
\$0.958	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.644	Minimum Credit Price below which the Development would be characterized as infeasible

Comments:

Underwriting assumes a larger deferred fee due to an updated equity letter requiring a six month operating deficit reserve instead of the three month reserve that Applicant included in their original schedule; Applicant has acknowledged increased reserve requirement and it is shown on their cost schedule as well.

Revisions to Sources Schedule:	7
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CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$18,689,914
Permanent Sources (debt + non-HTC equity)	\$12,150,000
Gap in Permanent Financing	\$6,539,914

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$5,930,320	\$717,160
Needed to Balance Sources & Uses	\$6,539,914	\$790,879
Requested by Applicant	\$5,646,596	\$682,849

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$5,646,596	\$682,849

	Amount	Interest Rate	Amort	Term	Lien
TDHCA-Issued Bonds	\$10,000,000	3.51%	35	15	1
TDHCA Multifamily Direct Loan	\$4,000,000	2.50%	35	15	2

Deferred Developer Fee	\$893,318	(40% deferred)
Repayable in	8 years	

Comments:

Underwriter recommends the requested \$4M MDL with 2.5% interest, 15 year term and 35 year amortization; and \$682,849 of annual tax credits as requested by Applicant.

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

UNIT MIX/RENT SCHEDULE

FishPond at Corpus Christi, Corpus Christi, TDHCA Bonds/4% HTC #20606

LOCATION DATA	
CITY:	Corpus Christi
COUNTY:	Nueces
Area Median Income	\$66,600
PROGRAM REGION:	10

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	-	0.0%	0	0	20%	-	0.0%
1	112	100.0%	64	29	30%	-	0.0%
2	-	0.0%	0	0	40%	-	0.0%
3	-	0.0%	0	0	50%	7	6.3%
4	-	0.0%	0	0	60%	104	93.7%
5	-	0.0%	0	0	70%	-	0.0%
					80%	-	0.0%
					MR	-	0.0%
TOTAL	112	100.0%	64	29	TOTAL	111	99.1%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.22%
APP % Construction	3.22%
Average Unit Size	708 sf

UNIT MIX / MONTHLY RENT SCHEDULE																									
HTC		TDHCA Direct Loan Program		Corpus Christi HOME		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 50%	\$625	LH/50%	\$622			HAP	\$1,291	6	1	1	712	\$1,380	\$89	\$1,291	\$0	\$1.81	\$1,291	\$7,746	\$7,746	\$1,291	\$1.81	\$0	\$1,270	\$1.78	\$1,270
TC 50%	\$625			LH/50%	\$622	HAP	\$1,291	1	1	1	712	\$1,380	\$89	\$1,291	\$0	\$1.81	\$1,291	\$1,291	\$1,291	\$1,291	\$1.81	\$0	\$1,270	\$1.78	\$1,270
TC 60%	\$750	HH/60%	\$789			HAP	\$1,291	19	1	1	712	\$1,380	\$89	\$1,291	\$0	\$1.81	\$1,291	\$24,529	\$24,529	\$1,291	\$1.81	\$0	\$1,270	\$1.78	\$1,270
TC 60%	\$750	HH/60%	\$789			HAP	\$1,291	4	1	1	717	\$1,380	\$89	\$1,291	\$0	\$1.80	\$1,291	\$5,164	\$5,164	\$1,291	\$1.80	\$0	\$1,270	\$1.77	\$1,270
TC 60%	\$750			HH/60%	\$789	HAP	\$1,291	2	1	1	717	\$1,380	\$89	\$1,291	\$0	\$1.80	\$1,291	\$2,582	\$2,582	\$1,291	\$1.80	\$0	\$1,270	\$1.77	\$1,270
TC 60%	\$750					HAP	\$1,291	3	1	1	717	\$1,380	\$89	\$1,291	\$0	\$1.80	\$1,291	\$3,873	\$3,873	\$1,291	\$1.80	\$0	\$1,270	\$1.77	\$1,270
TC 60%	\$750					HAP	\$1,291	29	1	1	706	\$1,380	\$89	\$1,291	\$0	\$1.83	\$1,291	\$37,439	\$37,439	\$1,291	\$1.83	\$0	\$1,270	\$1.80	\$1,270
TC 60%	\$750					0	0	29	1	1	706	\$750	\$89	\$661	(\$3)	\$0.93	\$658	\$19,082	\$19,182	\$661	\$0.94	\$0	\$1,270	\$1.80	\$1,270
TC 60%	\$750					0	0	7	1	1	711	\$750	\$89	\$661	(\$3)	\$0.93	\$658	\$4,606	\$4,630	\$661	\$0.93	\$0	\$1,270	\$1.79	\$1,270
TC 60%	\$750					0	0	4	1	1	700	\$750	\$89	\$661	(\$3)	\$0.94	\$658	\$2,632	\$2,646	\$661	\$0.94	\$0	\$1,270	\$1.81	\$1,270
TC 60%	\$750					0	0	6	1	1	709	\$750	\$89	\$661	(\$3)	\$0.93	\$658	\$3,948	\$3,969	\$661	\$0.93	\$0	\$1,270	\$1.79	\$1,270
TC 60%	\$750					0	0	1	1	1	703	\$750	\$89	\$661	(\$3)	\$0.94	\$658	\$658	\$661	\$661	\$0.94	\$0	\$1,270	\$1.81	\$1,270
EO						0	0	1	1	1	703	\$0	\$0	\$0		\$0.00	\$0	\$0				NA	\$1,270	\$1.81	\$1,270
TOTALS/AVERAGES:								112			79,350				(\$1)	\$1.43	\$1,014	\$113,550	\$113,712	\$1,015	\$1.43	\$0	\$1,270	\$1.79	\$1,270

