

BOARD MEETING OF JUNE 25, 2009
C. Kent Conine, Chair



Gloria Ray, Vice-Chair
Leslie Bingham Escareño, Member
Tomas Cardenas, Member
Tom Gann, Member
Juan Muñoz, Member

MISSION

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

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

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

June 25, 2009
8:30 AM

Travis Building
1701 Congress Avenue, Room 1-100
Austin, TX 78701

AGENDA

CALL TO ORDER, ROLL CALL Gloria Ray, Chair

CERTIFICATION OF QUORUM Gloria Ray, Chair

PUBLIC COMMENT

The audit committee of the board of the Texas Department of Housing and Community Affairs will solicit public comment at the beginning of the meeting and will also provide for public comment on each agenda item after the presentation made by the department staff and motions made by the committee.

The audit committee of the board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

REPORT ITEMS Sandy Donoho, Dir Internal Audit

Item 1 Presentation, Discussion, and Possible Approval of Audit Committee Minutes for February 5, 2009

Item 2 Presentation, Discussion and Possible Approval of the Revised Audit Plan

Item 3 Presentation and Discussion of Status of External Audits

Item 4 Presentation and Discussion of Status of Prior Audit Issues

Item 5 Presentation and Discussion of Internal Audit Reports

Item 6 Presentation and Discussion of External Audit Reports

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551 and under Texas Government Code §2306.039

ADJOURN Gloria Ray, Chair

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 Nidia Hiroms, TDHCA, 221 East 11th Street Austin, Texas 78701-2410, 512-475-3934 and request the information.

Individuals who require the auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

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

Internal Audit Division
BOARD ACTION REQUEST
June 25, 2009

Action Items

Presentation, discussion and possible approval of the February 5, 2009 audit committee meeting minutes.

Required Action

Review and approve the minutes of the February 5, 2009 audit committee meeting.

Background

None.

Recommendation

Staff recommends approval.

AUDIT COMMITTEE
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

February 5, 2009, 8:30 AM

Robert E. Johnson Building, Central Conference Room
1501 North Congress, Austin, Texas 78701

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL ; CERTIFICATION OF QUORUM

The Audit Committee Meeting of the Texas Department of Housing and Community Affairs of February 5, 2009 was called to order by Chair, Gloria Ray, at 8:32 a.m. It was held at the Robert E. Johnson Building, Central Conference Room, 1500 North Congress, Austin, Texas. Roll call certified a quorum was present.

Members Present:

Gloria Ray, Chair
Tom Cardenas, Member
Leslie Bingham-Escareño, Member

PUBLIC COMMENT

The audit committee of the board of the Texas Department of Housing and Community Affairs will solicit public comment at the beginning of the meeting and will also provide for public comment on each agenda item after the presentation made by the department staff and motions made by the committee.

No public comment..

The audit committee of the board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

REPORT ITEMS

AGENDA ITEM 1 Presentation, Discussion, and Possible Approval of the Internal Audit Division's Revised Audit Charter and Board Resolution #09-028
Motion by Ms. Bingham to approve staff recommendation; seconded by Mr. Cardenas; passed unanimously

AGENDA ITEM 2 Presentation and Discussion of the Audit Standards, Code of Ethics, Definition of Internal Auditing, and the Internal Audit Division's Independence Statement
Report item. No action taken.

AGENDA ITEM 3 Presentation and Discussion of Audit Results from Deloitte and Touche, CPAs, FYE 8/31/08:

- Communications with Audit Committee Letter
- Opinion Audit on FY 2008 Basic Financial Statements
- Opinion Audit on FY 2008 Revenue Bond Program Financial Statements
- Opinion Audit on FY 2008 Computation of Unencumbered Fund Balances
- Report to Management (Management Letter)

Julia Petty, director, Deloitte and Touche, provided testimony.
Motion by Ms. Bingham to approve audit report seconded by Mr. Cardenas; passed unanimously.

AGENDA ITEM 4 Presentation and Discussion of Recent External Audits:

- HUD's Review of the Emergency Shelter Grants Program
- HUD's Disaster Voucher Program Validation Review
- Comptroller of Public Accounts Post-Payment Audit
- HUD OIG's Review of the Department's CDBG Supplemental I Disaster Funds.

Report item. No action taken.

AGENDA ITEM 5 Presentation and Discussion of Recent Internal Audit Reports:

a) Office of Colonia Initiatives' Bootstrap Program Report #08-1027 Office of Colonia Initiatives' Self-Help Center Program Report # 08-1026

Report item. No action taken.

AGENDA ITEM 6 Status of Prior Audit Issues

Report item. No action taken.

AGENDA ITEM 7 Presentation and Discussion of the Status of the Internal Audit Division's Fiscal Year 2009 Audit Plan

Report item. No action taken.

AGENDA ITEM 8 Status of External Audits

Report item. No action taken.

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551 and under Texas Government Code §2306.039.

ADJOURN

Since there was no further business to come before the board, Gloria Ray adjourned the meeting of the Audit Committee at 9:05 a.m. on February 5, 2009.

Mr. Timothy K. Irvine, Board Secretary

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

Internal Audit Division
BOARD ACTION REQUEST
June 25, 2009

Action Items

Presentation, discussion and possible approval of the revised fiscal year 2009 audit plan.

Required Action

Review and approve the revised fiscal year 2009 audit plan.

Background

Revisions were made to the fiscal year 2009 audit plan as a result of external audits, changes in the Department's plans and additional responsibilities assumed by internal audit.

Recommendation

Staff recommends approval.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT PLAN
FISCAL YEAR 2009 (REVISED)**

INTERNAL AUDITS		
Project	General Objectives	Estimated Completion Date
<p>CDBG Disaster Recovery Program (carryover from FY2008)</p>	<p><u>Phase II: Testing of Set Ups and Draws</u> To assess whether the Department's payment and draw processing provides reasonable assurance that sub-recipient requests for reimbursement of expenditures:</p> <ul style="list-style-type: none"> ➤ comply with applicable laws, regulations, policies, and contract provisions, ➤ are adequately supported (including support for allowable activities, costs and eligibility to participate in the program), ➤ are properly posted to the accounting and program systems, and ➤ are properly authorized or approved. <p><i>(Note: This project was delayed from FY 2007 in order to have a sufficient number of payments to test.)</i></p>	<p>CANCELLED – The State Auditor's Office tested set ups and draws as part of their follow-up audit of the Disaster Recovery Program.</p>
<p>HOME Program – Loan Servicing and Recycling of Program Income</p>	<p>To determine:</p> <ul style="list-style-type: none"> ➤ if loan servicing results in the maximum affordability period, ➤ loans are completed in compliance with relevant laws, regulations, and policies, and ➤ the amount of program income that has been recycled over the past three years. 	<p>Completed in April 2009</p>
<p>CDBG Disaster Recovery Program (carryover from FY2008)</p>	<p><u>Phase III: Sub-recipient Monitoring</u></p> <ul style="list-style-type: none"> • To evaluate the sub-recipient monitoring procedures, processes and on-site visits to assess whether the program ensures that sub-recipients: <ul style="list-style-type: none"> ➤ comply with applicable laws, regulations, program rules, and contract terms, ➤ operate within expenditure budgets and limits, ➤ expend administration and program funds at allowable rates, and ➤ meet contract performance goals. • To assess whether monitoring results are communicated to sub-recipients and any findings or exceptions are noted, tracked and monitored until resolved. 	<p>CANCELLED – The State Auditor's Office tested sub-recipient monitoring as part of their follow-up audit of the Disaster Recovery Program.</p>

INTERNAL AUDITS		
Project	General Objectives	Estimated Completion Date
Self-Assessment of the Internal Audit Division's Quality Assurance Program	<p>To conduct the self-assessment of the internal audit division as required by the <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i> and to determine if the internal audit division:</p> <ul style="list-style-type: none"> ➤ Completes audit working papers in accordance with the <i>Standards</i>, ➤ Has developed and implemented policies and procedures that comply with the <i>Standards</i>, and ➤ Performs ongoing quality assurance and monitoring as required by the <i>Standards</i>. <p><i>Note: This project was added as a result of the January 2009 revision to the Standards and is a requirement for all internal audit functions.</i></p>	Completed in May 2009
4% Non-Competitive Housing Tax Credit Program	<p>To review the 4% Non-Competitive Housing Tax Credit Program for the 2008 tax application cycle to:</p> <ul style="list-style-type: none"> ➤ identify significant risks, ➤ evaluate whether there are adequate controls in place to address the risks, and ➤ determine whether the Department has complied with all program requirements. 	Moved from June 2009 to August 2009 to allow the Multifamily staff additional time to complete the tax credit cycle
Section 8 – Housing Choice Voucher Program	<p>To review the Section 8 Housing Choice Voucher Program to determine if:</p> <ul style="list-style-type: none"> ➤ The revised rules, policies and procedures adequately address the significant risks and compliance requirements associated with the program, ➤ The program is operated in compliance with the newly revised rules, policies and procedures, ➤ The processes for awarding local provider contracts and distributing Section 8 vouchers results in a fair and equitable process, and ➤ the program is functioning as intended. 	Cancelled - The Section 8 Housing Choice Voucher Program rules, policies and procedures have not yet been revised.
Follow-up on the Fall 2008 Audits of the Bootstrap and Self Help Center Programs	<p>To follow-up on the fall 2008 internal audits of the Bootstrap and Self-Help Center Programs to determine the progress made by the Office of Colonia Initiatives in implementing the audit recommendations.</p> <p><i>(Note: This audit was requested by the board at the December 2008 audit committee meeting.)</i></p>	July 2009

OTHER ACTIVITIES

These are required activities that are part of Internal Audit's overall responsibilities.

Follow-Up on Status of Prior Internal Audit Issues	To independently verify corrective actions taken by management in response to prior internal audit issues. Follow-up projects will be pursued during the course of current related audits when the issues have been reported as implemented by management. We will also prioritize and evaluate issues that have been reported as implemented on an ongoing basis (as time allows.)	Ongoing
Tracking the Status of Prior Audit Issues	To track the status of prior audit issues for management/board reporting purposes.	Ongoing
Fraud Hotline	To provide tracking, follow-up and disposal of issues identified as a result of fraud hotline communications.	Ongoing
FY 2009 Annual Audit Plan	To develop an annual audit plan for FY 2010 as required by the Texas Internal Auditing Act.	September 2009
FY 2008 Annual Internal Audit Report	To prepare an annual internal auditing report for FY 2008 pursuant to the Texas Internal Auditing Act.	November 2008 - Completed
Internal Audit Charter	To revise the Internal Audit Division's charter to comply with new standards set by the Institute for Internal Auditing.	January 2009 - Completed
Coordinate External Auditors	To coordinate and assist external auditors. This includes attending entrance and exit conferences, providing information, audit reports and working papers, and coordinating with management to ensure a prompt and accurate response to draft audit reports.	As Needed
Prepare for Peer Review	To complete the peer review self-assessment and prepare for the required fall 2009 peer review of the internal audit division.	October 2009
Support ARRA Efforts	To provide support for the Department in reviewing issues related to the American Recovery and Reinvestment Act (ARRA) funds, and to support and advise the Department's management in developing internal controls over the ARRA funds. This includes serving as the point of contact for the Government Accountability Office (GAO) in their review of the ARRA funds.	Ongoing

Internal Audit Division
BOARD ACTION REQUEST
June 25, 2009

Action Items

Status of external audits.

Required Action

None, information item only.

Background

The status of external audits provides an overview of the status of all external audits currently in progress, recently completed, or anticipated in the near future.

Recommendation

No action is required.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS OF EXTERNAL AUDITS
June 25, 2009

Internal Audits/Activities	Scope/Description	Stage	Comments
State Auditor's Office	Follow-up on 2007 audit, and consideration of all matters related to the administration of the two awards of Community Development Block Grant Funds for Hurricane Recovery.	Reporting	Fieldwork is complete. Report anticipated in July 2009.
State Auditor's Office	A review of the Department's Program Specialist job classification.	Reporting	Fieldwork is complete. Report anticipated in July 2009.
U.S. Department of Housing and Urban Development	<p>Monitoring the fundability documentation, subrecipient management and policy controls for fraud, waste, and mismanagement for the department's CDBG Supplemental II Disaster Funds.</p> <p>The following program areas and functions will be reviewed:</p> <ul style="list-style-type: none"> • Houston and Harris County Public Service and Community Development • Homeowner Assistance • Rental Housing Stock Restoration • Environmental Reviews 	Fieldwork	Fieldwork is underway, report date is unknown.
U.S. Department of Housing and Urban Development – Office of the Inspector General	Review of the Department's CDBG Supplemental II Disaster Funds.	Fieldwork	Fieldwork is underway, report date is unknown.
Texas Workforce Commission – Subrecipient Monitoring of UI Data Sharing	Review of access controls over Unemployment Insurance Data to ensure compliance with rules and regulations.	Reporting	Fieldwork is complete, report date is unknown.
Government Accountability Office (GAO)	To monitor the Department's plans and controls over the American Reinvestment and Recovery Act (ARRA) funds.	Fieldwork	The GAO is conducting an ongoing monitoring process that includes periodic reporting. The first report covered Texas but did not specifically address any issues at TDHCA.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS OF EXTERNAL AUDITS
June 25, 2009

Internal Audits/Activities	Scope/Description	Stage	Comments
U.S. Department of Housing and Urban Development	Technical Assistance and Financial Review of the HOME Multifamily Program	Reporting	Report received April 17, 2009. TDHCA will provide responses on June 30, 2009.
KPMG	The scope of the financial portion of the Statewide Single Audit includes an audit of the state's basic financial statements for fiscal year 2008 and a review of significant controls over financial reporting and compliance with applicable requirements.	Completed	Report released in March 2009.
U.S. Department of Housing and Urban Development – Office of the Inspector General	Testing of the Department's CDBG Supplemental I Disaster Funds.	Completed	Report released in January 2009.
Deloitte and Touche	Annual opinion audits: <ul style="list-style-type: none"> • Consolidated Financial Statements for the FYE August 31, 2008. • Revenue Bond Enterprise Fund for the FYE August 31, 2008. 	Completed	Report released December 18, 2008.
Comptroller of Public Accounts	A post-payment audit of certain payroll, purchase and travel transactions.	Completed	Report released December 22, 2008.
U.S. Department of Housing and Urban Development	Disaster Voucher Program validation review to identify reporting errors, and to provide guidance and technical assistance to improve the Voucher Management System and the Disaster Information System.	Completed	Report released October 15, 2008.
U.S. Department of Housing and Urban Development	Review of the Community Affairs Division's Emergency Shelter Grants Program.	Completed	Report released October 3, 2008.

Internal Audit Division
BOARD ACTION REQUEST
June 25, 2009

Action Items

Presentation and discussion of the status of prior audit issues.

Required Action

None, information item only.

Background

Audit standards require auditors to follow-up on the implementation status of their audit recommendations. Internal audit recently developed a new data base of prior audit issues to track the findings and recommendations from both internal audits and external audits.

Of the 91 current prior audit issues:

- 1 issue was reported as “not implemented”.
- 24 issues were reported as “pending” or “action delayed”. We will verify and close these issues when they are reported as “implemented.”
- 50 issues have been reported by management as “implemented” and are reflected on the attached list. We will verify and close these issues as time allows.

Recommendation

No action is required.

Internal Audit Division
BOARD ACTION REQUEST
June 25, 2009

Action Items

Presentation and discussion of recent internal audit reports.

Required Action

None, information item only.

Background

An Audit of Loan Servicing and Recycling of Program Income in the HOME Division

The audit found that since September 2005, the HOME division has recycled \$12 million in program income. These program income funds were used to provide housing assistance to additional low-income Texans. Since the Department began tracking program income in 1993, \$28.8 million has been recycled. However, the accuracy of the Department's records needs improvement. In five of 23 (21.7%) zero balance homebuyer assistance loans, the Department did not collect the correct amount from the borrower when the property was sold and three borrowers were due money that had not been paid. In addition, six of six (100%) contract for deed files had closing costs that were less than originally estimated. Although unused funds are returned to the appropriate HOME program year, it may take as long as a year to reduce the homeowner's loan balance.

Generally, when documentation was available, the loan files reviewed complied with applicable laws, regulations and contract provisions. The Department has sufficient processes in place to ensure that the period of affordability is met for loans which require a period of affordability under the Department of Housing and Urban Development's (HUD) rules.

Report on the Internal Audit Division's Quality Assurance and Improvement Program

The Institute of Internal Auditors' International Professional Practices Framework (Standards), updated in January 2009, require that the director of internal audit develop and maintain a quality assurance and improvement program that includes both internal and external assessments of the internal audit division. The objective of the internal and external assessments is to evaluate the internal audit activity's conformance with the definition of internal auditing, the Standards and the code of ethics. The newly revised Standards require that the results of these periodic assessments are communicated to the board at least annually.

The internal audit division at the Department maintains an ongoing quality assurance program and performs ongoing monitoring as required. In addition, the internal audit division recently completed a self-assessment. The scope of this self-assessment included the audit projects with reports released between December 2007 and December 2008.

Based on the review of the audit working papers and the discussions with internal audit staff during this self-assessment, the internal audit division fully complies with the definition of internal auditing, the Standards, and the code of ethics. This opinion, which is the highest possible rating, means that policies, procedures and practices are in place to implement the Standards and that the requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function were met.

Recommendation

No action is required.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhea.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

May 6, 2009

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Thomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

To: The Governing Board and Audit Committee Members of the Texas Department of Housing and Community Affairs

Re: Internal Audit Report on Loan Servicing and Recycling of Program Income in the HOME Division

The internal audit division has completed its audit of the HOME division. This audit was performed to determine if the Department maintained accurate records for HOME division loans, recaptured the correct amount of HOME funds when properties were sold prior to the end of the affordability period, and recycled the program income from these loans.

The audit found that since September 2005, the HOME division has recycled \$12 million in program income. These program income funds were used to provide housing assistance to additional low-income Texans. Since the Department began tracking program income in 1993, \$28.8 million has been recycled. However, the accuracy of the Department's records needs improvement. In five of 23 (21.7%) zero balance homebuyer assistance loans, the Department did not collect the correct amount from the borrower when the property was sold and three borrowers were due money that had not been paid. In addition, six of six (100%) contract for deed files had closing costs that were less than originally estimated. Although unused funds are returned to the appropriate HOME program year, it may take as long as a year to reduce the homeowner's loan balance.

Generally, when documentation was available, the loan files reviewed complied with applicable laws, regulations and contract provisions. The Department has sufficient processes in place to ensure that the period of affordability is met for loans which require a period of affordability under the Department of Housing and Urban Development's (HUD) rules.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandra Q. Donoho".

Sandra Q. Donoho, MPA, CIA, CISA, CFE, CICA
Director of Internal Audit

Encl. (1)

cc: Michael Gerber, Executive Director
Tom Gouris, Deputy Executive Director for Housing Programs
Bill Dally, Chief of Agency Administration
Jeannie Arellano, Director of the HOME Program
David Cervantes, Director of Financial Administration

Executive Summary

Since September 2005, the HOME division has recycled \$12 million in program income from principal and interest payments, and interest on program income and matching funds for both single-family and multi-family properties. These program income funds were used to provide housing assistance to additional low-income Texans. Since the Department began tracking program income in 1993, \$28.8 million has been recycled. We were unable to easily determine the exact fiscal years in which the loans were made that generated this program income due to the design of the State's Uniform Statewide Accounting System, which only allows deposits to be posted to the current appropriation year or to the two prior appropriation years. It may be possible to track the sources of program income using a more complex method, but the resulting information may not be useful enough to justify the extra time and expense of this process.

The accuracy of the Department's records needs improvement. In five of 23 (21.7%) of the zero balance homebuyer assistance loans tested, the Department did not collect the correct amount from the borrower when the property was sold. There were three instances where borrowers were due money that had not yet been paid. In addition, six of six (100%) of the contract for deed files tested had closing costs that were less than estimated. Although unused funds are returned to the appropriate HOME program year, the homeowners' loan balances are not reduced by the loan servicing department until instructed by HOME staff, which may take as long as a year.

Generally, when documentation was available, the loan files reviewed complied with applicable laws, regulations and contract provisions. The Department has sufficient processes in place to ensure that the period of affordability is met for loans which require a period of affordability under the Department of Housing and Urban Development's (HUD) rules.

Other Key Points

- HOME loan payments are not always deposited within three days of receipt as required by the government code. In a random sample of 61 deposits covering a three-year period, 26.8% were deposited after the third business day.
- Construction loans are forgiven based on a pre-determined date, rather than when the construction is complete. Eight of 15 files (53.3%) we tested did not contain a certificate of completion issued prior to loan forgiveness.
- The Department does not have a process for ensuring that homeowners in the owner occupied housing assistance and the contract for deed programs continue to meet the principal residence requirement throughout the life of their loan.
- Eight of eight (100%) of the HOME division's policies and procedures are still in draft form several years after they were written.

*An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division*

Summary of Recommendations

- The Department should ensure that the account balances are correct before payoffs occur and after closing statements are reviewed, and that overpayments are refunded promptly.
- The Department should ensure that loan payments are posted and deposited no later than the third business day after receipt.
- The Department should ensure that the term of the unsecured equity loan is sufficient to guarantee completion of construction prior to the loan maturity date, and obtain and include in the loan servicing file the documentation verifying the completion of construction.
- The Department should develop a method to help ensure that the principal residence requirement is met for those properties that require it and for which the Department is the first lien holder.
- The HOME policies should be finalized and approved as required by the Department's policy for division-level standard operating procedures.

Summary of Management Responses

Management generally agrees with the audit findings and has developed a schedule to implement the recommendations.

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Detailed Results

Chapter 1

Program Income from the HOME Division is Recycled, but the Accuracy of the Department's Loan Servicing Records Needs Improvement

Since September 2005, approximately \$12 million in program income from HOME funds was recycled to provide housing assistance to additional low-income Texans. (see Table 1). The Department of Housing and Urban Development (HUD) requires that program income be used to fulfill draw requests prior to requesting program year funding. Since the Department began tracking program income in 1993, \$28.8 million has been recorded as program income and recycled. We were unable to easily determine the exact fiscal years from which the loans that generated program income originated because of the design of the State's Uniform Statewide Accounting System (USAS), which only allows deposits to be posted to the current appropriation year or to the two prior appropriation years.