ANNUAL POTENTIAL GROSS RENT:	\$1,362,600	\$1,364,540
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STABILIZED PRO FORMA

FishPond at Corpus Christi, Corpus Christi, TDHCA Bonds/4% HTC #20606

STABILIZED FIRST YEAR PRO FORMA												
COMPARABLES			APPLICANT				TDHCA				VARIANCE	
Database	11 County Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.43	\$1,014	\$1,362,600	\$1,364,540	\$1,015	\$1.43		-0.1%	(\$1,940)
Laundry, Vending, late fees, NSF fee					\$7.44	\$9,996						
Total Secondary Income					\$7.44		\$9,996	\$7.44			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,372,596	\$1,374,536				-0.1%	(\$1,940)
Vacancy & Collection Loss					7.5% PGI	(102,945)	(103,090)	7.5% PGI			-0.1%	146
Rental Concessions						-	-				0.0%	-
EFFECTIVE GROSS INCOME						\$1,269,651	\$1,271,446				-0.1%	(\$1,795)

General & Administrative	\$43,810	\$391/Unit	\$42,285	\$378	3.12%	\$0.50	\$354	\$39,600	\$39,600	\$354	\$0.50	3.11%	0.0%	-
Management	\$42,965	4.0% EGI	\$51,783	\$462	3.52%	\$0.56	\$399	\$44,712	\$44,501	\$397	\$0.56	3.50%	0.5%	211
Payroll & Payroll Tax	\$131,925	\$1,178/Unit	\$130,353	\$1,164	10.14%	\$1.62	\$1,149	\$128,700	\$128,700	\$1,149	\$1.62	10.12%	0.0%	-
Repairs & Maintenance	\$87,776	\$784/Unit	\$76,867	\$686	5.61%	\$0.90	\$636	\$71,200	\$67,200	\$600	\$0.85	5.29%	6.0%	4,000
Electric/Gas	\$32,004	\$286/Unit	\$24,966	\$223	1.34%	\$0.21	\$152	\$17,000	\$22,118	\$197	\$0.28	1.74%	-23.1%	(5,118)
Water, Sewer, & Trash	\$87,041	\$777/Unit	\$63,462	\$567	4.73%	\$0.76	\$536	\$60,000	\$63,462	\$567	\$0.80	4.99%	-5.5%	(3,462)
Property Insurance	\$59,245	\$0.75 /sf	\$67,836	\$606	7.94%	\$1.27	\$900	\$100,800	\$100,800	\$900	\$1.27	7.93%	0.0%	-
Property Tax (@ 100%) 2.6209	\$45,457	\$406/Unit	\$52,463	\$468	10.24%	\$1.64	\$1,161	\$130,000	\$141,901	\$1,267	\$1.79	11.16%	-8.4%	(11,901)
Reserve for Replacements	\$38,731	\$346/Unit		\$0	2.43%	\$0.39	\$275	\$30,800	\$30,800	\$275	\$0.39	2.42%	0.0%	-
Supportive Services			-	\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)			-	\$0	0.35%	\$0.06	\$40	\$4,440	\$4,440	\$40	\$0.06	0.35%	0.0%	-
TDHCA Bond Compliance Fee			-	\$0	0.22%	\$0.04	\$25	\$2,800	\$2,800	\$25	\$0.04	0.22%	0.0%	-
Bond Trustee Fees				\$0	0.20%	\$0.03	\$22	\$2,500	\$2,500	\$22	\$0.03	0.20%	0.0%	-
TOTAL EXPENSES					49.82%	\$7.97	\$5,648	\$ 632,552	\$648,821	\$5,793	\$8.18	51.03%	-2.5%	\$ (16,269)
NET OPERATING INCOME ("NOI")					50.18%	\$8.03	\$5,688	\$637,099	\$622,625	\$5,559	\$7.85	48.97%	2.3%	\$ 14,475

CONTROLLABLE EXPENSES	\$2,826/Unit	\$2,867/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

FishPond at Corpus Christi, Corpus Christi, TDHCA Bonds/4% HTC #20606

DEBT / GRANT SOURCES															
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
DEBT (Must Pay)	Fee	UW	App											DCR	LTC
Berkadia-Freddie TEL	0.10%	1.69	1.72	369,343	3.51%	35	15	\$7,300,000	\$7,300,000	15	35	3.51%	\$369,850	1.72	39.1%
Adjustment to Debt Per \$10.302(c)(2)	0.10%									15	35	3.51%		1.72	0.0%
TDHCA MDL Repayable Loan		1.11	1.14	\$189,658	2.50%	35	15	\$4,000,000	\$4,000,000	15	35	2.50%	\$171,598	1.18	21.4%
CASH FLOW DEBT / GRANTS															
Corpus Christi HOME (pass through)		1.11	1.14		1.00%	0	0	\$350,000	\$350,000	0	0	1.00%		1.18	1.9%
Corpus Christi TYPE A		1.11	1.14		0.00%	0	0	\$500,000	\$500,000	0	0	0.00%		1.18	2.7%
				\$559,001	TOTAL DEBT / GRANT SOURCES			\$12,150,000	\$12,150,000	TOTAL DEBT SERVICE			\$541,448	1.18	65.0%
NET CASH FLOW		\$63,624	\$78,098					APPLICANT		NET OPERATING INCOME		\$637,099	\$95,651	NET CASH FLOW	

EQUITY SOURCES												
		APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
		DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES												
PNC		LIHTC Equity	30.2%	\$682,849	0.83	\$5,646,596	\$5,646,596	\$0.83	\$682,849	30.2%	\$6,097	Applicant Request
Deferred Developer Fee		Deferred Developer Fees	3.2%	(27% Deferred)		\$606,988	\$893,318	(40% Deferred)		4.8%	Total Developer Fee:	\$2,250,000
TOTAL EQUITY SOURCES			33.5%			\$6,253,584	\$6,539,914			35.0%		
TOTAL CAPITALIZATION						\$18,403,584	\$18,689,914				15-Yr Cash Flow after Deferred Fee:	\$1,248,464

DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE			
		Eligible Basis		Total Costs		Total Costs		Eligible Basis		%		\$	
		Acquisition	New Const. Rehab					New Const. Rehab	Acquisition				
Land Acquisition				\$1,813 / Unit	\$203,000	\$203,000	\$1,813 / Unit				0.0%	\$0	
Off-Sites				\$1,076 / Unit	\$120,567	\$120,567	\$1,076 / Unit				0.0%	\$0	
Site Work			\$550,439	\$4,941 / Unit	\$553,439	\$553,439	\$4,941 / Unit	\$550,439			0.0%	\$0	
Site Amenities			\$281,800	\$2,516 / Unit	\$281,800	\$281,800	\$2,516 / Unit	\$281,800			0.0%	\$0	
Structured Parking			\$1,278,000	\$11,411/Unit	\$1,278,000	\$1,278,000	\$11,411 / Unit	\$1,278,000			0.0%	\$0	
Building Cost			\$9,359,954	\$117.96 /sf	\$83,571/Unit	\$9,359,954	\$9,070,309	\$80,985/Unit	\$114.31 /sf	\$9,070,309	3.2%	\$289,645	
Contingency			\$600,000	5.23%	5.18%	\$600,000	\$600,000	5.31%	5.37%	\$600,000	0.0%	\$0	
Contractor Fees			\$1,080,000	8.95%	8.86%	\$1,080,000	\$1,080,000	9.07%	9.17%	\$1,080,000	0.0%	\$0	
Soft Costs		0	\$1,020,000	\$9,846 / Unit	\$1,102,700	\$1,102,700	\$9,846 / Unit	\$1,020,000		\$0	0.0%	\$0	
Financing		0	\$727,500	\$11,138 / Unit	\$1,247,500	\$1,247,500	\$11,138 / Unit	\$727,500		\$0	0.0%	\$0	
Developer Fee		\$0	\$2,250,000	15.10%	14.98%	\$2,250,000	\$2,209,742	15.00%	15.00%	\$2,191,207	\$0	1.8%	\$40,258
Reserves				6 Months	\$612,954	\$612,954	6 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$17,147,693		\$166,874 / Unit	\$18,689,914	\$18,360,011	\$163,929 / Unit		\$16,799,255	\$0	1.8%	\$329,903
Acquisition Cost		\$0				\$0							
Contingency			\$0			\$0							
Contractor's Fee			\$0			\$0							
Financing Cost			\$0			\$0							
Developer Fee		\$0	(\$15,346)			\$0							
Reserves						\$0							
ADJUSTED BASIS / COST		\$0	\$17,132,347		\$166,874/unit	\$18,689,914	\$18,360,011	\$163,929/unit		\$16,799,255	\$0	1.8%	\$329,903
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$18,689,914							

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS
FishPond at Corpus Christi, Corpus Christi, TDHCA Bonds/4% HTC #20606

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$17,132,347	\$0	\$16,799,255
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$17,132,347	\$0	\$16,799,255
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$22,272,051	\$0	\$21,839,032
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$22,272,051	\$0	\$21,839,032
Applicable Percentage	3.22%	3.22%	3.22%	3.22%
ANNUAL CREDIT ON BASIS	\$0	\$717,160	\$0	\$703,217
CREDITS ON QUALIFIED BASIS		\$717,160		\$703,217

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8269	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$717,160	\$5,930,320	----	----	----
Needed to Fill Gap	\$790,879	\$6,539,914	----	----	----
Applicant Request	\$682,849	\$5,646,596	\$682,849	\$0	\$0

50% Test for Bond Financing for 4% Tax Credits		
Tax-Exempt Bond Amount	\$10,000,000	
Aggregate Basis Limit for 50% Test	\$20,000,000	
	Applicant	TDHCA
Land Cost	\$203,000	\$203,000
Depreciable Bldg Cost	\$15,100,960	\$14,811,315
Aggregate Basis for 50% Test	\$15,303,960	\$15,014,315

Percent Financed by Tax-Exempt Bonds	Applicant	TDHCA
	65.3%	66.6%

amount aggregate basis can increase before 50% test fails	Applicant	TDHCA
	\$4,696,040	\$4,985,685
	30.7%	33.2%