Program Income

Program income in the HOME division is the result of principal and interest payments from multifamily rental housing developed with HOME funds, payments of principal and interest from single family loans made with HOME funds, and interest earned on program income and matching funds. When these funds are received, they are entered into the Housing Contract System and tracked as program income.

In five of 23 paid in full (zero balance) homebuyer assistance loans tested (21.7%), the Department did not collect the correct amount from the borrower when the property was sold. Three instances were identified where borrowers were due money which had not yet been paid. In addition, contract for deed HUD-1 settlement statements were not reviewed in a timely manner. As a result, although unused funds are returned to the appropriate HOME program year, the homeowners' loan balances are not reduced by the loan servicing department until instructed by HOME staff, which may take as long as a year.

Chapter 1-A

The Design of the Uniform Statewide Accounting System Prevents the Use of this System to Track Program Income by Year

The method used to collect and record program income does not distinguish between the source program years. It is possible to identify the amount of program income that was collected and recycled, but it is not possible to readily identify the specific program year from which the program income was collected. The Department receives loan payments daily, and the source of these payments includes multiple program years. As payments are deposited to the treasury and posted to the State's Uniform Statewide Accounting System (USAS), the deposit can only be posted to one of three open years - the current appropriation year or one of the two previous appropriation years (USAS is the accounting system of record for the State of Texas, and is administered by the Comptroller of Public Accounts). Because of the design of USAS, the Department made a decision to allocate all program income deposits to the oldest open appropriation year.

An Internal Audit Report on

Loan Servicing and Recycling of Program Income in the HOME Division

As a result, it is not possible to determine from which program year the loans that generate this program income originated. For example, program income collected for the current fiscal year (September 2008 through August 2009) is posted as fiscal year 2007 program income. It may be possible to track the sources of program income using another more complex method, but the resulting information may not be useful enough to justify the associated time and expense. The table below summarizes the available data regarding program income.

Program Income Receipts and Draws for Program Income Years 2004 - 2007 (to date)					
Year	2004	2005	2006	2007	Total
Received	\$2,872,525	\$3,747,134	\$3,786,917	\$1,528,165	\$11,934,741
Drawn	\$2,903,163	\$3,747,134	\$3,786,917	\$1,512,842	\$11,950,056

Source: Data from the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System. This data is unaudited, however, we performed various comparisons and determined that this data is generally accurate.

Note: Since program income is recorded in the earliest available year in USAS, program income for fiscal year 2009 (through February 27, 2009) is recorded in program income year 2007 above.

Table 1

Chapter 1-B

Loan Servicing Records Should Accurately Reflect the Principal Loan Balance

In five of twenty-three paid in full (zero balance) homebuyer assistance loans tested (21.7%), the Department did not collect the correct amount from the borrower. This is because the balances for these loans were not accurately recorded in MITAS, which is the Department's internal accounting system used to track loans. The inaccurate balance information in MITAS resulted in the inaccurate recapture of funds from borrowers who sold their property. We noted instances where borrowers were due money which had not yet been paid. For example, we found one loan that was paid off in May 2007. This loan provided for 1/10 of the principal balance to be forgiven in each year of the ten-year term of the loan. The payoff was for the full amount, even though one year of principal should have been forgiven. This resulted in \$1,000 overpayment by the homeowner that has not yet been refunded almost two years later.

Six of twenty-nine (20.7%) homebuyer assistance files tested did not reflect the accurate principal balance. This is because payments were not posted on the anniversary date as required by the note. This means that the Department is not in compliance with the terms of the note for the down payment assistance program, resulting in an overstatement of the loan balances.

***An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division***

In addition, contract for deed HUD-1 settlement statements are not reviewed in a timely manner. In six of six files tested (100%), the final closing costs were less than estimated. In four of the six files (66.7%), the reduction to the principal balance of the deferred loan was not posted to the homeowner's account. Although unused funds are returned to the appropriate HOME program year, the homeowners' loan balances are not reduced by the loan servicing department until instructed by HOME staff, which may take as long as a year.

Recommendations

The Department should:

- ensure that the information in the MITAS system reflects the actual account balance when processing loan payoffs,
- ensure that annual payment forgiveness is recorded on the anniversary date of the loan,
- refund overpayments promptly, and
- review the contract for deed HUD-1 settlement statements and reduce the loan balance in a timely manner.

Management Response

Management agrees with the recommendations and will in the next 90 days be revising the mechanism for forgiveness in new loans (Lora Myrick) and develop a mechanism for recording forgiveness based on confirmation from the owner of continued homeownership for existing loans (Stephanie D'Couto). Within the next 90 days, management will also ensure that refunds are addressed timely (Stephanie D'Couto) and will put a process in place to review the HUD-1 and communicate adjustments timely (Lora Myrick).

Chapter 2

The Department Ensures Compliance with the Period of Affordability, and Other Laws, Rules and Contract Provisions, but Additional Procedures are Needed to Verify Principal Residency Requirements

Generally, when documentation was available, the loan files reviewed complied with applicable laws, regulations and contract provisions. Testing of loan files identified only one instance of non-compliance with 24 CFR §92.252(e) and §92.254(a)(4), which relate to the period of affordability. Only one of the owner occupied housing assistance files reviewed did not satisfy HUD's minimum period of affordability.

The federal regulations (24 CFR § 92.252(e)) state that the affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. As a result, the payments are not tied to the affordability period. This means that a homeowner can pay off their loan or their loan can be forgiven before the period of affordability ends.

Loans which involve the acquisition of real property or the reconstruction of real property without acquisition require a period of affordability. The Department has provisions to impose the period of affordability when the loan is initiated. The loan documentation, including the note, allows for resale or recapture of funds in the event that the homeowner does not keep the property throughout the period of affordability. In addition, other legal documents also convey these requirements to the borrower.

In the owner occupied housing assistance program (there is no HUD affordability period for these loans), and in the contract for deed program (HUD requires an affordability period for these loans) that include a deferred forgivable loan, the Department is required to ensure that the property is maintained as the homeowner's principal place of residence throughout the life of the loan. The Department does not have a process for verifying that this requirement is met after the loan documents are signed. This is especially important for properties in which the Department is the first lien holder. Principal residency is not a HUD requirement for owner occupied housing assistance loans, however, since the Department's governing board has chosen to include this requirement

**The Period of Affordability
for HOME Loans**

The HOME Program imposes an affordability period on acquisition projects assisted with HOME funds in order to ensure the HOME investments yield affordable housing over the long term. The period of affordability is the minimum time for which the property is required to be used as affordable housing. The homeowner is required to maintain the property as their principal place of residence throughout the affordability period.

For homebuyer projects, the length of the affordability period is based on the amount of HOME funds invested in the property. For rental projects, the length of the affordability is based both on the amount of HOME funds invested in the property as well as the nature of the activity funded. The HOME-assisted units must meet the affordability requirements for not less than the applicable period.

Period of affordability requirements must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD. The affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure.

***An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division***

in the Department's rules (10 TAC 53.31 ((l),(m),(n))), the Department is obligated to ensure the principal residency requirements are enforced.

Eligibility is established when the borrower's loan is approved. The compliance and asset oversight division's monitors inspect single-family properties during construction and verify eligibility documents during the acquisition period. However, once the construction is complete, no further monitoring of the homeowner or the property is conducted to ensure the property continues to be the primary residence of the borrower (multi-family properties are monitored throughout the life of the loan).

Because no funds are collected for deferred forgivable loans and no further monitoring for affordability is required, the Department has not taken reasonable measures to verify that the property continues to be the homeowner's principal residence as required by the Texas Administrative Code. The purpose of verifying principal residency is so that the homeowner can be accurately credited under the deferral provisions of their loan. In addition, because HUD requires compliance not only with federal rules but with state rules even if they are more restrictive than the federal rules, the Department risks being cited by HUD for non-compliance.

Recommendations

The Department should develop a method to help ensure that the principal residence requirement is met for those properties that require it and for which the Department is the first lien holder. Some options for this include:

- consistently collecting property tax and insurance receipts,
- verifying the homeowner's homestead exemption via the property tax receipt or the tax rolls,
- verifying mail service or utility bills,
- community outreach or periodic inspections, or
- asking the homeowner to sign and submit an annual document certifying that the property is their principal residence.

Management Response

Management agrees with the recommendations and will in the next 90 days be revising the mechanism for forgiveness in new loans (Lora Myrick) and develop a mechanism for recording forgiveness based on confirmation from the owner of continued homeownership for existing loans (Stephanie D'Couto).

*An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division*

Chapter 3

Improvements are Needed to Ensure that Loan Requirements are Met and that Policies and Procedures are Finalized

HOME loan payments are not always deposited within three business days of receipt as required by the government code. Nineteen of 71 days of deposits (26.8%) were deposited to the treasury after the third business day. These 71 days' deposits totaled \$902,613 and the 19 days in error represented \$270,180 (30%) of these funds. Not depositing funds to the state treasury on a timely basis results in funds not being available to recycle, as well as lost interest to the State.

Construction loans are forgiven based on a pre-determined date, rather than evidence that the construction is complete. Eight of 15 files (53.3%) we tested did not contain a certificate of completion issued prior to loan forgiveness.

Finally, eight of the eight (100 %) policies and procedures for the HOME division are still in draft form several years after they were written. These policies should be finalized and approved as required by the Department's policy for division-level standard operating procedures.

Chapter 3-A

Loan Payments Should Be Deposited on a Timely Basis

HOME loan payments are not always deposited within three business days of receipt as required by the government code (see text box). A random sample of 61 deposits over a three-year period was tested for compliance with the three-day deposit requirement. The 61 deposits tested included 71 days of HOME loan activity (loan payments and payoffs). Nineteen of these 71 days' deposits (26.8%) were deposited to the treasury after the third business day. These 19 days totaled \$270,180 (30%) of the \$902,613 of funds in the sample. The 19 late deposits range from four to nine days from the date of receipt, with an average of 4.8 days. Timely deposit of program funds ensures that program income will be available for immediate distribution and that the State does not lose interest payments on these funds.

**Texas Government Code
404.094**

"FUNDS TO BE DEPOSITED IN TREASURY.
(a) Fees, fines, penalties, taxes, charges, gifts, grants, donations, and other funds collected or received by a state agency under law shall be deposited in the treasury... A deposit shall be made at the earliest possible time that the treasury can accept those funds, but not later than the third business day after the date of receipt...."

Recommendation

The Department should ensure that loan payments are posted and deposited not later than the third business day after receipt.

*An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division*

Management Response

Within the next 90 days, management will enhance the process to ensure loan payments are posted and deposited no later than the third business day after receipt (Stephanie D'Couto).

Chapter 3-B

Completion of Construction Should Be Documented Prior to Loan Forgiveness

The unsecured equity loan portion of owner occupied housing and contract for deed loans have a date-certain maturity date, at which point the loan is forgiven. The term of the note is set according to the estimated date of the completion of construction. A certificate of completion or other evidence that verified the completion of construction was not included in eight of the 15 files (53.3%) reviewed. Without some proof of the completion of construction, the Department could forgive a loan on a property before it is finished.

Recommendations

The Department should:

- ensure that the term of the unsecured equity loan is sufficient to guarantee completion of construction prior to the loan maturity date, and
- obtain and include in the loan servicing file the documentation verifying the completion of construction.

Management Response

Management agrees with the recommendations and will, in the next 90 days be revising the mechanism for forgiveness including documented assurances that the construction has been completed (Lora Myrick)

Chapter 3-C

The HOME Division's Standard Operating Procedures Should Be Finalized and Approved

Eight of eight (100%) of the standard operating procedures for the HOME division related to program income have not been finalized and approved. These policies and procedures are still in draft form. For example, draft policies and procedures for program income and refund processes were dated August 2007 and December 2006, but have not yet been approved and signed by the director of the HOME division. As rules change and new programs are developed, the existing policies and procedures should be updated to provide guidance to HOME personnel.

***An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division***

The Department's policy (1100.01) requires the development and approval of division level (level II) standard operating procedures. This policy states that "Procedures should be developed for all tasks that require or could benefit from standardization or the imposition of procedures as a control."

Recommendation

The HOME division should review and update procedures as necessary, and ensure that all procedures are approved and signed by the division director.

Management Response

Management agrees and all eight have now been signed or will be signed by June 15, 2009 (Lora Myrick)

***An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division***

Appendix A

Objectives, Scope and Methodology

Objectives

To review program income in the HOME division to determine:

- if loan servicing results in the maximum affordability period,
- if loans are completed in compliance with relevant laws, regulations, and policies, and
- the amount of program income that has been recycled over the past three years.

Scope

The scope of this audit included the loan document processing and loan servicing functions of the HOME division loans for program years 2006, 2007 and 2008. This audit focused on verifying that the Department maintained accurate records over the period of the loans, recaptured the correct amount of HOME funds when properties were sold prior to the end of the affordability period, and recycled the program income from these loans.

We were unable to determine the amount of program income earned for loans initiated in specific years due to limitations in the Comptroller of Public Accounts' Uniform State Accounting System (USAS). USAS only remains open for three appropriation years - the current year and the two prior years. This means that any program income from loans older than three years can not be recorded in the appropriate year. Consequently, all program income is recorded in the oldest open appropriation year.

Methodology

The methodology consisted of gaining an understanding of the HOME division's programs and the processes for servicing and monitoring loans. We compared state laws, rules and guidance to loan servicing processes and the HOME division and the financial administration division's loan servicing policies. We tested processes, policies and procedures to ensure compliance with state and federal laws and the Department's rules and regulations. We gained an understanding of the processes by conducting staff interviews and reviewing laws, regulations and policies and procedures, as well as reviewing loan administration practices, financial reports, and loan files.

Specifically, we reviewed the following documents:

- 2008 Texas Consolidated One-Year Action Plan
- 2009 Texas Consolidated One-Year Action Plan
- HUD's HOME Investment Partnership Agreements for 2006-2008
- Loan servicing policies and procedures
- HOME division draft policies and procedures
- Financial administration division's policies and procedures

We used the following documents as criteria:

- Texas Government Code, Title 10, Subtitle G, Chapter 2306, Sub-chapter F, §2306.111 - Housing Funds

***An Internal Audit Report on
Loan Servicing and Recycling of Program Income in the HOME Division***

- 24 Code of Federal Regulations, Part 92, Home Investments Partnership Program
- United States Code Title 42, §§12701-12840 HOME Investment Partnerships Program.
- Texas Administrative Code, Title 10 Part 1, Chapter 53.1 – 53.86 (2008 HOME Rules) and previous versions known as 2006 and 2007 Home Rules.
- Texas Administrative Code, Title 10, Part 1, Subchapter A, Rule 1.19 – Deobligated Funds

Type of Audit

This audit was a performance audit of the Department's controls over the loan document processing and loan servicing functions for HOME division loans, as well as a review of policies and procedures designed to provide reasonable assurance of compliance with significant laws, regulations and program rules.

Follow-up on Prior Audit Issues

We did not identify any prior audit issues related to the objectives of this audit that required follow-up work.

Report Distribution

As required by the Texas Internal Auditing Act (Texas Government Code, Chapter 2102), this report is being distributed to the:

- Department's Governing Board
- Governor's Office of Budget and Planning
- Legislative Budget Board
- State Auditor's Office
- Sunset Advisory Commission

Project Information

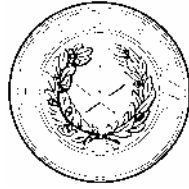
Audit fieldwork was conducted from November 2008 through March 2009. The audit was conducted in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing.

The following staff performed this audit:

Harriet Fortson, MAcy, CGAP, Audit Project Manager
Mary Beth (Betsy) Schwing, CPA, CFE

Appreciation to Staff

We would like to extend our appreciation to executive management, the HOME division, and the financial administration division for their cooperation and assistance during the course of the audit.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdbca.state.tx.us

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GOVERNOR

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EXECUTIVE DIRECTOR

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May 28, 2009

To: The Governing Board of the Texas Department of Housing and Community Affairs

Re: Report on the Internal Audit Division's Quality Assurance and Improvement Program

The Institute of Internal Auditors' *International Professional Practices Framework* (Standards), updated in January 2009, require that the director of internal audit develop and maintain a quality assurance and improvement program that includes both internal and external assessments of the internal audit division. The objective of the internal and external assessments is to evaluate the internal audit activity's conformance with the definition of internal auditing, the Standards and the code of ethics.

Internal assessments must include ongoing monitoring of performance of the internal audit activity as well as periodic reviews performed through self-assessment. The newly revised Standards require that the results of these periodic assessments are communicated to the board at least annually.

The internal audit division at the Department maintains an ongoing quality assurance program and performs ongoing monitoring as required. In addition, the internal audit division recently completed a self-assessment. The scope of this self-assessment included the audit projects with reports released between December 2007 and December 2008. The methodology consisted of performing a comprehensive review of the audit working papers for the projects released from December 2007 through December 2008, and included observations and discussions with internal audit staff. The self-assessment was conducted by a senior project manager new to both the Department and the internal audit division who did not participate in the audits under review.

Based on the review of the audit working papers and the discussions with internal audit staff during this self-assessment, the internal audit division fully complies with the definition of internal auditing, the Standards, and the code of ethics. This opinion, which is the highest possible rating, means that policies, procedures and practices are in place to implement the Standards and that the requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function were met.

The Texas Department of Housing and Community Affairs – Internal Audit Division

Report # 09-1032

May 2009

Two opportunities for self-improvement were noted:

- Although all of the audits are carefully planned and all planning working papers and audit programs are reviewed by the director of internal audit prior to the start of fieldwork, the audit program does not clearly document the timing of this approval process. As a result, a step will be added to the standard audit program to ensure that the approval is clearly documented prior to the start of fieldwork.
- The audit division encourages feedback from all stakeholders and actively solicits feedback from the audited divisions via a customer survey. Although the surveys are provided to the audited division for every audit performed and feedback is sincerely encouraged, the survey response rate is only 25%. Obtaining more client feedback would allow the internal audit division to continue to enhance its performance. As a result, the internal audit division has begun using an automated third-party survey and will send out the surveys on an annual basis instead of at the end of each project so that the anonymity of the respondents is increased.

To satisfy the Standards, the quality assurance and improvement program must also include external assessments. An external peer review must be performed once every three years. The next external peer review for the Department's internal audit division is scheduled for the fall of 2009.

If you have any questions regarding our quality assurance process or the recently completed self-assessment, please let me know.

Sincerely,

Sandra Q. Donoho, MPA, CISA, CIA, CICA, CFE
Director of Internal Audit

cc: Michael Gerber, Executive Director
Tim Irvine, Chief of Staff

Internal Audit Division
BOARD ACTION REQUEST
June 25, 2009

Action Items

Presentation and discussion of recent external audit reports.

Required Action

None, information item only.

Background

HUD Affordable Housing and Financial Monitoring and Technical Assistance Visit – HOME Program (April 2009)

From FY 1992 through FY 2008 the Department has received HOME allocations totaling \$639.4 million, of which it has committed \$510.5 million, or 89.2%. The Department has disbursed \$479.1 million, or 74.7 percent, which HUD deems to be unacceptable. In order to improve overall commitment and disbursement rates, HUD believes the Department should work with its various recipients, subrecipients, CHDOs and other recipients, as well as increasing the recapture of funds from poor or non-performing recipients.

The Department is not accounting for recaptured funds separately from its program income. Recaptured funds must be deposited in the participating jurisdiction's HOME Investment Trust Fund local account. Instead, recaptured funds are being accounted for as program income. The Department is required to provide detailed spreadsheets for the period January 1, 2005 to current that clearly distinguish the amount the state received as recaptured funds from the amount the state received as program income.

Despite significant improvement to the state's data entry problems, the project completion data needs improvement. The state allows a maximum 120 day time frame for entering completion data, and there are currently 10 projects significantly exceeding that limit. The Department should repay \$483,115 drawn to cover project costs for one of these projects, or request a reduction to its 2005 grant.

Review of the multifamily portfolio report indicated there are numerous projects that are out of compliance with the HOME Program requirements. Some of the deficiencies/violations could result in the state being requested to repay the full amount of the HOME funds invested if the projects cannot be brought into compliance within a reasonable period of time. HUD listed 24 projects totaling \$14.5 million that are out of compliance

and at risk of requiring repayment, but these are not all of the projects that are out of compliance.

Questioned and unsupported costs in the amount of \$152,494.67, as well as other discrepancies, were noted. The state must either reimburse the ineligible and unsupported costs, or provide support documentation for the costs that can be supported and reimburse the unsupported costs.

Statewide Single Audit Report for the Year Ended August 31, 2008 (April 2009)

The opinion audit of the State's basic financial statements conducted by the SAO and KPMG (also known as the Statewide Audit) included a review of internal controls. The federal compliance portion of this audit covered the Low Income Home Energy Assistance Program (LIHEAP). This audit had no findings for the Department.

Recommendation

No action is required.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Fort Worth Regional Office, Region VI
Office of Community Planning and Development
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
Phone (817) 978-5933 - Fax (817) 978-5559
www.hud.gov

APR 17 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and
Community Affairs
PO Box 13941
Austin, TX 78711-3941

RECEIVED
APR 21 2009
EXECUTIVE DIRECTOR

Dear Mr. Gerber:

SUBJECT: Affordable Housing and Financial Monitoring and Technical
Assistance Visit - HOME Program State of Texas - M-08-MC480100

This letter provides the results of HUD's on-site monitoring of the state's affordable housing programs by Melodee Humbert, Senior Affordable Housing Specialist, and Brenda Jennings, Senior Financial Analyst, on March 2-6, 2009. Stephen Eberlein, Program Manager accompanied Ms. Humbert and Ms. Jennings and completed on-site physical inspections at several selected multifamily rental projects. Due to schedule and workload priorities, Mr. Eberlein returned to the Fort Worth Office on March 4, after completing an inspection of the Milam Creek Senior Village project in Milam, Texas. An exit conference was held with you and your staff on March 6, 2009.

Besides yourself, state staff attending the exit conference were: Timothy Irvine, Deputy Executive Director; Bill Dally, Deputy Executive Director of Administration; Tom Gouris, Deputy Executive Director for Programs; David Cervantes, Director of Financial Administration; Cameron Dorsey, Acting HOME and Housing Trust Funds Program Manager; Harriet Fortson, Project Manager, Internal Audit; Patricia Murphy, Director of Portfolio Management and Compliance; Lora Myrick; Performance Manager; Wendy Quackenbush, Compliance Manager; and Esther Ku, Manager, Accounting.