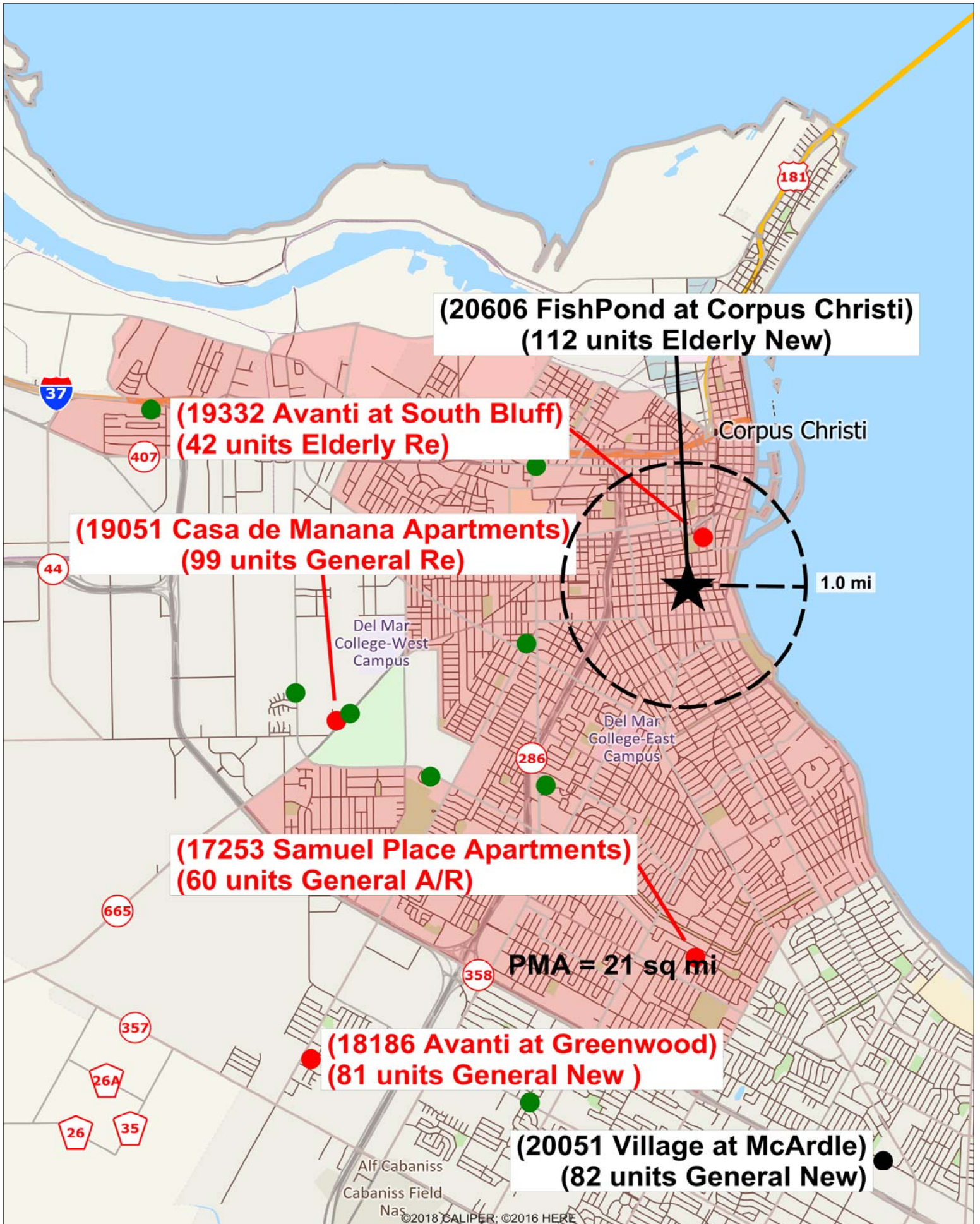
BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	79,350 SF	\$116.70	9,260,149
Adjustments				
Exterior Wall Finish	1.20%		3.16	\$250,775
Elderly	3.00%		3.50	277,804
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			0.00	0
Subfloor			0.20	15,870
Floor Cover			2.56	203,136
Enclosed Corridors	\$99.35	14,651	18.34	1,455,578
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$1,070	-560	-7.55	(\$99,200)
Rough-ins	\$525	112	0.74	58,800
Built-In Appliances	\$1,780	112	2.51	199,360
Exterior Stairs	\$2,280	12	0.34	27,360
Heating/Cooling			2.21	175,364
Storage Space	\$99.35	0	0.00	0
Carports	\$12.25	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$106.47	1,308	1.76	139,262
Elevators	\$119,700	1	1.51	119,700
Hurricane Rating Costs			6.55	520,000
Fire Suppression	\$0.00	0	3.47	275,000
SUBTOTAL			156.00	12,378,957
Current Cost Multiplier	0.99		(1.56)	(123,790)
Local Multiplier	0.87		(20.28)	(1,609,264)
Reserved				0
TOTAL BUILDING COSTS			134.16	\$10,645,903
Plans, specs, survey, bldg permits	3.30%		(4.43)	(\$351,315)
Contractor's OH & Profit	11.50%		(15.43)	(1,224,279)
NET BUILDING COSTS		\$80,985/unit	\$114.31/sf	\$9,070,309

Long-Term Pro Forma

FishPond at Corpus Christi, Corpus Christi, TDHCA Bonds/4% HTC #20606

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$1,269,651	\$1,295,044	\$1,320,945	\$1,347,364	\$1,374,311	\$1,517,351	\$1,675,278	\$1,849,642	\$2,042,154	\$2,254,704	\$2,489,375
TOTAL EXPENSES	3.00%	\$632,552	\$651,081	\$670,158	\$689,797	\$710,017	\$820,433	\$948,157	\$1,095,918	\$1,266,874	\$1,464,685	\$1,693,589
NET OPERATING INCOME ("NOI")		\$637,099	\$643,963	\$650,787	\$657,567	\$664,295	\$696,918	\$727,121	\$753,724	\$775,280	\$790,018	\$795,786
EXPENSE/INCOME RATIO		49.8%	50.3%	50.7%	51.2%	51.7%	54.1%	56.6%	59.3%	62.0%	65.0%	68.0%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		\$541,448	\$541,340	\$541,228	\$541,112	\$540,992	\$540,325	\$539,529	\$538,582	\$537,452	\$536,107	\$534,504
DEBT COVERAGE RATIO		1.18	1.19	1.20	1.22	1.23	1.29	1.35	1.40	1.44	1.47	1.49
ANNUAL CASH FLOW		\$95,651	\$102,623	\$109,559	\$116,455	\$123,302	\$156,593	\$187,591	\$215,143	\$237,828	\$253,912	\$261,282
Deferred Developer Fee Balance		\$797,667	\$695,044	\$585,485	\$469,030	\$345,728	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$371,373	\$1,248,464	\$2,270,716	\$3,416,753	\$4,657,176	\$5,952,806

20606 FishPond at Corpus Christi PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TEFRA HEARING

FISHPOND AT CORPUS CHRISTI

Corpus Christi Public Library
805 Comanche Street
Corpus Christi, Texas

Tuesday,
February 25, 2020
4:15 p.m.

BEFORE:

SHANNON ROTH, Hearing Officer

ON THE RECORD REPORTING
(512) 450-0342

P R O C E E D I N G S

1
2 MS. ROTH: Good evening. My name is Shannon
3 Roth. I'd like to proceed with the public hearing. Let
4 the record show that it is 4:15 p.m., Tuesday, February
5 25, 2020, and we are at the Corpus Christi Public Library,
6 located at 805 Comanche Street, Corpus Christi, Texas.

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

11 This hearing is required by the Internal
12 Revenue Code. The sole purpose of this hearing is to
13 provide a reasonable opportunity for interested
14 individuals to express their views regarding the
15 development and the proposed bond issue.