On-site reviews were conducted at several projects. The following state staff accompanied Ms. Humbert and Mr. Eberlein during these reviews: Wendy Quackenbush, and Michael Garrett, Manager of Physical Inspections, Portfolio Management and Compliance.

State recipients and staff contacted during this visit were:

Skyline Terrace, 1212 W. Ben White, Austin - (CHDO) – Acquisition and Rehabilitation Single-Room Occupancy (SRO) Project. Sandra Lumley, Property

Management Director; Abby Yarber, Assistant Property Manager, and Tracy Moczygemga, Compliance Analyst.

Spring Terrace, 7101 N. I-35, Austin – CHDO – Acquisition and Rehabilitation Single Room Occupancy (SRO) Project. Sandra Lumley, Property Management Director; Abby Yarber, Assistant Property Manager, and Tracy Moczygemga, Compliance Analyst.

Picadilly Estates – 500 Grand Avenue Parkway, Pflugerville. New Construction, 1-2 Bedroom Project. Janice McAlister, Community Manager, and Laurie Blackmore, Director of Compliance.

Cypress Creek at River Bend, 120 River Bend Drive, Georgetown. New Construction, 1-4 Bedroom Project. Amy Lucas, Community Manager, and Alma Guillen, Compliance Director.

Milam Creek Senior Village, 1330 E Milam, Luling. New Construction, 1-2 Bedroom project. Michael Harms, Executive Director, Center for Housing and Economic Opportunities Corp.

The results of the review are described in the enclosed monitoring report. The results were discussed in detail with state staff and with staff of each state recipient during the monitoring process. The following items are enclosed with this letter.

- Attachment I. This report contains six findings and five concerns covering the state's administration of its HOME-funded affordable housing programs and financial management. Several recommendations by HUD were also presented to staff. Although the state is not required to respond to concerns, it may provide a response if it wishes. However, given the circumstances relative to some of the concerns, please provide a written response where requested.

A copy of the on-site inspections reports was left with staff. Overall, the quality of the completed work was acceptable. For projects that are completed within the City of Austin, it is easier for state staff to go on-site should problems arise in the area of construction. However, for other projects that are completed throughout the state, HUD is concerned relative to the lack of ongoing daily construction monitoring and oversight in these communities. As previously discussed with staff, the state should include a component in its application process that specifically requires all applicants for funding under the state's Notice of Funding Availability (NOFA) to include the action(s) the applicants will implement to assure that adequate local monitoring and oversight will be completed on an ongoing, daily basis during the term of each contract. See Concern No. 8.

Based on our monitoring and interviews with staff, HUD concluded that the state has the continuing capacity to implement and deliver its affordable housing and rehabilitation programs at current levels and to manage its financial responsibilities. While this report contains monitoring findings and concerns, the state staff is commended for the actions it has taken to

address previously cited deficiencies and to take steps to implement changes that will help assure that these issues do not recur. The state has significantly improved the quality of its monitoring and has implemented a process to complete the required annual monitorings of its subrecipients and CHDOs. The results of these reviews are being transmitted in writing to the state's recipients, and staff is following-up to correct the findings (federal and state) cited. Technical assistance was provided to assist state staff in completing more comprehensive reviews and developing more detailed monitoring reports, and additional recommendations are included in this report.

Please submit a written response to the findings and the specified concerns within 30 days of the date of this letter. If the state needs additional time to complete its response for any item, it may request an extension for the applicable finding.

It is the intent of this office to continue to work with the state by providing any needed technical assistance and guidance. If you have any questions or concerns, please contact Ms. Humbert at 817/978-5960 or Ms. Jennings at 817/978-5941.

Sincerely,



for Katie S. Worsham
Director

Enclosures

cc:

Jeannie Arellano

Lora Myrick

MONITORING REPORT – FISCAL YEAR 2009

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(TDHCA)

HOME INVESTMENT PARTNERSHIPS PROGRAM

All of the following findings, concerns and recommendations were discussed with staff during monitoring and at an exit meeting held on March 6, 2009.

Except as provided in this report, specific details as to file deficiencies, recommendations, comments, etc., relative to (1) individual file reviews, and (2) reviews of contracts and agreements executed between the state and program recipients are not included in this transmission. These issues have been discussed with the state's staff and management. HUD staff is available to discuss these issues in more detail and provide more information at the state's request.

I. OVERALL HOME ACCOMPLISHMENTS/PERFORMANCE**A. Overall Commitments/Disbursements**

The March 17, 2009, HOME Status of Funds Report (PR27) shows that from FY 1992 through FY 2008, the state has received HOME allocations totaling \$639,441,344. Of that amount, it has committed \$510,527,543 or 89.2 percent of its total HOME commitment requirement of \$572,637,164 to individual activities. The report does not yet reflect the state's FY 2009 HOME Program allocation.

In the area of overall cumulative disbursements, the Status of Funds (PR27) report indicates that of the total amount of funds committed in IDIS, the state has disbursed only \$479,127,540 or 74.7 percent of its total authorization. The state's overall performance in this area is unacceptable. Impacting the state's disbursement rate is the large amount of CHDO funds that are undisbursed.

Cumulative Disbursements

<u>FY</u>	<u>Amount Authorized</u>	<u>Total Disbursed</u>	<u>% Disbursed</u>	<u>Grant Balance</u>
1992	\$ 32,472,000	\$ 32,472,000.00	100.0	\$ -0-
1993	\$ 23,338,000	\$ 23,339,260.80	99.5	\$ 108,739.20
1994	\$ 30,065,000	\$ 29,556,039.74	98.3	\$ 508,960.26
1995	\$ 33,303,000	\$ 33,303,000.00	100.0	\$ -0-
1996	\$ 33,001,000	\$ 33,001,000.00	100.0	\$ -0-
1997	\$ 32,699,000	\$ 32,169,098.79	98.3	\$ 529,901.21
1998	\$ 34,987,000	\$ 34,406,266.78	98.3	\$ 580,733.22
1999	\$ 37,060,000	\$ 36,626,067.43	98.8	\$ 433,932.57
2000	\$ 39,770,585	\$ 38,420,143.52	96.6	\$ 1,350,441.48

Cumulative Disbursements - Continued

<u>FY</u>	<u>Amount Authorized</u>	<u>Total Disbursed</u>	<u>% Disbursed</u>	<u>Grant Balance</u>
2001	\$ 41,517,415	\$ 38,016,639.69	91.5	\$ 3,500,775.31
2002	\$ 39,160,000	\$ 34,396,514.81	87.8	\$ 4,763,485.19
2003	\$ 45,094,671	\$ 39,321,822.10	87.1	\$ 5,772,848.90
2004	\$ 49,513,150	\$ 35,543,088.08	71.7	\$ 13,970,061.92
2005	\$ 44,687,663	\$ 26,545,688.27	59.4	\$ 18,141,974.73
2006	\$ 41,308,832	\$ 7,504,125.20	18.1	\$ 33,804,706.80
2007	\$ 41,420,803	\$ 4,616,784.76	11.1	\$ 36,804,018.24
2008	\$ 40,043,225	\$ -0-	0.0	\$ 40,043,225.00
Total	\$639,441,344	\$479,127,539.97	74.9	\$160,313,804.03

The state needs to work with its state recipients, subrecipients, CHDOs and/or other entities (OE) to improve its commitment and disbursement rates. The state is also reminded that the recapture of funds from poor or non-performing recipients could also have an impact on its overall commitment and disbursement rates.

Administrative Funds

Under the HOME Program, the state may use up to 10 percent of each FY's HOME allocation for administrative costs. In this category, the state provides each state-recipient funded up to four (4) percent of the total amount of the HOME award for administration; the state retains the remaining six percent (6) for its administrative costs.

Through FY 2004, the state has disbursed 100 percent of its 10 percent administrative line item. The balance of the remaining undisbursed funds is as follows.

<u>FY</u>	<u>Amt Authorized</u>	<u>Amt Auth From PI</u>	<u>Amt Reserved</u>	<u>% Auth Reserved</u>	<u>Balance To Reserve</u>	<u>Total Disbursed</u>	<u>% Reserved Disbursed</u>	<u>Available to Disburse</u>
2005	\$ 4,334,330.70	\$374,713.36	\$ 4,334,330.70	92.0	\$374,713.36	\$3,741,744.12	86.3	\$ 592,586.58
2006	\$ 4,063,641.90	\$378,691.71	\$ 4,063,641.90	91.4	\$378,691.71	\$ -0-	-0-	\$ 4,063,641.90
2007	\$ 4,074,694.20	\$174,766.17	\$ 4,074,694.00	95.8	\$174,766.37	\$ -0-	-0-	\$ 4,074,694.00
2008	\$ 3,977,658.80	\$ -0-	\$ 3,977,658.80	100	\$ -0-	\$ -0-	-0-	\$ 3,977,658.80
Totals	\$16,450,325.60	\$928,171.24	\$16,450,325.40		\$928,171.44	\$3,741,744.12		\$12,708,581.28

Since the administrative funds are shared with its state-recipients, a total of \$9,870,195 (6% of \$16,450,326) is available for the state's administration of the HOME Program. Based on this report, except for FY 2000, the state has not utilized any of the additional program income (PI) funds that would have been eligible for administration and project costs. Since none of the administrative funds for FYs 2006 through 2007 have been disbursed, some of these funds (Amt Auth from PI column) may still be available to the state for its HOME administrative costs **provided** it has not committed some or all of those funds to individual project activities in IDIS.

In any event, the state needs to review the status of its administrative draws to assure that these old funds (FYs 2005-2007) are disbursed in a timely manner.

Reservations to State Recipients and Sub-Recipients (SU)

CONCERN NO. 1: The PR27 Report indicates that from FYs 1993 through 2008, the state has numerous open contracts with **state recipients and/or sub-recipients (SUs)**. Some undisbursed funds remain available from allocations dating to 1993.

DISCUSSION: Included as a subset of the Total Authorization, Total Commitment and Total Disbursement amounts, are reservations and disbursements to individual state recipients and sub-recipients (SUs). See the chart below. HUD has not attempted to identify these recipients individually in this report.

FY	Amount Reserved to Other Entities (OE)	% Req Rsvd	Amount Committed	% Rsvd Cmtd	Balance to Commit	Total Disbursed	% Disb	Available to Disburse
1992	\$ 8,021,651.18	19.8	\$ 8,021,651.18	100.0	\$ -0-	\$ 8,021,651.18	100.0	\$ -0-
1993	\$ 16,723,833.01	41.7	\$ 16,723,833.01	100.0	\$ -0-	\$ 16,615,093.81	99.3	\$ 108,739.20
1994	\$ 21,209,695.75	41.3	\$ 21,209,695.75	100.0	\$ -0-	\$ 20,700,735.49	97.6	\$ 508,960.26
1995	\$ 24,260,474.20	42.1	\$ 24,260,474.20	100.0	\$ -0-	\$ 24,260,474.20	100.0	\$ -0-
1996	\$ 24,466,016.20	42.5	\$ 24,466,016.20	100.0	\$ -0-	\$ 24,466,016.20	100.0	\$ -0-
1997	\$ 22,180,744.71	40.4	\$ 21,860,328.04	98.5	\$ 320,416.67	\$ 21,652,527.50	97.6	\$ 528,217.21
1998	\$ 25,104,671.00	41.7	\$ 24,730,167.14	98.5	\$ 374,503.86	\$ 24,607,282.18	98.0	\$ 497,388.82
1999	\$ 27,526,917.16	42.6	\$ 27,526,917.16	100.0	\$ -0-	\$ 27,101,242.52	98.4	\$ 425,674.64
2000	\$ 28,033,853.53	41.3	\$ 27,968,127.27	99.7	\$ 65,726.26	\$ 27,213,404.05	97.0	\$ 820,449.48
2001	\$ 26,814,424.18	39.2	\$ 25,479,312.47	95.0	\$ 1,335,111.71	\$ 23,973,623.76	89.4	\$ 2,840,800.42
2002	\$ 28,384,351.72	41.4	\$ 26,287,458.59	92.5	\$ 2,106,893.13	\$ 25,007,368.90	88.0	\$ 3,386,982.82
2003	\$ 32,180,938.94	40.7	\$ 31,459,444.68	97.7	\$ 721,494.26	\$ 30,513,710.68	94.8	\$ 1,667,228.26
2004	\$ 36,375,067.00	41.5	\$ 28,280,102.17	77.7	\$ 8,094,964.83	\$ 24,609,801.36	67.6	\$11,765,265.64
2005	\$ 39,609,550.08	46.7	\$ 33,923,567.76	85.6	\$ 5,685,982.32	\$ 22,627,197.85	57.1	\$16,982,352.23
2006	\$ 32,058,256.88	40.8	\$ 18,900,025.60	58.9	\$13,158,231.28	\$ 7,517,329.20	23.4	\$24,540,927.68
2007	\$ 6,410,814.00	8.8	\$ 2,208,079.00	34.4	\$ 4,202,735.00	\$ 623,936.00	9.7	\$ 5,786,878.00
2008	\$ -0-	-0-	\$ -0-	-0-	\$ -0-	\$ -0-	-0-	\$ -0-
Total	\$399,371,259.54	36.2	\$363,305,200.22	90.9	\$36,066,059.32	\$329,511,394.88	82.5	\$69,859,864.66

RECOMMENDED ACTION: The state needs to follow up and identify those state recipients or SUs that have funds uncommitted and/or undisbursed and take the actions necessary to get projects completed, funds drawn, or cancel the remaining balances and reallocate the funds. It is imperative that these older funds be committed and expended as quickly as possible.

Please provide a written report on the state's review and analysis of these open contracts and the actions the state proposes to take to either get the activities completed and funds disbursed or the remaining balances canceled and the funds reallocated to other state recipients for SUs that will be able to complete their activities in a timely manner.

B. HOME Expiring Funds Report:

The state is reminded that HOME funds remaining from the state's FY 2002 grant on September 30, 2009 will be recaptured by the United States Treasury. Unexpended HOME funds from 1992 through 2001 allocations are not subject to these rules. While these earlier funds will not be recaptured, they must be 100 percent expended if the state is to be able to access its FY 2002 balances since draws from the HOME Treasury Account are processed on a first-in-first-out (FIFO) basis. (See HOME FACTS – Vol. 2. No.2. dated February 2009 and previously forwarded to the state)

C. CHDO Performance:

CHDO Set-Aside Funds

The state is required to reserve, at a minimum, 15 percent of each FY's allocation for Community Housing Development Organizations (CHDOs). The state's cumulative CHDO reservation (CR) requirement for FYs 1992 through 2008 is \$81,978,038. The PR27 report indicates that the state has reserved, cumulatively, \$86,691,667 or 105.7 percent of its required CHDO reservation in IDIS. Of the amount of CR fund reserved, the state's CHDOs have committed a total of \$85,765,171 or 98.9 percent to individual activities in IDIS. Of the funds committed, the state has disbursed \$72,254,336 or 83.37 percent.

D. State's Designation of Community Housing Development Organizations (CHDOS)

Review of the state's process for the initial certification and subsequent recertifications of its CHDOs found that the state is in compliance with the initial and recertification processes for designating CHDOs. HUD's review of the composition of the CHDO boards for Foundation Communities, Inc. (Skyline Terrace and Spring Terrace projects) found that the state had properly recertified the CHDO prior to its latest award of CHDO set-aside funds and that the boards were in compliance with the required minimum 1/3 low-income representation.

E. CHDO Written Agreements

Review of the CHDO written agreements, project and operating funds, executed between the state and its CHDOs contained all of the required HOME provisions.

CHDO Operating (CO) Funds Agreements

Review of the CO expense agreement found that this document contains numerous sections that may not be applicable to the use of CO funds; they are, however, applicable to and are contained in the written agreements when project set-aside funds are awarded. It was recommended that the state, with the concurrence of its Legal Division, review the CO agreements and make a determination as to which of the following items are not applicable to a

CO contract and remove them from future contracts. If an item is not applicable or if the state does not intend to enforce one or more conditions, they should not be included in a contract. All of the items noted below were properly included in the contract/agreement for the project funds, but have no real application when only operating funds are provided.

Exhibit A: Item 7, Financial Management; Item 8, Insurance; Item 10, Reporting requirements – a and b; Item 13, Subcontracts; Item 15, Nondiscrimination and Sectarian Activity; Item 17, Litigation and Claims; Item 23, Facilitate Performance of Audit; Item 24, Make Audit Reports Available to the Public.

Exhibit B: I, Civil Rights; II, Lead-Based Paint; III, Environmental; and IV, Acquisition and Relocation.

Exhibit C: Lobbying

The written agreements for both project funds and CHDO operating (CO) funds executed between the state and its CHDOs contain all of the required HOME provisions.

Other CHDO Comments

The state needs to ensure that a copy of all contract amendments are included in each CHDO file. Documents in the file for Skyline Terrace indicated that the deadline date for the expenditure of the funds was February 1, 2008; however, the contract period ran from August 1, 2006 through August 1, 2008. The applicable contract amendment was located and placed in the file.

CONCERN NO. 2: The state has a significant amount of CHDO set-aside (CR) funds that remain uncommitted and/or undisbursed.

DISCUSSION: Because of Hurricane Katrina, the state received a waiver of the statutory CR set-aside requirement for FYs 2005 and 2006, so those funds could be made available to quickly meet the need for affordable housing in the designated disaster areas. The CR set-aside requirement was reinstated with the state's FY 2007 HOME allocation. The state's CHDO's performance in committing funds to individual activities/projects in IDIS is excellent (98.9%); however, the CHDO's performance relative to the completion of these activities and disbursement of the funds (83.3%) is marginally acceptable. See tables below.

FY	CHDO REQ	AMT RESV TO CHDOS	% RESV	CMTD TO IND ACT	% CMTD	BAL TO CMT	TOTAL DISBURSED	% DISB	AVAIL TO DISBURSE
1992	\$ 4,870,000.00	\$ 6,043,933.05	124.0	\$ 6,043,933.05	100.0	\$ -0-	\$ 6,043,933.05	100.0	\$ -0-
1993	\$ 3,500,700.00	\$ 3,500,700	100.0	\$ 3,500,700.00	100.0	\$ -0-	\$ 3,500,700.00	100.0	\$ -0-
1994	\$ 4,509,750.00	\$ 4,813,395.67	106.7	\$ 4,813,395.67	100.0	\$ -0-	\$ 4,813,395.67	100.0	\$ -0-
1995	\$ 4,995,450.00	\$ 4,995,450.00	100.0	\$ 4,995,450.00	100.0	\$ -0-	\$ 4,995,450.00	100.0	\$ -0-
1996	\$ 4,950,150.00	\$ 4,980,583.00	100.6	\$ 4,980,583.00	100.0	\$ -0-	\$ 4,980,583.00	100.0	\$ -0-
1997	\$ 4,904,850.00	\$ 4,904,850.00	100.0	\$ 4,904,850.00	100.0	\$ -0-	\$ 4,904,850.00	100.0	\$ -0-
1998	\$ 5,248,050.00	\$ 6,383,629.00	126.6	\$ 6,383,629.00	100.0	\$ -0-	\$ 6,383,629.00	100.0	\$ -0-
1999	\$ 5,559,000.00	\$ 5,582,472.00	100.4	\$ 5,582,472.00	100.0	\$ -0-	\$ 5,582,472.00	100.0	\$ -0-
2000	\$ 5,673,450.00	\$ 5,701,762.00	100.4	\$ 5,701,762.00	100.0	\$ -0-	\$ 5,196,557.47	97.1	\$ 505,204.53
2001	\$ 6,227,550.00	\$ 6,227,550.00	100.0	\$ 6,227,549.00	99.9	\$ 1.00	\$ 5,898,762.81	94.7	\$ 328,787.19

FY	CHDO REQ	AMT RESV TO CHDOS	% RESV	CMTD TO IND ACT	% CMTD	BAL TO CMT	TOTAL DISBURSED	% DISB	AVAIL. TO DISBURSE
2002	\$ 5,906,400.00	\$ 5,918,048.28	100.1	\$ 5,269,122.64	89.0	\$648,925.64	\$ 5,451,545.91	92.1	\$ 466,502.37
2003	\$ 6,764,200.65	\$ 6,764,200.65	100.0	\$ 6,755,845.83	99.8	\$ 8,354.82	\$ 4,304,003.32	63.6	\$ 2,460,197.33
2004	\$ 6,789,157.80	\$ 6,789,157.80	100.0	\$ 6,519,943.44	96.0	\$269,214.36	\$ 6,205,605.62	91.4	\$ 583,552.18
2005	\$ WAIVED								
2006	\$ WAIVED								
2007	\$ 6,112,041.30	\$ 6,112,041.30	100.0	\$ 6,112,041.30	100.0	-0-	\$ 3,992,848.76	65.3	\$ 2,119,192.54
2008	\$5,966,488.20	\$ 7,973,893.90	133.6	\$ 7,973,893.90	100.0	-0-	\$ -0-	-0-	\$ 7,973,893.90
TTL	\$81,978,037.95	\$86,691,666.65	105.7	\$85,765,170.83	98.9	\$926,495.82	\$72,254,336.61	83.3	\$14,437,330.04

Overall, the state has a total of \$926,496 of FYs 2001 through 2008 funds that have not yet been committed by its CHDOs to individual activities in IDIS, and a total of \$14,437,330 of FYs 2000 through 2008 funds that have not been disbursed. The state needs to continue working with its CHDOs to get these older funds committed and expended. The state's and its CHDO's performance in the area of its overall commitment rate is acceptable. However, performance in the area of the completion of the CHDO activities and disbursement of the set-aside funds is only marginally acceptable. The state needs to complete a review and assessment of the open contracts with the CDHOs identified in the table below.