16 No decisions regarding the development will be
17 made at this hearing. The Department's board is scheduled
18 to meet to consider the transaction on April 23, 2020.

19 In addition to providing your comments at this
20 hearing, the public is also invited to provide comment
21 directly to the board at any of their meetings. The
22 Department's staff will also accept written comments from
23 the public up to 5:00 p.m. on April 14, 2020.

24 The bonds for the FishPond at Corpus Christi
25 Apartments will be issued as tax-exempt multifamily

1 revenue bonds in the aggregate principal amount not to
2 exceed \$10 million and taxable bonds, if necessary, in an
3 amount to be determined and issued in one or more series
4 by the Texas Department of Housing and Community Affairs,
5 the Issuer.

6 The proceeds of the bonds will be loaned to
7 Fish Pond Living at Corpus Christi, LP, or a related
8 person or affiliate entity thereof, to finance the
9 acquisition and rehabilitation of a multifamily housing
10 development described as follows: a 112-unit multifamily
11 residential rental development to be constructed on
12 approximately 1.4 acres of land located at 1006 Sixth
13 Street, Corpus Christi, Nueces County, Texas. The
14 proposed multifamily rental housing community will be
15 initially owned and operated by the borrower, or a related
16 person or affiliate thereof.

17 I would like to open the floor for public
18 comment.

19 We have no members of the community in
20 attendance. Thank you for -- let the record show there
21 are no attendees; therefore, the meeting is now adjourned,
22 and the time is now 4:18 p.m.

23 (Whereupon, at 4:18 p.m., the hearing was
24 adjourned.)

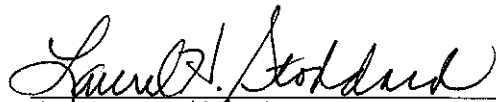
C E R T I F I C A T E

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IN RE: FishPond at Corpus Christi
LOCATION: Corpus Christi, Texas
DATE: February 25, 2020

I do hereby certify that the foregoing pages, numbers 1 through 4, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Latrice Porter before the Texas Department of Housing and Community Affairs.

DATE: February 26, 2020


(Transcriber)

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



July 1, 2019

Marni Holloway
Director of Multifamily Finance Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

OFFICE OF THE MAYOR

Joe McComb
Joe.McComb@cctexas.com

Elizabeth Hardin
Chief of Staff
ElizabethH2@cctexas.com

1201 Leopard St., 78401
PO Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-826-3100
Fax 361-826-3103
www.cctexas.com

RE: Support for FishPond at Corpus Christi

Dear Mrs. Holloway:

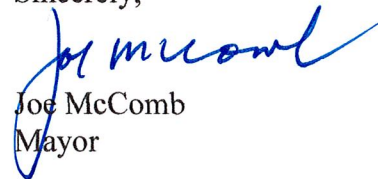
FishPond Living at Corpus Christi, LP is applying for Housing Tax Credits, Tax-Exempt Bonds, and Direct Loan funds from the Texas Department of Housing and Community Affairs (TDHCA) to develop FishPond at Corpus Christi located at 1006 Sixth Street, Corpus Christi, Texas.

The principals of the Application have purchased Sea Gulf Apartments located at 416 N. Chaparral Street, also in Corpus Christi. Sea Gulf is a 111-unit mid-rise elderly building with a Section 8 contract for 100% of the units. This property was built in 1928 as a hospital and converted to apartments in 1979, but in need a of complete rehabilitation.

FishPond at Corpus Christi will be a new 112-unit community on a 1.48-acre site (inclusive of a 60' easement which the City of Corpus Christi has supported), which is approximately 1.2 miles south of Sea Gulf, but in a more residential neighborhood and closer to amenities suited for the elderly and disabled. The applicant is requesting that HUD transfer the Section 8 Contract and relocate the residents to the new Property.

This development will significantly improve the living conditions of the residents and extend affordability of the units as well as help redevelop the neighborhood. I strongly support this development and encourage you to give it your full consideration and approval. Thank you for your time.

Sincerely,



Joe McComb
Mayor



July 2, 2019

City of
Corpus
Christi

Marni Holloway
Director of Multifamily Finance Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Support for FishPond at Corpus Christi

CITY COUNCIL

PO Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-826-3105
Fax 361-826-3113
www.ctexas.com

Dear Mrs. Holloway:

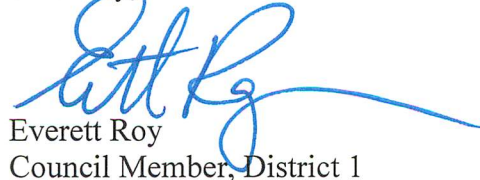
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Sincerely,



Everett Roy
Council Member, District 1



JOE A. GONZALEZ
COUNTY COMMISSIONER (JAG) PCT. 2

SANDRA SANTOS
ADMINISTRATIVE ASSISTANT

NUECES COUNTY COURTHOUSE
901 LEOPARD STREET, SUITE 303.07
CORPUS CHRISTI, TX 78401-3689
(361) 888-0296 • FAX: (361) 888-0239

July 5, 2019

Marni Holloway
Director of Multifamily Finance Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Support for FishPond at Corpus Christi

Dear Mrs. Holloway,

I would like to take this opportunity to offer my support for FishPond Living at Corpus Christi, LP's application for Housing Tax Credits, Tax-Exempt Bonds, and Direct Loan funds from the Texas Department of Housing and Community Affairs (TDHCA) to develop FishPond at Corpus Christi located at 1006 Sixth Street, Corpus Christi, Texas.

The principals of the Application have purchased Sea Gulf Apartments located at 416 N. Chaparral Street, also in Corpus Christi. Sea Gulf is a 111-unit mid-rise elderly building with a Section 8 contract for 100% of the units. This property was built in 1928 as a hospital and converted to apartments in 1979, but desperately in need of complete rehabilitation.

FishPond at Corpus Christi will be a new 112-unit community on a 1.48-acre site (inclusive of a 60' easement which the City of Corpus Christi has supported), which is approximately 1.2 miles south of Sea Gulf, but in a more residential neighborhood and closer to amenities suited for the elderly and disabled. This will significantly improve the living conditions of the residents.

In addition, the applicant is requesting that HUD transfer the Section 8 Contract and relocate the residents to the new Property.

I want to thank you for your consideration. Please do not hesitate to contact me if you have any questions.

Respectfully,

Joe A. Gonzalez (JAG)
Nueces County Commissioner, Pct 2



BARBARA CANALES

COUNTY JUDGE

July 2, 2019

Maggie Turner

Chief Executive to County Judge
maggie.turner@nuecesco.com
(361) 888-0264

Monica Perez

Executive Secretary
monica.perez1@nuecesco.com
(361) 888-0444

Melissa Munguia

Emergency Management Coordinator
melissa.munguia@nuecesco.com
(361) 888-0513

Marni Holloway

Director of Multifamily Finance Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Support for FishPond at Corpus Christi

Dear Mrs. Holloway:

FishPond Living at Corpus Christi, LP is applying for Housing Tax Credits, Tax-Exempt Bonds, and Direct Loan funds from the Texas Department of Housing and Community Affairs (TDHCA) to develop FishPond at Corpus Christi located at 1006 Sixth Street, Corpus Christi, Texas.

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Thank you for your time.

Sincerely,

Barbara Canales
Nueces County Judge



NUECES COUNTY
901 LEOPARD STREET, ROOM 303.05
CORPUS CHRISTI, TX 78401-3689

FELICIA RAY HAJEK
COMMISSIONER'S ASSISTANT

CAROLYN VAUGHN
COUNTY COMMISSIONER, PRECINCT 1

(361) 888-0245
(361) 692-9819 - CELL
(361) 888-0470 - FAX

July 2, 2019

Marni Holloway
Director of Multifamily Finance Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Support for FishPond at Corpus Christi

Dear Mrs. Holloway:

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Sincerely,

Carolyn Vaughn

8a

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**

8b

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**

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**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
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MEETING**