Use of Set-Aside Funds by CHDO

FY	CHDO	FUND TYPE	AMT RSVD	AMT CMTD	BAL TO COMMIT	% CMTD /RSVD	AMT DISB	% DISB /CMTD
2000	Pembroke Ct	CR	\$ 1,267,535.63	\$ 1,267,535.63	\$ -0-	100.0	\$ 1,170,318.83	92.3
	Pharr Hous Devel Corp	CR	\$ 407,987.73	\$ 407,987.73	\$ -0-	100.0	\$ -0-	-0-
2001	Pharr Hous Devel Corp	CR	\$ 112,567.40	\$ 112,567.40	\$ -0-	100.0	\$ -0-	-0-
	Statewide CDC	CR	\$ 683,483.60	\$ 683,482.60	\$ 1.00	99.9	\$ 467,263.81	68.3
2002	CDC of Brownsville	CR	\$ 1,113,175.64	\$ 464,250.00	\$ 648,925.64	41.7	\$ 646,873.27**	139.2
	** How can you disburse more than the amount committed??							
003	Gardn's of Weatherford	CR	\$ 841,788.18	\$ 841,788.18	\$ -0-	100.0	\$ -0-	-0-
	Pharr Hous Devel Corp	CR	\$ 795,487.87	\$ 795,487.87	\$ -0-	100.0	\$ -0-	-0-
	CDC of Brownsville	CR	\$ 738,610.00	\$ 730,255.18	\$ 8,354.82	98.8	\$ 35,126.32	4.8
	Gardens of Decordova	CR	\$ 1,194,376.00	\$ 1,194,376.00	\$ -0-	100.0	\$1,074,938.40	90.0
2004	Afford Caring Hous Inc	CR	\$ 11,750.00	\$ 11,750.00	\$ -0-	100.0	\$ -0-	-0-
	CDC of Brownsville	CR	\$ 269,214.36	\$ -0-	\$ 269,214.36	-0-	\$ -0-	-0-
	Grdn's of Weatherford	CR	\$ 302,587.82	\$ 302,587.82	\$ -0-	100.0	\$ -0-	-0-

FY	CHDO	FUND TYPE	AMT RSVD	AMT CMTD	BAL TO COMMIT	% CMTD /RSVD	AMT DISB	% DISB /CMTD
2005	<i>CO Funds NOT sub-granted to CHDOs</i>	CO	\$ 59,477.41	\$ 59,477.41	\$ -0-	100.0	\$ 12,547.42	21.0
2007	Cntr/Hous&Econ Oppor	CO	\$ 50,000.00	\$ 50,000.00	\$ -0-	100.0	\$ -0-	-0-
	Cntr/Hous&Econ Oppor	CR	\$ 597,685.20	\$ 597,685.20	\$ -0-	100.0	\$ 455,682.20	76.2
	Lifenet Comm Behavior	CR	\$ 3,000,000.00	\$ 3,000,000.00	\$ -0-	100.0	\$2,637,166.56	87.9
	<i>CO Funds NOT sub-granted to CHDOs</i>	CO	\$ 255,602.00	\$ -0-	\$ 255,602.00	-0-	\$ -0-	-0-
	Lexington Ct Apts	CR	\$ 1,614,356.10	\$ 1,614,356.10	\$ -0-	100.0	\$ -0-	-0-
2008	<i>CO Funds Not sub-granted to CHDOs</i>	CO	\$ 248,324.00	\$ -0-	\$ 248,324.00	-0-	\$ -0-	-0-

RECOMMENDED ACTION: The state needs to work with its CHDOs to improve their performance in this area. If any of the CHDOs are unable to complete the activities covered by their set-aside allocations in a timely manner, the state should consider canceling the contracts and reallocating the funds to other CHDOs that can utilize the funds in a more timely manner.

F. Statutory Commitment/Disbursement

CONCERN NO. 3: The HOME Deadline Compliance Status Report for the period ending February 28, 2009, provides that the state has not yet met its statutory 24-month commitment deadline for its FY 2007 HOME allocation. The state's deadline for meeting the HOME commitment requirement is May 31, 2009. As of the date of this report, the state has a total commitment shortfall in the amount of \$38,041,835.

DISCUSSION: HUD's letter of January 26, 2009, advised the state of its preliminary determination that the state was in danger of not meeting its commitment deadline and that the funds would be subject to recapture as of June 1, 2009. This shortfall appears to be attributable to the amount of uncommitted funds as noted in the above tables and could also be affected by the current award or allocation process as well as the process for recapturing and reallocating previously awarded funds from slow and/or non-performing entities.

RECOMMENDED ACTION: It is recommended that the state review its current award process for its HOME funds to include the reallocation of funds from prior awards. Efforts should be taken to improve the timeliness of commitments and the completion of projects.

G. American Dream Downpayment Initiative (ADDI) Performance

The state has received American Dream Downpayment Initiative (ADDI) funds for Fiscal Years (FY) 2003 through 2008, totaling \$7,209,365. As of the February 28, 2009 ADDI Accomplishment Report, the state has committed and expended \$6,409,846 or 88.9 percent of its ADDI allocations through FY 2007 to assist 740 first-time homebuyers. A total of \$799,519 of FY 2007 and 2008 funds remains uncommitted and unexpended. The state's performance in this area is acceptable.

H. Compliance with the 90 percent rule

Section 214 paragraph (1) of the HOME statute and the HOME regulations at §92.216(a)(1) and (2), and (b)(1) and (2), provide that not less than 90 percent of the HOME funds expended for rental assistance or rental projects must be for units that are initially occupied by persons or families with incomes at or below 60 percent of the median family income for the area, adjusted for family size. Based on the HOME Lower Income Benefit Report (PR16), the state **is in compliance** with this statutory requirement as 97.9 percent of the HOME funds expended for rental activities were for units initially occupied by persons or families having incomes at or below 60 percent of median.

This report also provides that a total of 15 units are reported as vacant. These are comprised of 9 rental and 6 homebuyer units. The state needs to identify these units and enter the required completion data into IDIS. The state can access the vacant units report at: <http://www.hud.gov/offices/cpd/affordablehousing/reports/index.cfm>

I. Program Income:

See **FINDING NO. 4** in the financial review section of this report.

J. Match:

Under the HOME Program each PJ must make contributions from non-federal sources to housing that qualifies as affordable housing. The contributions must total not less than 25 percent of the project funds drawn from its HOME Investment Trust Fund drawn during the federal fiscal year.

Since the inception of the HOME Program, the state has received a 50 percent reduction to the statutory 25 percent match liability requirement in accordance with §92.222. HUD reviews the distress criteria for PJs and has determined that the state satisfies one of the three distress criteria under §92.222 (a)(2). Therefore, the state's statutory match liability requirement has been reduced to 12 ½ percent. This review is completed annually and is subject to change.

Review of the source documentation maintained by the state indicated that the match claimed was from eligible sources and the amounts claimed were properly documented. The source documentation files sampled were complete, well documented and supported the state's determinations that the match sources were eligible. The state's staff is commended for their efforts to assure that only match from eligible sources is recorded on the required HOME Match Log.

Match contributions to the state's program have traditionally been generated by state recipients and CHDOs undertaking single family housing activities. From the information obtained during this and previous reviews, the responsibility for match contributions has not historically been shared across all components of the state's HOME program. With the significant investment of HOME funds that is being made into multi-family rental housing production, it would appear that the state may be overlooking an important source of match. The state should consider evaluating how it assigns its match responsibility across its program components as it could increase the amount of available match and expand the use of HOME funds in traditionally underserved areas where local resources for match are scarce.

K. Data Entry Into IDIS

The state has made significant improvement in this area and HUD recognizes the state's efforts to correct its numerous data entry problems. While there are numerous activities where there has been no activity for significant periods of time or data is missing, e.g., the total number of units and the number of HOME units in projects have not been entered, etc., the state has improved the management of its data entry process. Of special note is the improvement in the drawdown of TBRA funds.

There is one area, however, where the state needs improvement which is projects for which final draws (FD) have been made, but the activities have not been closed in IDIS within the maximum 120 day time frame established at §92.502(d) for entering completion data. There are currently 10 projects that have significantly exceeded the 120-day limit and the state needs to immediately enter the completion information for these projects. Additionally, the majority of the projects have no entries for either the 'total number of units in the project' or the 'number of HOME-assisted units' (See table below). For information on other open activities in IDIS, please see the open activities report that is available at: <http://www.hud.gov/offices/cpd/affordablehousing/reports/index.cfm>

IDIS #	Activity	City	TTL # Units	# HOME Units	Amount	Drawn	Date of FD	120 Day Clock
9261	New Const	San Antonio	113	113	\$589,000.00	\$589,000.00	8/17/2000	3,151
13530	New Const	Olton	0	0	\$149,031.67	\$149,031.67	5/2/2002	2,528
29744	New Const	San Antonio	37	37	\$730,000.00	\$730,000.00	10/29/2008	156
28515	TBRA	Rockport	0	1	\$ 1,794.00	\$ 1,794.00	9/23/2008	192
17156	Acq + Rehab	San Diego	1	1	\$ 24,100.00	\$ 24,100.00	11/16/2005	1,234
28528	Acq Only	Round Rock	0	0	\$900,000.00	\$900,000.00	6/16/2008	291
1529	Acq Only	LaPorte**	1	1	\$483,115.00	\$483,115.00	8/17/2000	3,151
530	New Const	Olton	0	3	\$149,031.67	\$149,031.57	5/2/2002	2,528

IDIS #	Activity	City	TTL # Units	# HOME Units	Amount	Drawn	Date of FD	120 Day Clock
21724	New Const	Beaumont	0	0	\$ 10,987.50	\$ 10,987.50	7/24/2006	984
26047	Acq + NC	Gatesville	0	0	\$225,000.00	\$225,000.00	6/7/2007	666

The Laporte project noted above is the 57 unit Flamingo Bay Apartment project funded through the state's CHDO, Lakeside Center, under contract number 538611. The project was never completed and the state indicated it thought HUD had reduced its FY 2005 grant for the full amount of this project, \$517,315 (\$483,115 of project costs plus \$34,200 CHDO operating (CO) funds). We verified with our Headquarters Office that HUD has never processed a grant reduction request for the state for any HOME allocation.

In its response to this letter the state should advise whether it wishes to pursue a grant reduction or provide a direct repayment of the funds.

The state needs to continue to review all of the IDIS reports on a regular basis. If this is done, the state should be able to avoid future findings in this area.

Please provide a written estimate of the state's timeframe for the completion of the balance of all of the corrections for final draws that exceed 120 days.

L. Multifamily Portfolio – Prohibited Lease Terms

FINDING NO. 1: The Lease Documents for Russell Adams and Joseph Kirk (Spring Terrace - 7101 N. I-35, Austin) contained prohibited lease provisions.

STANDARD: 24 CFR 92.253(b)(2)

DISCUSSION: In the State of Texas's Standard Lease Document, Item I3. Removal After We Exercise Lien for Rent provides that "...If your rent is delinquent, our representative may peacefully enter the apartment and remove and/or store all property subject to lien." This lease document is one that is generally used universally throughout the state so this provision could be contained in every lease document.

The regulations provide that a lease may not contain any prohibited provisions as noted in §92.253(b). Under §92.253(b)(2) the lease may not include an agreement by the tenant that the owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. The state is reminded that it may not allow the inclusion of prohibited lease provisions in the lease documents executed between the tenants and owners of HOME-assisted rental projects. This applies to all rental projects funded directly by the state or through its CHDOs and/or subrecipients.

For HOME-assisted rental projects, the state requires the use of the State of Texas' standard 'lease addendum' form to negate certain prohibited lease provisions that are contained in the standard lease. In the two cases noted, property management failed to use the lease

addendum. While onsite, state staff instructed the property managers to immediately execute the lease addendum with the tenants in question.

REQUIRED CORRECTIVE ACTION: State staff advised the HUD monitor prior to the completion of the monitoring that the addendums for the above tenants had been completed and executed and attached to the current lease documents. The state should advise the property owners of its HOME-assisted rental housing of the requirement to review all of the open lease documents for all rental projects and to have an executed lease addendum in the file of each tenant occupying a HOME-assisted unit if prohibited lease terms are contained in the project's standard leases. Because this deficiency was corrected prior to completion of the monitoring, this finding **is cleared**.

II. MONITORING

In the past, the state provided limited monitoring and oversight of its multifamily rental portfolio on a regular and ongoing basis. Given the recent reorganization of the state's Affordable Housing Division, new managers as well as a significant number of staff have been assigned the responsibility for tracking and monitoring its HOME-assisted rental housing projects. HUD acknowledges the state's efforts in this area including the improvements in the current monitoring processes and procedures implemented under the direction of Patricia Murphy, Director, Portfolio Management and Compliance; Wendy Quackenbush, Manager, Compliance Monitoring; and Lora Myrick, Performance Manager, and their staffs.

During the review, the state provided HUD with a list of all of its open multifamily rental projects. The list, as of March 2, 2009, provided information relative to the date of the state's last monitoring visit, a description of the noncompliance issues at each project, the status of the noncompliance (corrected or uncorrected), and the actions taken or to be taken by the state. See further comments relative to this report under **FINDING NO. 2** below.

The state should continue its efforts to refine its monitoring policies and procedures and continue to provide ongoing technical assistance and training to the property managers, landlords and/or owners of all its HOME-assisted multifamily rental projects.

FINDING NO. 2: Review of the multifamily portfolio report indicated there are numerous projects that are out of compliance with the HOME Program requirements.

STANDARD: 24 CFR 92.201(b)(3)(ii); §92.203(a)(1); §92.216; §92.251(c); §92.252; §92.253; §92.351; 92.503; 92.504(a), (c)(1),(2)&(3) and (d);

DISCUSSION: The above report (copy enclosed) was discussed in detail with Ms. Murphy, Ms. Quackenbush and Ms. Myrick. A significant number of questions were raised during the discussion some of which will require consultation and discussion with our Headquarters Office. HUD acknowledges that the state has taken steps to address prior deficiencies in the

administration of its multifamily rental projects. The state's actions included increasing the number of staff assigned in-house and onsite monitoring duties and responsibilities; increasing technical assistance and training efforts to assure that the individual property managers and/or landlords are kept fully aware of their long-term responsibilities for maintaining these projects in full compliance with all of the HOME Program requirements; reworking the Land Use Requirement Agreements (LURAs) to include all required HOME provisions, etc.

The areas of non-compliance are varied. Some of the types of violations noted by the monitors are: **a)** household income is above the HOME limit at initial occupancy; **b)** failure to properly calculate utility allowances; **c)** failure to maintain the units and the property in full compliance with the state's Texas Minimum Construction Standards (TMCS); **d)** gross rents that exceed the maximum allowable HOME rents; **e)** failure to provide the required annual Affirmative Marketing Plans; **f)** failure to provide tenant income certification and documentation; **g)** failure to execute the required lease provisions; **h)** failure to document tenant's income-eligibility at recertification; **i)** noncompliance with senior age restriction requirements; **j)** failure to execute acceptable lease documents; **k)** failure to respond to the state's requests to correct the cited deficiencies and bring the projects/units back into compliance with the HOME requirements; etc.

The report provides information on the actions taken by the state in its attempts to bring these projects back into compliance, and HUD acknowledges the efforts currently underway. However, some of the deficiencies/violations could have serious consequences resulting in the state being requested to repay the full amount of the HOME funds invested if the projects cannot be brought into compliance within a reasonable period of time. After consultation with the Office of Affordable Housing Programs, the following guidance is being provided. This is not all inclusive and does not address all of the violations noted in the state's records.

- Tenants over-income at initial occupancy. Because all of the state's units are 'floating' units, the projects should: **a)** be required to provide additional units (not initially identified as HOME units) to cover those units that were rented initially to over-income tenants; **and b)** the owner/developer should be required to repay the portion of the HOME investment attributable to the number of units that were out of compliance initially or increase the period of affordability (POA) on the number of units that were out of compliance for the amount of time they were out of compliance. It would appear that requiring repayment of the applicable portion of the HOME subsidy would be the most appropriate since the majority of these projects already have a 20-year POA. Increasing the period only serves to extend the state's responsibility to monitor these projects for an increased period of time.
- Gross Rents Exceed the Rent Limits. Repay the tenant(s) the excess rent and require monthly reporting by the owner. If the practice of charging excess rents has existed over an extended period of time either the period of affordability should be extended or a pro-rata share of the HOME investment should be recovered.
- Failure to submit Affirmative Marketing Plans. The HOME final rule at §92.351(c) requires the state to provide an affirmative marketing plan to its

project owners. The state should require all of its owners who have not been complying to immediately begin aggressive affirmative marketing efforts so that it can diversify HOME project waiting lists even before units become available. Failure to affirmatively market all covered HOME activities could have a significant impact on the state's programs.

- Failure to include required lease provisions. These need to be corrected immediately and the leases amended for the applicable time period. All required provisions should then be contained in all future leases.
- Failure to correctly document income at recertification. The state should increase its efforts to provide technical assistance to the property managers, owners, and/or landlords. If there was inadequate income documentation for tenants being recertified, the income must be re-determined. If the tenant was initially income-eligible but at recertification their income exceeds the HOME limits, the applicable adjustment must be made as to the category of the HOME-assisted unit (high or low) and the tenant's rent must be adjusted in accordance with §92.252(i)(2).

There were two projects for which repayment was required.

1. **Flamingo Bay Apartments, 200 Garfield, LaPorte, TX.** State contract number 538611. This was a CHDO project (Lakeside Center) that was never completed. See comments under Section I – Data Entry into IDIS.
2. **Harbor Lights, 1010 Magnolia, Freeport, TX.** State contract number 530667. This was a 150 unit CHDO rental project that was never completed. **The state reimbursed HUD a total of \$865,000 on July 28, 2005.** No further action is required for this activity.

Based on the information in the multifamily report, failure to resolve the compliance issues for the following projects in a timely manner could subject the state to the repayment requirements at §92.503(b).

- Alpine Retirement Community – IDIS #2604 - state contract number 538092. The date of the last onsite monitoring by the state was March 27, 2004. The project has not been completed and the affordability period has not yet begun. The property was foreclosed and the state took ownership on March 5, 2009. The state is currently obtaining bids for the completion of the repairs.
- Lincoln Courts Apartments – IDIS #2631 - state contract number 533186. The property has been referred to the state's Asset and Enforcement Committee. An informal conference with the owner was scheduled for November 20, 2008, but noncompliance issues remain outstanding. A penalty of \$11,800 against the property owner has been recommended.
- Port Velasco Apartments – IDIS #2636 - state contract number 532305. An onsite monitoring was conducted on June 23, 2008 with corrective action to be completed by November 26, 2008. There has been no response from the owner. Project has been

referred to the Asset and Enforcement Committee and an informal hearing with the owner was scheduled for March 19, 2009.

- **Mexia Homes** – IDIS #2637 - state contract number 532323. The property was sold through a foreclosure sale to a second private owner who refuses to reinstate the HOME deed restrictions. The project has been referred to the Asset and Enforcement Division for further action.
- **Palisades at Belleville Apartments** - IDIS #2647 – state contract number 535247C. An onsite monitoring was conducted on April 10, 2008. The owner has failed to make the required corrections. The administrative penalty process has been initiated.
- **Carriage Square** – IDIS #2670 - state contract number 536291. The state foreclosed and now owns the property. The property is vacant but the state is maintaining it while looking for a buyer.
- **Colorado City Homes** – IDIS #2676 - state contract number 533303. The owner was notified on August 13, 2008 of the outstanding noncompliance issues but has failed to respond. The project is being referred to the Asset and Enforcement Committee.
- **Colorado City Homes II** – IDIS #2677 - state contract number 534341. Same as above.
- **Southeast Texas Community Development** – IDIS #2680 - state contract number 537606. The owner was notified on August 12, 2008 of the outstanding noncompliance issues but has failed to respond. The project is being referred to the Asset and Enforcement Committee.
- **Ebenezer Senior Housing** – IDIS #2681 - state contract number 532339. The state has begun the process for pursuing administrative penalties.
- **Spur Triplex** – IDIS #2694 - state contract 533300. The owner corrected two of the cited violations but all other noncompliance issues remain uncorrected. Reminder notices were sent on February 28, 2008 and August 12, 2008, but the owner has not responded.
- **Sterling Park Square** – IDIS #2696 - state contract number 532303. Cited violations have not been corrected. The owner was notified on February 25, 2009 but has failed to respond.
- **Tyler Community Homes** – IDIS #2698 – state contract number 532277. While the state provides that the affordability period has expired, all of the noncompliance violations were cited prior to the expiration of the affordability period. All remain uncorrected and the state won't release its lien until all corrections are made.
- **Tyler Community Homes (Path)** – IDIS #2699 - state contract number 533199. The corrective action submitted by owner was insufficient to correct all noncompliance. The owner has not responded to follow-up correspondence.
- **Weldon Blackard Rental** – IDIS #2706 - state contract number 539112. The owner corrected one of the cited violations; all other noncompliance issues remain uncorrected. The project will be referred to the Asset and Enforcement Committee.
- **Colonias Del Valle Project** – IDIS #2710 - state contract number 532325. The owner failed to respond to agency requests for monitoring review and failed to submit the 2005 Annual Owner's Compliance Report. The owner was notified again on November 10, 2008 but has not responded.
- **Railroad Street Rental House** – IDIS #2711 - state contract number 532318. All cited noncompliance issues remain uncorrected. The owner has failed to respond to the

state's follow-up letters. The project will be referred to the Asset and Enforcement Committee.

- **Sunrise Villas Apartments** – IDIS #2723 - state contract number 532410. All cited noncompliance issues remain uncorrected. The proposed corrective actions received from the owner on November 8, 2008 were insufficient to correct the noncompliance. Owner was again notified of outstanding noncompliance issues on February 24, 2009. Project will be referred to the Asset and Enforcement Committee.
- **Thomas Street Apartments** – IDIS #2727 - state contract number 532319. All noncompliance issues remain uncorrected. The owner has not responded to a follow-up letter sent on October 15, 2008.
- **Alamo Plaza Apartments** – IDIS #3200 - state contract number 530687. The owner corrected one of the noncompliance issues cited on September 19, 2008. The state will initiate the administrative penalty process if the balance of the violations are not corrected.
- **St. John Colony Park** – IDIS #4001 - state contract 530200. None of the cited noncompliance issues have been corrected. This project is currently under investigation by the state's General Accounting Office.
- **Villa De Reposo – Encinal** – IDIS #4002 - state contract 530201. Project monitored on June 29, 2007. Documentation submitted on September 27, 2007 was insufficient to clear the cited noncompliance issue. Owner given until 9/11/08 to respond. Issue not resolved as of November 7, 2008. The owner has not responded to the subsequent notifications.
- **Alta Vista Village Retirement Community** – IDIS #4006 - state contract number 531300. Project monitored on November 15, 2007. Cited violation not corrected. One unit still in noncompliance. Owner given until September 12, 2008 to respond. Owner has not responded.
- **Spring Garden Apartments IV – Dallas** – IDIS #4007 - state contract number 531301. State CHDO, Affordable Housing of Parker County. Project monitored on November 14, 2007. As of June 12, 2008, noncompliance still not corrected. State is working with the new Executive Director to correct.
- **Plainview Duplex** – IDIS #4008 - state contract number 532308. Project monitored on July 24, 2007. State notified owner on August 12, 2008 that the cited noncompliance issues are still uncorrected. The owner has failed to respond.

The projects noted above do not include all of the open multifamily projects nor do they represent all projects that have noncompliance issues.

REQUIRED CORRECTIVE ACTION: In order to allow the state the opportunity to update and clear projects where corrective actions have been completed, the state must provide a detailed report for all of the properties listed on the enclosed report. The report should be expanded to include the following: Date of funding (commitment date); amount of the HOME-assistance; IDIS project completion date; date of initial and any follow-up onsite monitoring visits; updated description of the remaining noncompliance issues and their current status; and an updated status of state actions. Given the number of open multifamily projects, including those listed above, the state should provide this report on or before June 20, 2009.

HUD will review the state's response and provide, as applicable, a more detailed required corrective action for those projects remaining in noncompliance. The state must then provide a quarterly report beginning on October 10th and thereafter, on or before the 10th of the month for each subsequent quarter beginning January 10th, 2010, until the projects have been brought into compliance. The subsequent reports should also include new projects as they are completed and added to the state's monitoring schedule.

The state is reminded that as a direct recipient of HOME funds it is responsible for ensuring that its HOME-assisted rental projects remain in compliance with the HOME requirements for the entire period of affordability. In the agreements it is required to execute with owners, developers and sponsors of HOME-assisted rental housing under §92.504(c)(3), those entities agree to comply with those requirements as a condition of receiving HOME assistance. Failure to comply with the HOME requirements can be cause for repayment of the funds under §92.503(b).

When issues of noncompliance arise it is the state's responsibility to ensure that corrective actions are completed in a timely manner and that, where appropriate, the affordability period of the property is extended to cover the period of noncompliance. When an owner, developer or sponsor fails to resolve issues of noncompliance in a timely manner, the state should immediately move to enforce the full HOME agreement up to and including the recovery of the full HOME investment. When the principals of a HOME-assisted project are nonresponsive to issues of noncompliance, the most stringent corrective actions need to be taken.

Substitution of Projects

The state has posed the question of substituting alternative projects when reimbursement of the HOME funds or voluntary grant reduction may be required. While HUD would provide consideration to such requests, they must be made on a project-by-project basis. Although there is no standard content requirement for such a request, the following areas should be covered.

- Description of the original project to include funding history, completion date, period of affordability, years operated in compliance with the HOME requirements.
- History of significant compliance issues/actions and steps taken to resolve noncompliance.
- Whether all available corrective and remedial actions have been exhausted.
- Description of substitute project to include number of HOME-assisted units, affordability period, location and project principals.
- Source, terms and conditions of all project funding for the substitute project.
- Actions to be taken to ensure ongoing compliance and long term affordability.

Upon receipt of each request, this office will forward them to the Office of Affordable Housing in HUD Headquarters for review.

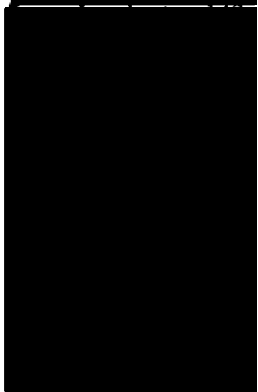
III. FILE REVIEWS AND ONSITE MONITORING

M. Review of Rental Project Files and Onsite Inspections

Onsite file reviews and inspections were conducted at the following projects. Copies of the inspection reports were left with staff during the monitoring. Any deficiencies requiring correction are noted in Section 1 of the Inspection Reports. Deficiencies that were recommended for correction but are not required to be completed are noted under Section II of the Inspection Reports. Onsite inspections of selected individual units were completed by Stephen Eberlein, Program Manager, Fort Worth HUD Office.

Tenant Files Reviewed

1. Spring Terrace – 7101 N 1-35 - Austin

Name	Unit#	Low HM	High HM	Init Occ	Inc Elig	Annual Recert	Inc Elig	Unit in Comp At Move In or Recertification	Unit in Compl At Onsite Insp
		Y		Y	Y			Y	Not Inspected
		Y				Y	Y	Y	Y
		Y		Y	Y			Y	Not Inspected
		Y		Y	Y			Y	Not Inspected
						Y	Y	Y	Not Inspected
		Y		(3 rd Recertification)		Y	Y	Y	Y
									Y
									Y
									Y
									Y

This project was a conversion of a motel complex. There are 128 units of which 27 are HOME-assisted. There were some minor issues noted in a couple of the units during the onsite inspection process. All of the noted corrections were completed by management and their maintenance staff prior to the completion of the monitoring visit and in most instances they were completed before HUD staff left the premises following the completion of the file reviews.

There is, however, one major problem at this project that is applicable to tiles installed in the common areas elevators. According to building maintenance staff, the issue is with the installation of the underlayment and application of the mastic used to secure the tiles. Management advised that it has filed a complaint with the contractor that completed the installation and is working to correct this problem throughout the building. The state needs to continue to follow-up on this item to assure that this problem is resolved. The corrective action may result in the complete removal and replacement of the tiles that were initially installed. The state can assure that this issue does not recur by amending its current specifications to require a more durable product be installed and performing more onsite inspections during the construction process. Since these projects are located within the city of Austin, state staff should

<u>Name</u>	<u>Unit#</u>	<u>Low HM</u>	<u>High HM</u>	<u>Init Occ</u>	<u>Inc Elig</u>	<u>Annual Recert</u>	<u>Inc Elig</u>	<u>Unit in Comp At Move In or Recertification</u>	<u>Unit in Compl At Onsite Insp</u>
								Poor Housekeeping – Damage to unit – Notified Building Management	N
								Unit Recently Vacated – Ready for Occupancy	Y
									Y

A. In the [REDACTED] there was a discrepancy in the 2007 income. The income certification form noted that her annual income was \$29,008, but the Compliance Report form noted an income of \$29,282. Even at the higher income, the applicant was income-eligible so there was no violation. Care needs to be taken to assure that the correct income totals are consistently used.

B. I) In the [REDACTED] there was an error made when calculating the FY 2007 rent. Part 5 of the Income Certification form provided: "Gross rent \$781 less utility allowance of \$61 equals net rent of \$720. However; the amount noted for the gross rent was \$702. At item #6 of the lease contract, the amount was changed from \$720 to \$702 – given the above calculation, \$720 (not \$702) appears to be the correct contract rent. There was no justification or explanation as to why the rent amount was reduced.

2) Even though there was an error, as noted above, the tenant was still overcharged for the rent paid in FY 2007. The maximum allowable High HOME rent for a 2BR unit in FY 2007 was \$685 (FMR was also \$685). \$685 less \$61 utility allowance equals a maximum contract rent of \$624 – resulting in an overcharge of either \$35/month or \$17/month depending on whether the contract rent charged was \$720/month or \$702/month, as noted in #1 above. **The state needs to determine the amount the tenant was overcharged and the developer/owner should reimburse the tenant either \$420 or \$204.**

C. The contract rent for FY 2008 was correctly calculated.

This is a newly constructed project. There are 180 units in the project of which 29 are HOME-assisted. Overall, the tenants interviewed reported they were happy living in the project. Management provides a prompt response on repair requests and other tenant issues. Building exterior, grounds and common areas are well kept. The units contain Whirlpool appliances, washer/dryer hookups, and multiple media plug-ins. The project also has pools, basketball courts, a community recreation room and fitness center and a computer learning center.

4. Picadilly Estates – 500 Grand Avenue Parkway – Pflugerville

<u>Name</u>	<u>Unit#</u>	<u>Low HM</u>	<u>High HM</u>	<u>Init Occ</u>	<u>Inc Elig</u>	<u>Annual Recert</u>	<u>Inc Elig</u>	<u>Unit in Comp At Move In or Recertification</u>	<u>Unit in Compl At Onsite Insp</u>
		Y		Y	Y			Y	Y
		Y		Y	Y			Y	Y
		Y		Y	Y			Y	Y
		Y		Y	Y			Y	Y
		Y		Y	Y			Y	Y
		Y		Y	Y			Y	Y

A. In the [REDACTED] file, the tenant had completed the Inventory and Condition form noting numerous comments and issues regarding the condition of the unit at move-in. It could not be determined from the file whether all of her issues had been addressed. Discussion with the property manager indicated they had addressed her concerns. However, when completing the onsite inspection of this unit, the tenant stated she was very unhappy

with the unit and was planning to move out. The overall condition of the other units inspected did not support her concerns.

B. In the file for [REDACTED] management executed a Lease Addendum for a 'Rent Concession' to reduce the amount of rent to be initially paid. However, the concession paragraph in the addendum was incomplete in that it did not indicate the month(s) for which the rent concession was applicable. This could be a problem for management when they try to reinstate the actual rent amount at the end of the concession period. Care needs to be taken to assure that all documents are fully completed and executed and dated by all parties, as applicable.

C. In the files for [REDACTED] the Inventory and Condition forms were in the files but they were blank and unsigned. These should be completed to document the condition of the unit at move in and a similar form should be completed when a tenant moves out. This provides a basis to assess the condition of the unit at move out as well as justification for any repair and/or cleaning charges that may need to be assessed.

This is a newly constructed project for seniors and is still in the lease-up process. The installation of the splash blocks has not been completed and some of the meter box covers need to be secured at the front of the building. With one exception, the tenants interviewed were happy with their units and with the services provided by management. The major complaint by the tenants was that access to the project off the main highway is difficult and can be dangerous. The project should have been provided with a center median crossover to allow easier access to the property. Currently, if tenants/visitors are approaching the project going east bound on the highway, they have to go past the project and complete a u-turn at an un-signalized/uncontrolled turn around further up the highway and then drive back to the entrance of the project. It was recommended that the developer work with the city on having a center median crossover installed to provide better access to this project.

5. Milam Creek Senior Village – 1330 E Milam – Luling

<u>Name</u>	<u>Unit#</u>	<u>Low HM</u>	<u>High HM</u>	<u>Init Occ</u>	<u>Inc Elig</u>	<u>Annual Recert</u>	<u>Inc Elig</u>	<u>Unit in Comp At Move In or Recertification</u>	<u>Unit in Compl At Onsite Insp</u>
[REDACTED]									Y
[REDACTED]									Y
[REDACTED]									Y
[REDACTED]									Y
[REDACTED]									Y
[REDACTED]									Y

Due to time constraints, tenant files for this project were not reviewed. However, an onsite inspection of several units was completed.

This is a newly constructed project containing 22 one and two bedroom units. All of the units are HOME-assisted. There were some minor deficiencies noted during the inspection, but management addressed these prior to the HUD monitor leaving the project.

RECOMMENDATION: While overall the files were complete and well documented, it was noted that in many instances in the Picadilly Estates project, the 'Move-In Inventory and Condition' forms were in the files but they were blank, or not fully completed, executed and dated by all parties. This oversight may also be applicable in other tenant files for other projects; however, the above projects were the only ones monitored during this visit. This form should be

completed and properly executed and dated by all parties to document the condition of each unit when a tenant moves in. This should then be followed-up by a similar inspection at the time a tenant vacates a unit. Having a fully completed “Move-In” document will provide a justifiable basis for documenting the condition of the unit when a tenant leaves in the event damages or clean-up assessments will be made.

RECOMMENDATION: It was recommended that the state develop and implement a “Critical Inspection Checklist” document. This document would include various tasks and if a task is “checked” it means that the contractor must call for an inspection before proceeding to the next step. For example, if the ‘Installation of Underlayment’ item is checked, the contractor must call for an inspection of the underlayment installation before proceeding with the installation of the floor covering. If the contractor proceeds without obtaining this required inspection, he/she would be required to remove or tear out the floor covering so that the underlayment inspection can be completed and then replace the floor covering. All of this would be at the contractor’s expense. This document would apply not only to projects completed in Austin, but would be applicable to every rehabilitation job completed and it would be the responsibility of each state recipient and/or contract administrator to assure that these inspections are made. A copy of a “Critical Inspection Checklist” document has been provided to state staff under separate cover.

IV. STATE’S MONITORING OF MULTI-FAMILY PROJECTS

During the review the state provided copies of its monitoring letters/reports and as applicable, follow-up correspondence for the following projects.

- People for Progress Housing Development Corp - Sweetwater
Project: Colorado City Homes II - Sweetwater
- Assist our Communities, Inc. – Nolan County
Project: Colorado City Homes I – Sweetwater
- Pine Meadows Apartments - Prairie View
- Lancaster Apartments LP - Houston
- Panola Seniors Community, LTD - Linden
Project: Panola Seniors Community II
- Denton Affordable Housing Corp, Denton
Projects: Denton Strata and Casie
- Forney Fountainhead, LP – Fort Worth
Project: LaVilla Apartments – Forney
- East Texas Apartments, LTD – Metairie, LA
Project: East Texas Apartments – Garrison, TX
- Timpson Seniors Apartments, LTD – Metairie, LA
Project: Timpson Seniors Apartments, Timpson, TX
- Longview Housing Associates, LP – Clarkton, MO
Project: Longview Commons, Longview, TX
- Brentwood Oaks Apartments, LP – Kerrville
Project: Brentwood Oaks – Fredericksburg

In our review of the state’s monitoring letters and reports, it was noted that the state was not including a regulatory citation when a violation of the HOME regulations occurred. The reports do not delineate between what are federal and what are local requirements.

HUD acknowledges the state's efforts in this area.

RECOMMENDATIONS: The following recommendations are provided to assist the state in providing clear and concise monitoring reports to its state recipients, CHDOs, contractors and other entities (OEs).

- The report should be separated into two sections: Section 1 would list the findings and/or concerns applicable to the HOME Program regulation; Section 2 would list the findings and/or concerns that are applicable only to the state's contracts or program requirements.
- The report should cite the section of the federal regulations that was violated; e.g., Finding No. xx: "The lease document contains a prohibited provision." This would be followed by the standard or citation: "24 CFR 92.253(b)(2). Staff would then provide a short discussion of the violation and a 'required corrective action.' Generally, a 'finding' is defined as a violation of statute or regulation. A 'concern' is an area or issue that is defined as a situation or issue that is not currently a violation of a statute or regulation but could become or evolve into a finding if the situation or issue is not addressed. For concerns, there would be no standard citation because a violation does not currently exist and the corrective action would be identified as a 'recommended action.'
- In the attachment to the December 18, 2008 letter to the Denton Affordable Housing Corporation, the state cited the following finding: "Major violation of health, safety and building codes." Under the HOME Program, owners are required to maintain the properties and projects in full compliance with the HOME Program regulations for the full period of affordability. In this instance, the violation would more appropriately be stated as: "The project or property has not been maintained in compliance with all applicable state and local property standards and/or codes." The federal 'standard' violated would be cited as: 24 CFR 92.251(c). The report only cited a state standard in this area, the Texas Administrative Code 10, Chapter 60 Subchapter A, §60.110. In this instance, the state appropriately should have cited both standards, but the violation would be included under the federal section since it is a clear violation of the HOME regulations. The state would then follow-up with its 'discussion' and 'required corrective action' as was done in the report document.

For example, for Unit #401 (could not determine if this unit was in the Denton Strata or Casie project), the state cited the following finding: "Household income above income limit at initial occupancy." However, there was no regulatory citation provided. The correct 'standard' for this finding should have been: 24 CFR 92.203(a)(1) and (d); §92.216 and §92.252(h). If there is a comparable state regulation, it could also have been cited.

If the violation is only a state requirement, the same process would be followed. For example, in the attachment to the December 18, 2008 letter to the Denton Affordable Housing Corporation, the state listed the following as a finding: "Pattern of minor violations of health, safety and building codes." There was no information provided as to what state standard or requirement was violated. Therefore, it could not be determined if

this was actually a 'finding' against the state regulations or requirements, or if it should have been a 'concern.'

CONCERN NO. 4: Other than for projects that are being carried out within the City of Austin, whether single family owner-occupied rehabilitation or homebuyer assistance, or single family and/or multi-family rental, it appears there is a lack of direct oversight during the construction process of activities being carried out by state recipients, subrecipients, contractors and CHDOs.

DISCUSSION: This issue has been brought to the state's attention on numerous occasions in the past, but it appears no actions have been taken by the state to assure that these projects are adequately monitored during the construction process.

The majority of these projects are carried out by contract administrators and/or consultants that are not located in the communities where the projects are being undertaken. Inspections are completed and documented for most projects generally only when a draw request is made. Since many of these consultants or contract administrators do not have staff that is onsite on a daily basis, the contractors are completing these projects with little to no supervision or oversight by the grantees. This lack of oversight has in the past resulted in poor quality construction, failure to follow specifications, installation of inferior materials and other problems. It has led to direct complaints from clients to this office.

RECOMMENDED ACTION: It is recommended that the state require, as part of its application process, that all applicants must include information as to how they will provide for the daily oversight of the construction activities being carried out with the funds provided.

Local recipients, as a condition of funding are directly responsible for the administration of their HOME activities. The use of consultants and contract grant administrators does not relieve them of this responsibility. Local recipients must also be reminded that when they use consultants and contract grant administrators, monitoring of these entities must be conducted. If the services provided by these entities will be paid with HOME funds, they must be competitively procured in accordance with 24 CFR 85.36(b).

FINANCIAL MANAGEMENT

The HOME regulations at 24 CFR 92.505 set forth the applicability of the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circular A-87, as they relate to the state's program. 24 CFR 85.20(a)(2) requires the state's accounting records to be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes and regulations.

Our previous reviews of the Community Development Block Grant (CDBG) Disaster Recovery and Emergency Shelter Grant (ESG) Programs, noted that the state was previously unable to tie its administrative draws back to its general ledger. The state used a process of netting the expenses to revenue and then drawing the difference. In addition, it was found that the state was generally drawing funds in advance of need. To correct this deficiency, the state implemented a new cash management policy in September 2008.

To ensure that the new cash management policy encompassed the HOME Program, as well as the CDBG Entitlement, CDBG Disaster, and ESG Programs, we sampled 12 administrative draws totaling \$834,903.42, for the period November 13, 2008 through February 17, 2009. Of the \$834,903.42 reviewed, approximately \$629,320 was for payroll. The remaining \$205,583 was for travel, supplies, and other administrative costs.

The review of the payroll entailed tracing the payroll draws through the accounting system. Of the transactions reviewed, differences were noted in two of the payroll entries.

The state offered the following explanations for the noted differences.

- Index 05402 noted a \$59.87 difference due to changes in the benefit replacement pay for two employees.
- Index 00862 noted a \$2,943.57 difference due to the employee passing away.

Our review noted that the draws could be tied back to specific general ledger entries, and the differences found were able to be explained. We commend the state for its improvement in this area.

I. CASH MANAGEMENT

The HOME regulations found at 24 CFR 92.502(c)(2), for participating jurisdictions which are not states, state that HOME funds which are drawn down and not expended for eligible costs within fifteen days of drawdown, must be returned to HUD. Any interest which is earned on these HOME funds after fifteen days, from the initial drawdown, belongs to the U.S. Treasury and must be promptly remitted to the Treasury at least quarterly (except that amounts up to \$100 per year may be retained for administrative expenses). Participating jurisdictions which are States are governed by the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and 31 CFR part 205.

Treasury Circular 1075 (31 CFR Part 205) provides guidance to states on the required procedures for requesting funds from the Federal Government. Under subpart A of these authorities, the U.S. Department of the Treasury (Treasury) generally negotiates intergovernmental agreements with states that outline covered programs, approved drawdown method(s), and interest liability calculation method. Our discussions with TDHCA noted that while the State of Texas does have an agreement with Treasury, the agreement does not currently include TDHCA or the HOME funds.

Without a specific agreement that specifies otherwise, the HOME funds are subject to the subpart B requirements of 31 CFR 205. This subpart limits advances of federal funds to the minimum amounts needed for actual, immediate cash requirements in carrying out a program or project. Timing and amount of cash advances shall be as close as is administratively feasible to actual cash outlay by the state grantee. Although HUD generally uses a 3-day rule for the disbursement of funds, the HOME Program regulations found at 24 CDR 92.502(c) specify that HOME funds must be disbursed within 15 days of receipt.

To sample the state's compliance with the above regulations, we reviewed 26 general ledger indexes pertaining to the HOME Program from the period September 1, 2008 through March 6, 2009. We chose that specific timeframe since the state's new cash management policy did not go into effect until September 1, 2008.

Of the 26 indexes reviewed, five indexes, other than the indexes pertaining to program income and the escrow accounts, appeared to have maintained cash balances beyond the 15-day requirement. The indexes and days in question are noted below.

Index Number	Days in Positive Cash Position
00772	118 days from September through December and 31 days from February - March
00794	61 days from September through November
00880	87 days from September through December and 30 days from February through March
02402	26 days from September through October and 23 days in November
05415	24 days in September

Additional discussions with TDHCA staff provided the following information and chart.

- TDHCA accountants review daily administrative needs and cash accounts to determine need and then prepare a draw.
- The draw is processed in IDIS and received by the state in two days.
- The State Comptroller's office notifies TDHCA that the funds are available for use. The notification generally occurs within two days.
- Once notification is received by the comptroller's office, TDHCA processes the vouchers for payment.
- Actual liquidation occurs on the third day.

The above process is demonstrated in the chart noted below.

Sample Process for HOME Administration							
						Daily Cash	Cumulative Cash Balance
day1	request						
day2		request					
day3	100		request			100	100
day4	-100	250		request		150	250
day5		-250	100		request	-150	100
day6			-100	1000		900	1000
day7				-1000	125	-875	125
day8					-125	-125	0

We requested that the state demonstrate its process by using the above information to explain the apparent cash on hand in three of the five indexes; Index 00772, 00798, and 00880.

The state’s response to our inquiry led to the following finding and concern.

FINDING NO. 3: The HOME regulations found at 24 CFR 92.207(a) are very specific that HOME administrative funds may only be used for the administration of HOME activities.

The information provided to us by TDHCA on March 30, 2009, pertaining to HOME index 00880 notes that \$209,380.61 of HOME administration funds were used to offset FEMA Program shortages.

Of the amounts shown as cash on hand, in the below table, \$7,018.87 of the September 2008 cumulative balance and \$202,361.74 of October 2008, cumulative balance was used by TDHCA to offset FEMA Program shortages. The HOME funds appeared to have been drawn on September 19 and October 2, 2009.

Grant Number	Index	AY	Appropriation Number	Effective DATE	Current Document Number	Reference Document	Summary Transaction Amount	Cumulative Cash
000053	00880	2009	13036	20080919	D0891426	00008914	92,052.72	92,052.72
000053	00880	2008	13036	20081002	D0891614	00008916	148,616.68	201,629.35

Upon asking why the state was using the HOME funds to offset the FEMA Program shortages, it was explained that the additional HOME funds created cash flow within a specific

appropriation that is shared with the FEMA Program and that due to delays in the FEMA Program draw process, the HOME funds were occasionally used to support the disaster related activities. It was further explained that as the FEMA Program money was recovered the HOME funds were made whole and liquidated with the liquidation complete by January 2009.

In addition to the HOME funds being used to offset FEMA shortages a copy of the state's chart of accounts for the HOME Program indicates that the HOME administration funds from index 00880, may have also been used to offset Disaster Recovery Initiative (DRI) shortages.

The state was advised on March 30 and 31, 2009 that the use of HOME funds to pay the shortages in other Federal Programs was not an appropriate action and not an acceptable practice.

Corrective Action: TDHCA must immediately cease using HOME funds to pay the shortages of another program and provide HUD with assurances that it has done so. Further, it must review its accounting records for the period January 1, 2005 to current and provide HUD with the following information.

- The exact dollar amount of HOME money that was used to offset shortfalls in FEMA, DR1, or any other grant besides HOME.
- The date the funds were drawn from the U. S. Treasury or disbursed from the local HOME account for the shortfalls and the date the funds were returned to the HOME Program for use and the date the funds were disbursed for eligible HOME activities.

In addition, TDHCA must calculate the interest that the U.S Treasury would have earned on the funds from the date the funds were drawn until the date the funds were disbursed for eligible HOME program expenses. The state may either use the Treasury rate in effect at the time the funds were drawn or use the state's bank rate. The methodology used to calculate the interest along with a copy of the wire transfer noting that the interest has been returned to HUD to be returned to Treasury must accompany the state's response.

CONCERN NO. 5: In addition to the above, our review noted that while some improvement has been made concerning the state maintaining large amounts of cash on hand, the state's payroll processes could still be streamlined. It appears that it is taking the state two weeks or more to liquidate payroll, and then the payroll is not always liquidated since the state is drawing the funds prior to the actual reconciliation of needed payroll. As noted in the state's example funds requested from HUD were available for disbursement within 3-days. As such, the state is advised that it must bring itself into full compliance with the HOME regulations that specify that all funds must be disbursed for eligible activities within 15-days from receipt.

Recommended Action: Ensure that all funds are disbursed within the required 15 days, or establish procedures to reimburse the U. S. Treasury interest earned on all funds that are not reimbursed within the 15 days.

During the monitoring visit, the monitor was asked if HUD would allow for some flexibility in its 3-day rule. The flexibility would allow the state to operate on a more efficient basis. Since the HOME Program allows the greater flexibility beyond HUD's normal 3-day standard for disbursement, we are seeking guidance from HUD Headquarters pertaining to the adoption of the 15-day HOME standard for disbursement of funds in the ESG and CDBG Programs as well. We will respond to this issue in a separate letter upon receiving the guidance from HUD Headquarters.

The state is reminded that interest earned on the funds maintained beyond the 15-day standard must be returned to HUD to be returned to Treasury in compliance with Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the HOME regulations. The CDBG and ESG regulations contain similar requirements.

II. PROGRAM INCOME, RECAPTURED FUNDS AND REPAYMENTS

The HOME program regulations found at 24 CFR 92.503 discuss the financial and programmatic requirements necessary to properly account for any HOME generated program income, recaptured funds, and returned funds. Additional information may be found in CPD Notice 97-9. A copy of CPD Notice 97-9 was provided to state financial staff following the monitoring visit.

Program Income

The program income review consisted of the following:

- A comparison of the IDIS program income receipts to the state's loan processing system for the periods February 1, 2006 through January 31, 2009,
- A comparison of the IDIS program income receipts and disbursements for the period September 1, 2008 through March 6, 2009, to the state's general ledger,
- A comparison of the state's loan processing system to the state's general ledger,
- A review of source documentation for 12 receipts totaling \$1,573,898.11,
- A review to ensure that the program income was disbursed within the 30-day requirement.

The review noted a \$791 program income receipt in the state's loan processing system without a corresponding IDIS receipt. It was explained that the \$791 was inadvertently returned to HUD to be returned to the line of credit. Upon realizing the mistake, the funds were drawn down from the line of credit and placed in the local program income account.

The HOME regulations found at 24 CFR 92.503(b)(3) allow funds disbursed from the local jurisdiction's HOME trust fund account to be returned to the local account. Although the

state felt it was following the proper procedures by drawing the returned funds and placing the funds in its local account, in this instance the funds should have remained in the state's line of credit.

The funds should have remained in the line of credit until the funds were drawn for eligible HOME related activity costs as funds drawn from the U.S Treasury must be adequately supported. The state is advised that funds inadvertently returned to its line of credit must remain there until drawn for eligible program expenses.

Also, one instance was noted which appeared to be a discrepancy between the information in the state's general ledger and loan processing system. Information pertaining to IDIS receipt number 189049-001 in the amount of \$26,719.30 was found in the state's general ledger but not in the loan processing system. Upon investigation by state staff, the issue was attributed to the way the data was queried in the loan processing system. Documentation was provided that noted the amount was input into the loan processing system.

In addition to the above, the comparison of the general ledger disbursements to the IDIS draws in the PR07 report and the general ledger receipts to the IDIS PR09 report for the period 9/1/08-3/16/09 noted the following.

- One GL disbursement was not in the IDIS PR07 report. The disbursement occurred on 10/14/08 in the amount of \$21,870.32. The current document number is YLR08288 and the reference document number is 90297643.
- Two GL receipts are not in the IDIS PR09 report. The receipt amounts and dates are:
 - 10/16/08 in the amount of \$24,188.96; current document number J0891708, reference document number 00008917.
 - 10/14/08 in the amount of \$21,870.32; current document number J0891716, reference document number 00008917.

In response to the above inquiry, the state provided the following explanation:

- 90297643- A warrant was reissued due to the direct deposit being returned because the account was closed. Original voucher number was 00297322.
- J0891708 was processed to remove D0891684 from default. It is on the IDIS PR09 report. The IDIS voucher number is 0247920.
- J0891716 cleared direct deposit default-voucher 00297322.

Other than the above incidents and inquiries, which were sufficiently explained, the state's system for accounting for the program income appears to be sufficient.

To determine the state's compliance with the HOME program income disbursement requirements found at 24 CFR 92.503(a), we reviewed the state's disbursements for the period September 1, 2008 through February 28, 2009. As noted in the below table, the review found the state to be in compliance with the program income disbursement requirements.

Month	Beginning Cash on Hand	Deposits	Expenditures	Ending Cash on Hand
September	\$587,686.10	\$257,501.43	\$825,798.64	\$19,388.89
October	\$19,388.89	\$261,425.33	\$209,608.78	\$71,205.44
November	\$71,205.44	\$219,707.67	\$262,568.35	\$28,344.76
December	\$28,344.76	\$233,089.46	\$253,017.99	\$8,416.23
January	\$8,416.23	\$252,094.13	\$214,433.06	\$46,077.30
February	\$46,077.30	\$159,494.29	\$205,502.54	\$69.05

Recaptured Funds

Recaptured funds are HOME funds which are recouped by the participating jurisdiction (or subrecipient, State recipient or CHDO) when HOME assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by 24 CFR 92.254(a)(4). The amount of the recapture is determined by the recapture requirements established by the participating jurisdiction in accordance with 24 CFR 92.254(a)(5)(ii).

FINDING NO. 4: In accordance with 24 CFR 92.503(c), recaptured funds must be deposited in the participating jurisdiction's HOME Investment Trust Fund local account. 24 CFR Part 85 states that the state must maintain records that permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes and regulations.

Our review noted that the state is not accounting for the recaptured funds separately from its program income. Instead, the recaptured funds are being accounted for as program income.

During the monitoring visit and in separate communication with the state, it was agreed that going forward from March 6, 2009, the state would establish accounting procedures to adequately separate the program income from the recaptured funds in its accounting records. It is to be noted that the state is able to separate the funds in its Loan Processing System, but not in its general ledger. It was also noted that none of the money that was classified as program income was used for program administration.

Corrective Action: To clear the finding, the state must provide detailed spreadsheets for the period January 1, 2005 to current that clearly distinguish the amount the state received as recaptured funds from the amount the state received as program income.

Repayments

Repayments are HOME funds which the participating jurisdiction must repay because the funds were invested in a project which was terminated before completion (either voluntarily or involuntarily), or invested in housing which failed to comply with the affordability requirements specified in 24 CFR 92.252 or 92.254. Repayments also include the repayment of project specific CHDO technical assistance, site control and seed money loans pursuant to 24 CFR 92.301, when the participating jurisdiction does not waive loan repayment and the project is terminated before completion.

To sample the state's compliance with the repayment requirement, we reviewed data from the state's general ledger system for the period September 2006 through March 2009 and data from the Contract Processing System for the period February 2006 through January 2009. The data between the two systems was compared for consistency for the period September 2006 through January 2009.

FINDING NO. 5: As stated above, the HOME regulations found at 24 CFR 92.505 set forth the applicability of the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circular A-87, as it relates to the state's program. 24 CFR 85.20(a)(2) requires the state's accounting records to be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes and regulations.

As shown below, the information in the state's contract system did not match the information in the general ledger for the time period reviewed.

- One item in the amount of \$455 was found on the Loan Processing System and not on the General Ledger,
- Fifteen items totaling \$71,878.05 were found on the General Ledger System and not on the Loan Processing System.

To explain the above discrepancies between the two systems, it was explained that although the fifteen items were identified by the HOME department, the 15 items found in the general ledger inadvertently failed to be recorded in the contract management system. With respect to the one item not found on the general ledger, it was explained that \$455 of the \$924 entry for activity 21047 was posted to the general ledger and the remaining amount of \$479 was posted to the loan processing system.

Further inquires noted that there currently is no process for reconciling the two systems. It is our understanding that the state is in the process of developing a report that will allow the information from the contract system to be reconciled to the general ledger.

Corrective Action: To close the finding, the state must reconcile the two systems for the period January 1, 2005 to current. In addition, the state must establish a process to reconcile the contract

system to the general ledger on a periodic basis. The process must include the frequency of the reconciliation and the responsible party. The reconciliation and the process must be provided to HUD.

In addition, it was noted that the state was not providing HUD with a copy of the wire transfer pertaining to the funds being returned to its line of credit. The state must implement a procedure that provides a copy of the information pertaining to the returned funds to the Fort Worth Field Office.

III. RECIPIENT MANAGEMENT SYSTEMS

The HOME program regulations found at 24 CFR 92.504 specify that the state is responsible for ensuring that its recipients carry out the HOME funded activities in accordance with all applicable requirements. To sample the state's recipient management systems for financial compliance, the HUD reviewer selected a sample of seven activities totaling \$11,120,478 for review and provided the sample to the state prior to the review. Funds had not been disbursed on two of the seven projects, and are not included in the total cited as reviewed.

FINDING NO. 6: The HOME regulations found at 24 CFR 92.508 require that each jurisdiction must establish and maintain sufficient records to enable HUD to determine whether the participating jurisdiction has met the requirements of this part. Questioned and unsupported costs in the amount \$152,494.67 as well as other discrepancies were noted and are discussed below.

- The Sixth Street file was unavailable for review. If the state is unable to locate the file, the \$149,031.67 will be considered unsupported and must be reimbursed to HUD to be returned to the state's line of credit.
- The review of the draws for the Luling Senior Housing activity noted the following:
 - Draw 7 noted \$1,440 in unsupported costs for site work.
 - Draw 5 noted \$1,850 in duplicate payments from Draw 2.
 - Draw 1 noted \$173 of settlement charges that were not included in the preliminary settlement statement.

The \$1,613 must either be supported or reimbursed and the \$1,850 must be reimbursed.

- Stored Material costs in the amount of \$247,537 were noted in the Luling Senior Housing and Highland Lakes draws. The HOME Program specifically disallows stored material costs to be paid for with HOME funds. Discussions with state staff noted that the state has discontinued this practice.
- Two examples were noted of the state using preliminary settlement statements to reimburse the settlement costs but did not receive the final settlement statements. The two

project files in question are Foundation Communities and Luling Senior Housing. TDHCA must request a copy of the final settlement statements and compare the final statements to the preliminary settlement statements and reimburse any unsupported costs.

- The settlement statement in the Spring Terrace file was not signed and dated. TDHCA must require all settlement statements, final, or preliminary, to be signed and dated.
- Draw 5 in the Northwest Residential file noted a \$1,350,000 request and a \$135,000 pay out. Discussions with state staff and a reconciliation of the previous disbursements noted that the \$135,000 was the accurate amount. We suggest that TDHCA either require the recipient to resubmit its request for the correct amount or note the correct amount on the draw request and initial the changes.

Corrective Action: Within 30 days from the date of this letter the state must either reimburse the ineligible and unsupported costs or provide support documentation for the costs that can be supported and reimburse the unsupported costs. In addition, the state must report on the results of its comparison of the preliminary settlement statements to the final settlement statements for the Luling and Highland Lakes activities and include any unsupported costs in the reimbursement.

IV. OTHER

The HUD monitors were pleased to find actual program files with source documentation being maintained in the HOME Program Department. However, it is our understanding that the state is investigating going to a paperless system in this department as well as its other departments.

While we recognize that space is a priority, and that file cabinets are currently occupying space needed for additional staff, we again emphasize that the state must consider its due diligence obligations with respect to requiring adequate documentation prior to reimbursing program expenses.

As suggested in our previous letters, at a minimum, the state should consider requiring its subrecipients, contractors, and subcontractors to email an Adobe PDF file of the support documentation with its expense request.

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

A G E N D A

**10:00 am
June 25, 2009**

**Travis Building
1701 Congress Avenue, Room 1-100
Austin, TX 78701**

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

Kent Conine, Chairman

Recognition of DIONICIO "SONNY" FLORES for his service on the Governing Board of the Texas Department of Housing and Community Affairs

PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the consent agenda alter any requirements provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

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

HOME Program Division:

Jeannie Arellano

- a) Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations:

Dir. HOME Programs

Tenant-Based Rental Assistance Program – Persons With Disabilities

2008-0168	Spindletop MHMR	Beaumont
2008-0180	Coastal Bend Center for Independent Living	Corpus Christi

Owner Occupied Housing Assistance Program – Disaster Relief

2008-0164	City of Lyford	Lyford
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Rental Housing Development Program

09500	Brookhollow Manor	Brookshire
09501	Chisum Trail Apartments	Sanqer

Housing Trust Fund Programs Division:

Brooke Boston

- b) Presentation, Discussion, and Possible Approval of Housing Trust Fund Program Award Recommendations:

DED Comm. Based Prgms

2009-0014	Webb County	VRA
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Multifamily Division Items - Housing Tax Credit Program:

Robbye Meyer

- c) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions:

Dir. Multifamily

060405	Sea Breeze Seniors Apartments	Corpus Christi
060609	The Residences at Sunset Pointe	Ft. Worth
060071	Ratama Village	McAllen
060072	Easterling Village	Alice
07090	Thomas Ninke Senior Village	Victoria
07171	Residences at Eastland	Ft. Worth
03178	Jacinto Manor	Jacinto City
04206	Lake Jackson Manor	Lake Jackson

ACTION ITEMS

Item 2: Audit Committee:

- a) Report of the Audit Committee

Gloria Ray
Chair, Audit Committee

Item 3: Community Affairs:

- b) Presentation, Review and Possible Approval of the Draft 2010-2011 Community Services Block Grant State Plan for Publication in the *Texas Register*

Amy Oehler
Dir. Community Affairs

Item 4: Rules:

- a) Presentation, Discussion and Possible Approval to publish a draft of proposed rules for Disaster Recovery programs for comment in the *Texas Register*
- b) Presentation, Discussion and Possible Action on the publication in the *Texas Register* for public comment of a notice of the proposed amendments to the Texas Bootstrap Loan Program Rules, Title 10, Part I, Chapter 2 of the Texas Administrative Code

Sara Newsom
DED, DR

Homero Cabello
Dir. OCI

Item 5: Executive:

- a) Presentation, Consideration, and Possible Action to approve the lease of additional premises to support temporary increase in staffing
- b) Presentation and Discussion of a monthly status report on the implementation of the American Recovery and Reinvestment Act of 2009

Michael Gerber
Executive Director

Brooke Boston
DED Community Based

Item 6: Legal:

- a) Presentation, Discussion and Possible Approval for publication in the Texas Register of Request for Proposals (RFP) for Bond Counsel
- b) Presentation, Discussion and Possible Approval for publication in the Texas Register of Request for Proposals (RFP) Tax Credit Counsel

Kevin Hamby
General Counsel

Item 7: Disaster Recovery:

- a) Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA
- b) Report and Discussion on the Hurricane Ike and Dolly Action Plan
- c) Presentation, Discussion, and Possible Approval to expend remaining funds dedicated to Sabine Pass in the State of Texas Action Plan
- d) Presentation, Discussion, and Possible Approval of a board policy on specific homes that exceed the cap established to address accessibility requirements outside of structure costs for development of homes in Hurricane Rita Round 2
- e) Presentation, Discussion, and Possible Approval to increase the insurance cap for wind storm coverage and flood insurance under Rita II awards
- f) Presentation, Discussion, and Possible Approval to report on homes considered and reviewed by the Executive Director for services for local code requirements that exceed the established cap of \$10,000
- g) Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations

Sara Newsom
DED – Disaster Recovery and Emrgy. Housing

Hurricane Ike Housing Assistance Programs

09-0002	East Texas Council of Governments	Kilgore
09-0003	Harris County	Houston
09-0004	South East Texas Regional Planning Commission	Beaumont

Item 8: Neighborhood Stabilization Program Division:

- a) Presentation, Discussion, and Permission to submit an application to the US Department of Housing and Urban Development for the second round of Neighborhood Stabilization Program (NSP 2) funding, derived from the American Recovery and Reinvestment Act of 2009

Robb Stevenson
Mgr. NSP

- b) Presentation, Discussion, and Possible Action for Appeals

20090078 City of Nacogdoches Nacogdoches

Appeals Timely Filed

Item 9: HOME Program Division:

- a) Presentation, Discussion, and Possible Action for Appeals:

Appeals Filed Timely

Jeannie Arellano
Dir. HOME Programs

Item 10: Housing Trust Fund Programs Division:

- a) Presentation, Discussion, and Possible Approval of the 2009 Housing Trust Fund Bootstrap Capacity Building Program Notice of Funding Availability (NOFA)
- b) Presentation, Discussion, and Possible Approval of the 2009 Housing Trust Fund Capacity Building Match Program Notice of Funding Availability (NOFA)
- c) Presentation, Discussion and Possible Approval of Requests for Amendments to HTF Program Contracts/Commitments from the following list:

1000978 Community Housing Services Corp. DPA

Brooke Boston
DED Comm. Based Prgms

Item 11: Bond Finance:

- a) Presentation, Discussion, and Approval of Resolution No. 09-044 authorizing application to the Texas Bond Review Board for reservation of the 2008 and H.R. 3221 single family private activity bond authority and presentation, discussion and approval of the Single Family Residential Mortgage Revenue Bonds Underwriting Team for Program 74
- b) Presentation, Discussion, and Approval of a Request for Proposal ("RFP") for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010

Matt Pogor
Dir. Bond Finance

Item 12: Multifamily Division Items - Housing Tax Credit Program:

- a) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments

95005 Brandywood Apartments Pasadena
05629 Village Park Houston

- b) Presentation, Discussion, and Possible Action on Housing Tax Credit Appeals:

09128	Willow Meadow Place	Houston
09308	Village of Kaufman	Kaufman
09319	Casa Messina	Edcouch
09107	Mexia Gardens	Mexia
09159	Malibu Apartments	Austin
09274	Windfern Pointe Apartments	Houston
09288	Chaminade Apartments	San Antonio
09112	Point Royale Apartments	Victoria
09236	Woodland Park at Greenville, Phase I	Greenville
09238	Woodland Park at Greenville, Phase II	Greenville
09316	Champion Homes at Bay Walk	Galveston
09138	Belmont Senior Village	Leander
09201	Ventana Pointe	Houston
09311	Deerbrook Place Apartments	Houston
09314	Taylor Farms	Dallas

Appeals Timely Filed

- c) Presentation and Discussion of Challenges Made in Accordance with §49.(17)(c) of the 2009 Qualified Allocation Plan and Rules (QAP) Concerning 2009 Housing Tax Credit (HTC) Applications

Robbye Meyer
Dir. Multifamily Finance

- d) Presentation, Discussion, and Possible Approval to Issue a list of Approved Applications (as of June 18) for Housing Tax Credits ("HTC") in accordance with §2306.6724(e) of Texas Government Code

09000	Courtwood Apartments	Eagle Lake
09001	Hillwood Apartments	Weimar
09100	Crestmoor Park South Apartments	Burleson
09101	Hampton Villages	Pampa
09102	Magnolia Trails	Magnolia
09103	Trebah Village	Katy
09104	Stone Hearst Seniors	Beaumont
09105	Villages at Snyder	Snyder
09107	Mexia Gardens	Mexia
09108	Peachtree Seniors	Balch Springs
09110	Mustang Heights Apartments	Sweetwater
09112	Point Royale Apartments	Victoria
09113	Estacado Place Apartment	Lubbock
09115	Magnolia Trace	Dallas
09116	Tuscany Villas	Plano
09118	Fairways at Sammons Park	Temple
09119	Legacy Villas	Eagle Pass
09120	Senior Villages of Huntsville	Huntsville
09121	Red Oak Seniors	Waco
09126	Holland House Apartments	Holland
09127	Sage Brush Village	Odessa
09128	Willow Meadow Place	Houston
09129	Napa Villas	Plano
09130	M Station	Austin
09131	Presidio Palms	San Elizario
09132	Chelsea Senior Community	Houston
09135	Lincoln Terrace	Fort Worth
09136	Gateway to Eden	Eden
09138	Belmont Senior Village	Leander
09140	Village of Salado	Cedar Hill
09142	Floral Gardens	Houston
09146	Oakwood Apartments	Brownwood
09147	Village Place Apartments	Lorena
09148	Whispering Oaks Apartments	Goldthwaite
09149	Autumn Villas	Lorena
09150	Prairie Village Apartments	Rogers
09156	Park Lane Apartments	Houston
09158	Arrowsmith Apartments	Corpus Christi
09159	Malibu Apartments	Austin
09160	Stone Court Senior Residences	Houston
09161	Sterling Court Senior Residences	Houston
09162	Arbor Pines Apartment Homes	Orange
09163	Tremont Apartment Homes	Killeen
09164	Gholson Hotel	Ranger
09165	Cherrywood Apartments	West
09166	Goldshire Townhomes	Sugar Land
09167	Fondren Ranch	Houston
09168	LifeNet Lofts	Dallas
09169	Orem Ranch	Houston
09170	South Acres Ranch II	Houston
09171	Evergreen at Wylie	Wylie
09172	Evergreen at Vista Ridge	Lewisville
09173	Evergreen at Sunnyvale	Sunnyvale
09175	Abilene Senior Village	Abilene
09177	Orchard at Oak Forest	Houston

09179	Emory Senior Living Apartments	Lubbock
09180	Weslaco Hills Apartments	Weslaco
09181	Bowie Garden Apartments	Brownsville
09183	Grace Lake Townhomes	Beaumont
09184	Oakmont Apartments	Orange
09185	Maplewood Village II	League City
09187	Pleasanton Farms	San Antonio
09188	Casa Brazoria	Clute
09189	Crestshire Village	Dallas
09190	San Juan Square III	San Antonio
09191	Sendero Pointe	Houston
09192	Tierra Pointe	Karnes City
09193	Sierra Meadows	Houston
09196	Golden Bamboo Village II	Houston
09198	Montabella Pointe	San Antonio
09200	Mariposa Pointe	Hutchins
09201	Ventana Pointe	Houston
09202	Tesoro Hills	San Antonio
09211	Corban Townhomes	Corpus Christi
09223	Kleberg Commons	Dallas
09225	Hacienda Del Sol	Dallas
09228	Lufkin Pioneer Crossing for Seniors	Lufkin
09230	Darson Marie Terrace	San Antonio
09232	Brazos Bend Villa	Richmond
09233	Casa Alton	Alton
09236	Woodland Park at Greenville, Phase I	Greenville
09237	Woodland Park at Decatur	Decatur
09238	Woodland Park at Greenville II	Greenville
09242	Beechnut Oaks	Houston
09245	Heights at Corral	Kingsville
09247	Sterling Heights Apartments	Beaumont
09248	Pearland Senior Village	Pearland
09249	Dixie Gardens	Houston
09254	Irvington Court	Houston
09260	Millie Street Apartments	Longview
09261	Turner Street Apartments	Palestine
09264	Sedona Ranch	Fort Worth
09265	Greenhouse Place	Houston
09266	Skytop Apartments	Conroe
09267	Heritage Crossing	Santa Fe
09268	Wildflower Terrace	Austin
09269	Eldridge Oaks	Houston
09270	Northline Apartment Homes	Houston
09272	Mason Apartment Homes	Houston
09274	Windfern Pointe Apartments	Houston
09276	Cypress Creek at Calder Drive	Dickinson
09280	Mariposa at Ella Blvd.	Houston
09281	Mariposa at Keith Harrow	Houston
09287	Horizon Meadows Apartments	La Marque
09288	Chaminade Apartments	San Antonio
09293	Villas of Shady Grove	Burnet
09294	Northgate/Rhomberg Apartments	Burnet
09299	Hillcrest Acres	Midland
09304	Gardens at Clearwater Apartments	Kerrville
09306	Canyon Square Village	El Paso
09307	Medio Springs Ranch Apartments	San Antonio
09308	Village of Kaufman	Kaufman
09310	San Gabriel Crossing	Liberty Hill
09311	Deerbrook Place Apartments	Houston
09312	Villas at El Dorado Apartments	Houston

09313	Hampshire Court Apartments	Pasadena
09314	Taylor Farms	Dallas
09315	Canyons Retirement Community	Amarillo
09316	Champion Homes at Bay Walk	Galveston
09317	Champion Homes at Marina Landing	Galveston
09318	Hyatt Manor I and II Apartments	Gonzales
09319	Casa Messina	Edcouch
09320	Oxford Street Apartments	Amarillo

- e) Presentation, Discussion, and Possible Action to adopt Governing Board Policy regarding the Low Income Housing Tax Credit exchange pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009

Tom Gouris
DED Housing Programs

Item 13: Real Estate Analysis:

Brent Stewart
Dir. REA

- a) Presentation, Discussion, and Possible Action for 2008 Competitive Housing Tax Credit Appeals of Underwriting

Underwriting Appeals Timely Filed

EXECUTIVE SESSION

Kent Conine, Chairman

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.
- c) Consultation with Attorney Pursuant to §551.071, Texas Government Code:
1. With Respect to pending litigation styled *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al* filed in federal district court
 2. With Respect to pending litigation styled *M.G. Valdez Ltd. v. Texas Department of Housing and Community Affairs* filed in District Court, Hidalgo County
 3. With Respect to EEOC Claim from Don Duru
 4. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting
 5. Potential sale of agency owned real estate and/or sales of loans

OPEN SESSION

Kent Conine, Chairman

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

TDHCA Outreach Activities, May 2009

ADJOURN

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

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

HOME PROGRAM DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations.

Requested Action

Approve, Deny, or Approve with Amendments the HOME Program Award Recommendations.

Background

Awards for contracts from all active Notices of Funding Availability (NOFAs), reflecting multiple activity types, and disaster relief, are combined in this one action item.

HOUSING PROGRAMS FOR PERSONS WITH DISABILITIES

On September 4, 2008, the Board approved the Notice of Funding Availability (NOFA) for the Housing Programs for Persons with Disabilities, which made available \$1,500,000. For the first 180 days of the NOFA, \$750,000 in funding was made available for Homebuyer Assistance and \$750,000 for Tenant Based Rental Assistance (TBRA). After the 180 days, funds were made available to either activity in any area of the state. These funds are not subject to the Regional Allocation Formula and are available in any area of the state, including Participating Jurisdictions (PJs). The Persons with Disabilities Homebuyer Assistance Program provides eligible households assistance for acquisition or the acquisition and minor rehabilitation for accessibility of affordable single family housing. The Persons with Disabilities Tenant Based Rental Assistance Program provides eligible households with rental subsidies, including security and utility deposits for a period not to exceed 24 months. Tenants must earn 80% or less of the AMFI, participate in a self-sufficiency program, and meet all program eligibility requirements. Ninety percent (90%) of the households assisted with respect to rental or TBRA units must have incomes at or below 60% of the AMFI, in accordance with 24 CFR §92.216. TBRA funds became available for the first 90 days for applicants proposing to assist persons transitioning from an institution and at least 50% of the total households proposed must be targeted to persons transitioning from an institutional setting into a community placement or community setting. This open cycle NOFA made funds available on a first-come, first-served basis. The NOFA expired at 5:00 p.m. on May 29, 2009.

Five (5) applications totaling \$1,232,602 in project funds and \$73,958 in administrative funds were received in response to this NOFA, all of which requested funds under the Tenant Based Rental Assistance Program. One application has been terminated and two applications, totaling \$600,000 in project funds and \$36,000 in administrative funds, have been awarded. Two (2)

applications totaling \$466,301 in project funds and \$27,979 in administrative funds are being recommended for funding today.

If the attached award recommendations are approved, a total of \$433,699 will remain in the 2008 Single Family Persons with Disabilities set aside.

Attached:

- HOME Persons with Disabilities NOFA – Award Recommendations
- HOME Persons with Disabilities NOFA - Application Log

DISASTER RELIEF PROGRAM

On July 24, 2008, a Presidential declaration of a major disaster for 15 counties in the State of Texas was issued under FEMA-1780-DR due to Hurricane Dolly. Willacy County is included in the 15 county disaster declaration.

In accordance with the Department's HOME Program Rule at 10 TAC §53.47(a)(2), if the disaster is a federally declared disaster, the applicant may not submit an application or be funded until 90 days have expired from the federal declaration date. Applications for disaster relief will only be accepted within six months after the first day assistance under the program is made available.

On October 30, 2008 the Department notified the disaster declared counties of the availability of HOME disaster relief funds as permitted by the Department's Deobligated Funds rule. Technical assistance regarding the Owner Occupied Housing Assistance Program, and assistance for completing an application was also provided by staff.

The City of Lyford submitted an application for assistance under the HOME Owner Occupied Housing Assistance for Disaster Relief. The City is requesting \$500,000 in project funds and \$20,000 in administrative funds, and proposing to assist 8 eligible households that were directly affected by the disaster. The proposed application states that approximately fifty percent of the homes received major damage. In the City of Lyford, 27.7% of the households live below the poverty level and City statistics indicate that households whose incomes are below poverty level cannot afford to repair their homes. The City of Lyford hurricane victims were eligible for SBA loans; however, most did not qualify and were denied. Most of the homeowners did not have insurance and continue to live in substandard housing conditions.

Staff recommends an award to the City of Lyford for \$500,000 and approval of 4% of project funds requested for program administration.

Attached:

- Disaster Relief Award Recommendation; and
- Disaster Relief Application Log

The applications have been reviewed by the Compliance and Asset Oversight Division and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

RENTAL HOUSING DEVELOPMENT PROGRAM

On June 26, 2008 the TDHCA Board approved the 2008 Rental Housing Development (RHD) Notice of Funding Availability (NOFA) that set aside \$5,000,000 for new construction, rehabilitation, and acquisition and rehabilitation of affordable rental housing. Subsequent to approval of this initial funding level, the Board approved transferring all remaining funds under the 2007 NOFA to the 2008 NOFA for a current balance of approximately \$20,869,797 in funds available. The NOFA allowed applicants to apply for funding on a statewide first-come, first-served basis until April 30, 2009.

The Department received forty-seven (47) applications requesting a total of \$76,541,389. Of these applications, nine (9) have been awarded \$17,146,029 in funds, twenty-six (26) remain under review, and two applications are being recommended for awards today totaling \$2,929,505. The two recommended applications are USDA 515 transactions that have existing HOME contracts and submitted application for additional funds to completely replace the previously awarded 2009 9% Housing Tax Credits. Of note, at the May 21, 2009 meeting, the Board approved the transfer of all pending applications that do not receive an award of funds under the 2008 NOFA to the conditionally approved 2009 NOFA.

Each recommended application has completed all three phases of the application review process. The Real Estate Analysis (REA) Division has evaluated the applications and the underwriting reports are included in today's board book. All recommendations are subject to conditions reflected in the underwriting reports and may require amendments to the existing HOME contracts to incorporate the additional funds and new loan terms.

If the recommendations herein are approved, a balance of approximately \$794,263 remains in the NOFA to consider for award recommendations for HOME funding requests that are currently under review. If the awards are approved, the total awarded to date from this NOFA is \$20,075,534.

Attached:

- HOME Rental Housing Development Program - Award Recommendations;
- HOME Rental Housing Development Program - Application Log; and
- Real Estate Analysis Division underwriting reports.

Recommendation

Staff recommends that the Board approve all of the awards as detailed in the Award Recommendations logs attached. All Rental Housing Development Program awards are recommended subject to the conditions of the underwriting reports.

Persons With Disabilities - Application Log

Sorted by date/time received

Total Set-Aside Amount - \$1,500,000

Total Amount Available Prior to Action: \$900,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0146	3/3/2009	2:30 AM	Spindletop MHMR Services	5	\$166,301	\$9,979	25				Terminated
2008-0165	4/15/2009		Community Partnership for the Homeless	7	\$300,000	\$18,000	30	\$300,000	\$18,000	30	Awarded 5/21/2009
2008-0163	4/21/2009	4:35 AM	San Antonio Metropolitan Ministry, Inc.	9	\$300,000	\$18,000	43	\$300,000	\$18,000	43	Awarded 5/21/2009
2008-0168	5/12/2009	2:12 PM	Spindletop MHMR Services	5	\$166,301	\$9,979	25	\$166,301	\$9,979	25	Pending Award
2008-0180	5/29/2009	2:27 PM	Coastal Bend Center For Independent Living	10	\$300,000	\$18,000	30	\$300,000	\$18,000	30	Pending Award
<i>Totals:</i>					\$1,232,602	\$73,958	153	\$1,066,301	\$63,979	128	

Persons With Disabilities - Award Recommendations Log

Sorted by date/time received

Total Set-Aside Amount - \$1,500,000

Total Amount Available Prior to Action: \$900,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0168	5/12/2009	2:12 PM	Spindletop MHMR Services	5	\$166,301	\$9,979	25	\$166,301	\$9,979	25	Pending Award
2008-0180	5/29/2009	2:27 PM	Coastal Bend Center For Independent Living	10	\$300,000	\$18,000	30	\$300,000	\$18,000	30	Pending Award
Totals:					\$466,301	\$27,979	55	\$466,301	\$27,979	55	

Disaster - Application Log

Sorted by date/time received

Total Set-Aside Amount - \$6,850,000

Total Amount Available Prior to Action: \$3,350,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0001	2/1/2008	8:23 AM	Crystal City	11	\$500,000	\$20,000	9	\$500,000	\$10,000	9	Awarded 3/13/2008
2008-0010	2/18/2008	11:36 AM	City of Ames	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0009	2/19/2008	9:30 AM	City of Cleveland	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0011	2/20/2008	10:27 AM	Liberty County	6	\$500,000	\$20,000	5	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0029	3/27/2008	11:15 AM	Baylor County	3	\$500,000	\$20,000	10	\$0	\$0	0	Declined
2008-0056	5/29/2008	4:06 PM	City of Dayton	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 7/31/2008
2008-0061	7/23/2008	4:13 PM	County of La Salle	11	\$500,000	\$10,000	9	\$500,000	\$10,000	7	Awarded 9/4/2008
2008-0131	2/13/2009	2:21 PM	City of Roma	11	\$500,000	\$20,000	7	\$500,000	\$20,000	7	Awarded 4/23/2009
2008-0164	4/22/2009	11:50 AM	City of Lyford	11	\$500,000	\$20,000	8	\$500,000	\$20,000	8	Pending Award
2008-0166	4/27/2009	3:50 AM	Jim Hogg County	11	\$500,000	\$20,000	6				Withdrawn

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0167	4/29/2009	1:08 PM	Starr County	5	\$490,000	\$19,600	7				Under Review
2009-0018	6/5/2009	3:25 PM	Bastrop County	7	\$500,000	\$20,000	5				Under Review
Totals:					\$5,990,000	\$229,600	84	\$4,000,000	\$100,000	59	

Disaster - Award Recommendations Log

Sorted by date/time received

Total Set-Aside Amount - \$6,850,000

Total Amount Available Prior to Action: \$3,350,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0164	4/22/2009	11:50 AM	City of Lyford	11	\$500,000	\$20,000	8	\$500,000	\$20,000	8	Pending Award
<i>Totals:</i>					\$500,000	\$20,000	8	\$500,000	\$20,000	8	

**HOME Rental Housing Development Program Award Recommendations
(Application Acceptance Period - 6/26/2008 to 4/30/2009)**

Sorted by Date and Time Received

Monday, June 08, 2009

Approximate NOFA Amount - \$20,869,797

Funds Remaining - \$3,723,768

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	Status		
		Date	Time								9%	4%	HTF					
09500	6	3/5/2009	2:40 PM	Brookhollow Manor	Brookshire	R	48	48	48	General	No	No	No	\$1,785,877	\$1,785,877	Pending Award 6/25/2009		
09501	3	3/5/2009	2:41 PM	Chisum Trail Apartments	Sanger	R	40	40	40	General	No	No	No	\$1,143,628	\$1,143,628	Pending Award 6/25/2009		
Total HOME Applications						2	Unit Totals:			88	88	88	Fund Totals:			\$2,929,505	\$2,929,505	

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

**HOME Rental Housing Development Program - Application Log
(Application Acceptance Period - 6/26/2008 to 4/30/2009)**

Sorted by Date and Time Received

Monday, June 08, 2009

Approximate NOFA Amount - \$20,869,797

Funds Remaining - \$3,723,768

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	Status
		Date	Time								9%	4%	HTF			
09604	6	9/26/2008	3:40 PM	Costa Mariposa	Texas City	NC	51	51	252	General	No	Yes	No	\$3,000,000	\$3,000,000	Awarded 4/23/2009
08337	8	10/3/2008	9:27 AM	Big Country Living Apartments	Waco	NC	11		132	General	No	No	No	\$3,000,000		Terminated
08338	11	10/6/2008	11:27 AM	Beacon Bay Townhomes	Port Isabel	R	16		76	General	No	No	No	\$1,169,070		Withdrawn
08340	7	11/10/2008	12:12 PM	San Gabriel Crossing	Liberty Hill	NC	16		16	General	Yes	No	No	\$800,000		Terminated
08341	7	11/13/2008	9:34 AM	Alta Vista Apartments	Marble Falls	R	7	11	64	General	Yes	No	No	\$400,528	\$400,528	Awarded 2/5/2009
08344	10	11/13/2008	11:16 AM	Hyatt Manor Apartments	Gonzales	R	7		65	Family	Yes	No	No	\$409,235		Withdrawn
08346	3	11/13/2008	11:43 AM	Quail Run Apartments	Decatur	R	40	32	40	General	No	No	No	\$1,161,894	\$1,161,894	Awarded 3/12/2009
08347	4	11/13/2008	11:44 PM	Northview Apartments	Kilgore	R	72	72	72	Intg.	No	No	No	\$2,000,000	\$2,000,000	Awarded 3/12/2009
09003	8	11/17/2008	2:00 PM	Holland House Apartments	Holland	R	68		68	General	Yes	No	No	\$850,000		Withdrawn
09002	3	11/17/2008	2:08 PM	Meadowlake Village Apartments	Mabank	R	40		40	General	Yes	No	No	\$550,000		Withdrawn
08345	5	11/20/2008	11:32 AM	First Huntington Arms	Huntington	R	40	40	40	General	No	No	No	\$2,386,570	\$2,386,570	Awarded 3/12/2009

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Note: Per Board action at the December 18, 2008 Board meeting, applications received under the CHDO RHD NOFA may receive funds under the RHD NOFA should all funds under the CHDO RHD NOFA be awarded.

File #	Region	Received By:		Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	Status
		Date	Time								9%	4%	HTF			
09001	6	12/3/2008	4:00 PM	Hillwood Apartments	Weimar	R	7		24	Elderly	Yes	No	No	\$679,747		Under Review
09000	6	12/3/2008	4:01 PM	Courtwood Apartments	Eagle Lake	R	16		50	Elderly	Yes	No	No	\$1,274,555		Under Review
08134	7	12/10/2008	3:35 PM	Huntington	Buda	NC	24	24	120	Elderly	Yes	No	No	\$1,750,000	\$1,750,000	Awarded 2/5/2009
08256	3	12/23/2008	5:10 PM	Westway Place	Corsicana	NC	16	16	40	General	Yes	No	No	\$1,550,000		Not Recommended
08255	3	12/23/2008	5:10 PM	West Park Senior Housing	Corsicana	NC	25	25	48	Elderly	Yes	No	No	\$1,600,000		Not Recommended
08181	7	1/15/2009	9:40 AM	Park Ridge Apartments	Llano	NC	13	8	64	General	Yes	No	No	\$475,000	\$475,000	Awarded 2/5/2009
08154	3	1/27/2009	8:00 AM	Mineral Wells Pioneer Crossing	Mineral Wells	NC	16	16	80	General	Yes	No	No	\$2,972,037	\$2,972,037	Awarded 4/23/2009
09401	7	1/27/2009	11:25 AM	Encino Pointe	San Marcos	NC	51	51	252	General	No	Yes	No	\$3,000,000	\$3,000,000	Awarded 4/23/2009
09100	3	2/26/2009	8:00 AM	Crestmoor Park South Apts	Burleson	R	68		68	General	Yes	No	No	\$1,215,089		Under Review
09248	6	2/27/2009	8:01 AM	Pearland Senior Village	Pearland	NC	28		126	Elderly	Yes	No	No	\$3,000,000		Under Review
09245	10	2/27/2009	8:56 AM	The Heights at Corral	Kingsville	R	29		80	General	Yes	No	No	\$3,000,000		Under Review
09267	6	2/27/2009	10:44 AM	Heritage Crossing	Santa Fe	R	25		72	Elderly	Yes	No	No	\$2,200,000		Under Review
09287	6	2/27/2009	3:14 PM	Horizon Meadows Apts	La Marque	NC	20		96	General	Yes	No	No	\$1,700,000		Under Review
09136	12	2/27/2009	4:57 PM	Gateway to Eden	Eden	NC	20		20	General	Yes	No	No	\$1,050,000		Under Review

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		Date	Time								9%	4%	HTF			
09500	6	3/5/2009	2:40 PM	Brookhollow Manor	Brookshire	R	48	48	48	General	No	No	No	\$1,785,877	\$1,785,877	Pending Award 6/25/2009
09501	3	3/5/2009	2:41 PM	Chisum Trail Apartments	Sanger	R	40	40	40	General	No	No	No	\$1,143,628	\$1,143,628	Pending Award 6/25/2009
09502	3	3/27/2009	9:27 AM	Washington Hotel Lofts	Greenville	R	36		36	General	No	No	No	\$2,650,000		Under Review
09318	10	3/27/2009	2:40 PM	Hyatt Manor I and II Apts	Gonzales	R	14		65	General	Yes	No	No	\$946,081		Under Review
09293	7	3/27/2009	2:58 PM	Villas of Shady Grove	Burnet	NC	28		80	General	Yes	No	No	\$2,971,483		Under Review
09126	8	3/27/2009	4:34 PM	Holland House Apts	Holland	R	68		68	General	Yes	No	No	\$550,000		Under Review
09503	11	3/30/2009	3:34 PM	Parkview Terrace	Pharr	R	30		100	General	No	No	No	\$3,000,000		Under Review
09185	6	3/30/2009	5:09 PM	Maplewood Village II	League City	NC	0		80	Elderly	Yes	No	No	\$1,450,000		Under Review
09227	3	3/31/2009	11:11 AM	Mineral Wells Pioneer Crossing for Seniors	Mineral Wells	NC	15		36	Elderly	Yes	No	No	\$1,512,619		Withdrawn
09228	5	3/31/2009	11:13 AM	Lufkin Pioneer Crossing for Seniors	Lufkin	NC	32		80	Elderly	Yes	No	No	\$3,000,000		Under Review
09150	8	3/31/2009	2:11 PM	Prairie Village Apts	Rogers	R	24		24	General	Yes	No	No	\$375,000		Under Review
09146	2	3/31/2009	3:26 PM	Oakwood Apts	Brownwood	R	47		48	General	Yes	No	No	\$600,000		Under Review
09148	8	3/31/2009	4:34 PM	Whispering Oaks Apartments	Goldthwaite	R	24		24	Elderly	Yes	No	No	\$400,000		Under Review
09147	8	3/31/2009	4:52 PM	Village Place Apts	Lorena	R	32		32	General	Yes	No	No	\$450,000		Under Review

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		Date	Time								9%	4%	HTF					
09149	8	4/1/2009	9:59 AM	Autumn Villas	Lorena	R	16		16	Elderly	Yes	No	No	\$310,000		Under Review		
09294	7	4/1/2009	12:54 PM	Northgate Apts and Rhomberg Apts	Burnet	R	10		60	General	Yes	No	No	\$638,140		Under Review		
09508	3	4/29/2009	11:48 AM	Estates at Northside	Pilot Point	NC	32		32	Elderly	No	No	No	\$2,283,744		Under Review		
09506	4	4/29/2009	12:04 PM	Cherokee Hills	Rusk	NC	27		60	General	No	No	No	\$2,325,000		Under Review		
09507	3	4/30/2009	2:04 PM	Silver Spring at Forney	Forney	NC	40		198	Elderly	No	No	No	\$3,000,000		Under Review		
09019	4	4/30/2009	3:11 PM	Timber Village Apartments II	Marshall	NC	15		72	General	Yes	No	No	\$800,000		Under Review		
09511	3	4/30/2009	4:42 PM	Villas on Raiford	Carrollton	NC	18		180	Elderly	No	No	No	\$4,000,000		Under Review		
09165	8	4/30/2009	5:00 PM	Cherrywood Apts	West	R	12		44	Elderly	Yes	No	No	\$1,156,092		Under Review		
Total HOME Applications		47						Unit Totals:		1,334	434	3,428	Fund Totals:			\$76,541,389	\$20,075,534	

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

Note: Per Board action at the December 18, 2008 Board meeting, applications received under the CHDO RHD NOFA may receive funds under the RHD NOFA should all funds under the CHDO RHD NOFA be awarded.



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

REPORT DATE: 06/04/09 PROGRAM: HOME FILE NUMBER: 09500

DEVELOPMENT	
Brookhollow Manor	
Location: <u>3444 Depot Street</u>	Region: <u>6</u>
City: <u>Brookshire</u> County: <u>Waller</u> Zip: <u>77423</u>	<input type="checkbox"/> OCT <input type="checkbox"/> DDA
Key Attributes: <u>Multifamily, Acquisition/Rehab, Rural, At-Risk, USDA, Family</u>	

ALLOCATION						
	PREVIOUS REQUEST			PREVIOUS RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$630,000	1.00%	360	\$630,000	1.00%	360
Housing Tax Credit (Annual)	\$209,726			\$204,759		
	CURRENT REQUEST*			CURRENT RECOMMENDATION*		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$2,415,877	See Below		See Below		

*The Applicant is requesting an additional \$1,785,877 in HOME funds, for a total HOME award of \$2,415,877. The Applicant has requested to structure part of the total HOME award as a repayable loan and the other part as a forgivable loan. The Underwriter recommends that \$1,358,544 be structured as a repayable loan at 1% interest and 30-year amortization, and the remaining \$1,057,333 be structured as a non-amortizing forgivable loan. The Applicant already has an existing HOME contract in the amount of \$630K structured as a repayable loan with a 1% interest rate and amortization period of 360 months. Therefore, the existing HOME contract for this development will require an amendment to restructure the existing amount in accordance with the underwriting recommendation made in this addendum.

- | CONDITIONS |
|---|
| <ol style="list-style-type: none"> 1 Receipt, review, and acceptance, by closing, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien. 2 Receipt, review, and acceptance, by closing, of USDA-RD approval of the proposed rent increase for each unit. 3 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted. |

SALIENT ISSUES		
TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	Low HOME	5
50% of AMI	Low HOME	43

PROS

- The project will provide the rehabilitation of a 24-year-old USDA-RD complex and the preservation of affordable housing for the current tenants.
- The Applicant has considerable experience and financial resources

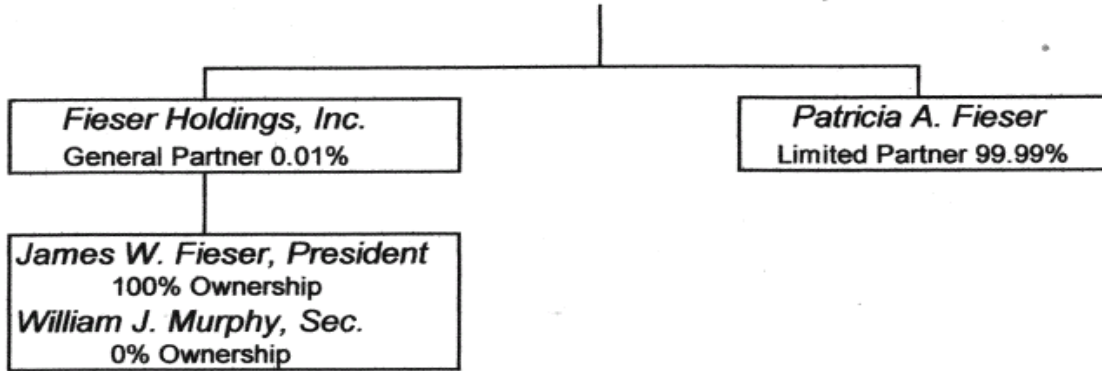
CONS

- The Applicant's and Underwriter's expense to income ratios are both well above the Department's 65% guideline and relies upon the project-based rental assistance to maintain feasibility.
- If the HOME award is ultimately not received, the transaction may not be financially viable.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

FDI-Brookhollow Manor, LTD.



CONTACT

Contact: James W. Fieser Phone: (281) 367-8189 Fax: (281) 367-8192
 Email: Jim.fieser@jfieser.com

ADDENDUM

Brookhollow Manor Apartments was originally underwritten during the 2008 9% HTC cycle and was approved for an annual tax credit allocation of \$204,759 and \$630K in HOME funds, to be fully amortized over 30 years at 1% interest. The Applicant has returned all of the previously awarded 2008 tax credit allocation and is now requesting to change the financing structure, including the new request for additional TDHCA HOME funds for a total HOME award of \$2,415,877. The Applicant's new request appears to structure the current award as previously approved: \$630K (26% of the total requested) as a repayable loan with 1% interest and 30-year amortization. The remaining \$1,781,981 or 74% of the total requested appears to be structured as a forgivable loan. Current HOME rules allow up to 50% of the HOME funds to be forgivable provided that 10% of all units target tenants at 30% AMI & 50% of all units target tenants at 50% AMI.

As a result, an updated rent schedule, development cost schedule and sources and uses has been provided by the Applicant. The Underwriter has evaluated the impact of these changes on the financial viability of the transaction based on the revised documentation provided. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure.

OPERATING PROFORMA ANALYSIS

The property receives USDA Rental Assistance for 47 of the 48 units. The Applicant's net rents are anticipated basic rent levels. These basic rents have not yet been approved by USDA-RD. The anticipated basic rents are 1% below the net program rents on average and 13% higher than the current USDA-RD basic rent levels. The appraisal reflects market rents that are lower than the currently approved Basic Rents. Given the newly proposed financing structure, the Underwriter's analysis suggests that the development would operate at or below a 0.84 DCR if the proposed rent increase is not approved. Therefore, the underwriting analysis has utilized the proposed increased rents; and formal documentation of USDA approval of the increased rents will be a condition of this report.

The Applicant's secondary income and vacancy and collection loss estimates are in line with Department standards.

The Applicant's expense estimates remain unchanged. Therefore, they remain within 5% of the Underwriter's estimate.

Conclusion:

The Applicant's net operating income is not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one proforma will be used to determine the development's debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) above the current underwriting maximum guideline of 1.35. However, it should be noted, as current HOME rules only allow a maximum of 50% of the HOME funds to be forgivable, the Underwriter has recommended a financing structure that reflects repayment of at least 50% of the requested HOME funds. This is discussed in more detail in the "Conclusion" of the Financing section below.

The Applicant's and Underwriter's expense to income ratios (67.49% and 65.28% respectively) are slightly above the TDHCA maximum of 65%. However, the 2009 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "The units not receiving Project-based Section 8 Rental Assistance or rental assistance in association with USDA-RD-RHS financing, or not characterized as public housing do not propose rents that are less than the Project-based Section 8, USDA-RD-RHS financing, or public housing units." [§1.32(7)(B)(vi)]. The subject's rents are managed by USDA. As such the subject development meets this feasibility exception.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

CONSTRUCTION COST ESTIMATE EVALUATION

In conjunction with the HOME application the Applicant provided a revised total development cost schedule reflecting a minimal overall increase in costs of \$30. While site work and direct costs appear to be the same as reflected in the original HTC application, the slight increase appears to be reflected in ineligible costs. The Underwriter's cost schedule was derived from information presented in the application material submitted and from the Capital Needs Assessment (CNA) provided. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule is used to determine the development's need for permanent funds.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A
Source: USDA-RD Type: Permanent Financing
Principal: \$1,322,745 Interest Rate: 1.0% Fixed Amort: 600 months
Comments:
The Applicant will assume three existing USDA-RD loans, each amortized for 50 years with an interest rate subsidized down to 1.0%; the loans have current principal balances of \$770,584, \$82,779, and \$453,544. The Applicant has estimated a slightly higher outstanding loan balance for all three loans.
Amount: \$0 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:
The Applicant's formal request indicates an additional request of \$1,785,877 in HOME funds for a total amount of \$2,415,877 in HOME funds. The Applicant's request proposes the current award of \$630K be structured as previously approved (30 year amortization at 1% interest) and the remaining \$1.8M be a forgivable loan. However, as stated above, current HOME rules only allow a maximum of 50% of the HOME funds to be forgivable.
Therefore, the Underwriter has determined that up to \$1,358,544 of the total requested HOME funds can be structured as a repayable loan at the terms requested, and \$1,057,333 structured as a forgivable loan. As mentioned previously, this alternative financing structure would result in an increase in the annual debt service but still promote a healthy DCR projection of 1.15, and would enable the Department to be repaid on a slightly higher amount of HOME funds than proposed.
Based on this award, the Underwriter's total development cost of \$3,734,756 less the existing USDA-RD loan of \$1,306,906, and recommended HOME award of \$2,415,877, indicates the need for \$11,972 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within one year of stabilized operation. If the additional HOME award is ultimately not awarded, the gap in financing would increase to an amount greater than the developer fee available for deferral and the transaction would not be financially viable unless another source of funds was received.
It should be noted that an existing HOME contract exists for the property for the previous award made in 2008 for \$630K. This award amount is currently structured as a repayable loan with a 1% interest rate and an amortization period of 360 months. The existing HOME contract will require an amendment in order to restructure the funds in accordance with the recommendations made in this addendum.
The Underwriter's recommendation is conditioned upon approval from USDA-RD of a parity lien position for the TDHCA HOME loan awards.
The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.
Return on Equity:
This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter: _____ Date: June 4, 2009
Diamond Unique Thompson
Manager of Real Estate Analysis: _____ Date: June 4, 2009
Raquel Morales
Director of Real Estate Analysis: _____ Date: June 4, 2009
Brent Stewart

MULTIFAMILY COMPARATIVE ANALYSIS

Brookhollow Manor, Brookshire, HOME #09500

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
30% LH	3	1	1	591	598	\$485	\$1,455	\$0.82	\$79.00	\$20.00
30% LH	1	1	1	591	598	\$485	485	0.82	\$79.00	\$20.00
50% LH	15	1	1	694	598	\$535	8,025	0.77	\$79.00	\$20.00
30% LH	1	2	1	694	717	\$535	535	0.77	\$137.00	\$20.00
50% LH	20	2	1	694	717	\$535	10,700	0.77	\$137.00	\$20.00
50% LH	4	2	1	694	717	\$535	2,140	0.77	\$137.00	\$20.00
50% LH	4	3	1	952	717	\$540	2,160	0.57	\$188.00	\$20.00
TOTAL:	48		AVERAGE:	707		\$531	\$25,500	\$0.75	\$118.29	\$20.00

INCOME

Total Net Rentable Sq Ft: 33,932

POTENTIAL GROSS RENT

tenant chrgs, laundry, forfeited deposits Per Unit Per Month: \$15.00

Other Support Income: \$0.00

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions \$0.00

EFFECTIVE GROSS INCOME

EXPENSES

% OF EGI PER UNIT PER SQ FT

General & Administrative	4.70%	\$285	0.40
Management	6.33%	384	0.54
Payroll & Payroll Tax	19.05%	1,155	1.63
Repairs & Maintenance	7.91%	479	0.68
Utilities	3.47%	210	0.30
Water, Sewer, & Trash	7.39%	448	0.63
Property Insurance	5.04%	305	0.43
Property Tax	3.5069%	351	0.50
Reserve for Replacements	4.95%	300	0.42
TDHCA Compliance Fees	0.66%	40	0.06
Other:	0.00%	0	0.00
TOTAL EXPENSES	65.28%	\$3,958	\$5.60

NET OPERATING INC

DEBT SERVICE

USDA

HOME-Repayable

Additional Financing

NET CASH FLOW

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description

Factor

% of TOTAL

PER UNIT

PER SQ FT

Acquisition Cost (site or bldg)

Off-Sites

Sitework

Direct Construction

Contingency

Contractor's Fees

Indirect Construction

Ineligible Costs

Developer's Fees

Interim Financing

Reserves

TOTAL COST

+ 10% Increase

Total Cost

Construction Cost Recap

SOURCES OF FUNDS

USDA

HOME-Repayable

HOME-Forgivable

Deferred Developer Fees

Additional (Excess) Funds Req'd

TOTAL SOURCES

	TDHCA-HOME Amendment	TDHCA-Carryover (Orig + 10% Incr)	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT	\$306,000	\$283,584	\$283,584	\$283,584	\$283,584	\$306,000	Waller		6
tenant chrgs, laundry, forfeited deposits	8,640	8,640	8,640	8,640	8,640	8,640	\$15.00	Per Unit Per Month	
Other Support Income:	0	0	0				\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME	\$314,640	\$292,224	\$292,224	\$292,224	\$292,224	\$314,640			
Vacancy & Collection Loss	(23,598)	(21,917)	(21,917)	(21,912)	(21,912)	(23,604)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions	0	0	0						
EFFECTIVE GROSS INCOME	\$291,042	\$270,307	\$270,307	\$270,312	\$270,312	\$291,036			
EXPENSES							PER SQ FT	PER UNIT	% OF EGI
General & Administrative	\$13,678	\$13,678	\$13,678	\$12,200	\$12,200	\$12,200	\$0.36	\$254	4.19%
Management	\$18,432	\$18,432	\$18,432	21,250	21,250	21,250	0.63	443	7.30%
Payroll & Payroll Tax	\$55,453	\$55,453	\$55,453	58,500	58,500	58,500	1.72	1,219	20.10%
Repairs & Maintenance	\$23,012	\$23,012	\$23,012	23,500	23,500	23,500	0.69	490	8.07%
Utilities	\$10,094	\$10,094	\$10,094	11,000	11,000	11,000	0.32	229	3.78%
Water, Sewer, & Trash	\$21,521	\$21,521	\$21,521	24,500	24,500	24,500	0.72	510	8.42%
Property Insurance	\$14,657	\$14,657	\$14,657	15,150	15,150	15,150	0.45	316	5.21%
Property Tax	16,833	16,833	16,833	14,000	14,000	14,000	0.41	292	4.81%
Reserve for Replacements	14,400	14,400	14,400	14,400	14,400	14,400	0.42	300	4.95%
TDHCA Compliance Fees	1,920	1,920	1,920	1,920	1,920	1,920	0.06	40	0.66%
Other:	0	0	0	0	0	0	0.00	0	0.00%
TOTAL EXPENSES	\$190,000	\$190,000	\$190,000	\$196,420	\$196,420	\$196,420	\$5.79	\$4,092	67.49%
NET OPERATING INC	\$101,042	\$80,307	\$80,307	\$73,892	\$73,892	\$94,616	\$2.79	\$1,971	32.51%
DEBT SERVICE									
USDA	35,418	35,418	35,418	\$35,445	\$35,445	\$35,445	\$1.04	\$738	12.18%
HOME-Repayable	24,316	24,316	24,316	24,316	24,316	24,316	\$0.72	\$507	8.35%
Additional Financing	0	0	0				\$0.00	\$0	0.00%
NET CASH FLOW	\$41,308	\$20,573	\$20,573	\$14,131	\$14,131	\$34,855	\$1.03	\$726	11.98%
AGGREGATE DEBT COVERAGE RATIO	1.69	1.34	1.34	1.24	1.24	1.58			
RECOMMENDED DEBT COVERAGE RATIO	1.15	1.34	1.34						

	TDHCA-HOME Amendment	TDHCA-Carryover (Orig + 10% Incr)	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	\$1,522,745	\$1,522,745	\$1,522,745	\$1,522,745	\$1,522,745	\$1,522,745	\$44.88	\$31,724	40.73%
Off-Sites	0	0	0	0	0	0	0.00	0	0.00%
Sitework	111,865	111,865	111,865	185,156	185,156	185,156	5.46	3,857	4.95%
Direct Construction	989,951	989,951	989,951	905,740	905,740	905,740	26.69	18,870	24.23%
Contingency	109,089	109,090	109,090	109,090	109,090	109,089	3.21	2,273	2.92%
Contractor's Fees	152,726	152,726	152,726	152,726	152,726	152,726	4.50	3,182	4.09%
Indirect Construction	164,236	164,236	164,236	164,236	164,236	164,236	4.84	3,422	4.39%
Ineligible Costs	79,676	79,646	79,646	79,646	79,646	79,676	2.35	1,660	2.13%
Developer's Fees	544,136	544,136	544,136	592,838	592,838	592,838	17.47	12,351	15.86%
Interim Financing	24,500	24,500	24,500	24,500	24,500	24,500	0.72	510	0.66%
Reserves	35,830	35,830	35,830	1,916	1,916	1,916	0.06	40	0.05%
TOTAL COST	\$3,734,754	\$3,734,726	\$3,734,726	\$3,738,593	\$3,738,593	\$3,738,622	\$110.18	\$77,888	100.00%
+ 10% Increase		\$110,182							
Total Cost		\$3,844,907					\$39.87	\$28,181	36.16%
Construction Cost Recap	\$1,363,631	\$1,363,632	\$1,363,632	\$1,352,712	\$1,352,712	\$1,352,711			

	TDHCA-HOME Amendment	TDHCA-Carryover (Orig + 10% Incr)	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	RECOMMENDED	Developer Fee Available
USDA	\$1,322,745	\$1,322,745	\$1,322,745	\$1,322,745	\$1,322,745	\$1,322,745	\$1,306,906	Developer Fee Available
HOME-Repayable	630,000	630,000	630,000	630,000	630,000	630,000	1,358,544	\$592,838
HOME-Forgivable	1,785,877	1,780,891	1,780,891	1,780,891	1,780,891	1,785,877	1,057,333	% of Dev. Fee Deferred
Deferred Developer Fees	0	4,986	4,986	4,986	4,986	4,986	11,972	2%
Additional (Excess) Funds Req'd	(3,868)	106,285	106,285	(29)	(29)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES	\$3,734,754	\$3,844,907	\$3,844,907	\$3,738,593	\$3,738,593	\$3,738,622	\$3,734,754	\$311,154

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Brookhollow Manor, Brookshire, HOME #09500

PAYMENT COMPUTATION

Primary	\$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.85

Secondary	\$630,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.69

Additional	\$1,785,877	Amort	
Int Rate		Aggregate DCR	1.69

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$35,418
Secondary Debt Service	52,435
Additional Debt Service	0
NET CASH FLOW	\$13,188

Primary	\$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.85

Secondary	\$1,358,544	Amort	360
Int Rate	1.00%	Subtotal DCR	1.15

Additional	\$1,057,333	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$306,000	\$315,180	\$324,635	\$334,374	\$344,406
Secondary Income	8,640	8,899	9,166	9,441	9,724
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS INCOME	314,640	324,079	333,802	343,816	354,130
Vacancy & Collection Loss	(23,598)	(24,306)	(25,035)	(25,786)	(26,560)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$291,042	\$299,773	\$308,766	\$318,029	\$327,570
EXPENSES at 4.00%					
General & Administrative	\$13,678	\$14,225	\$14,794	\$15,386	\$16,001
Management	18,432	18,985	19,555	20,141	20,745
Payroll & Payroll Tax	55,453	57,671	59,978	62,377	64,873
Repairs & Maintenance	23,012	23,932	24,889	25,885	26,920
Utilities	10,094	10,498	10,918	11,354	11,809
Water, Sewer & Trash	21,521	22,382	23,277	24,208	25,177
Insurance	14,657	15,243	15,853	16,487	17,147
Property Tax	16,833	17,506	18,207	18,935	19,692
Reserve for Replacements	14,400	14,976	15,575	16,198	16,846
Other	1,920	1,997	2,077	2,160	2,246
TOTAL EXPENSES	\$190,000	\$197,416	\$205,123	\$213,132	\$221,456
NET OPERATING INCOME	\$101,042	\$102,357	\$103,644	\$104,898	\$106,115
DEBT SERVICE					
First Lien Financing	\$35,418	\$35,418	\$35,418	\$35,418	\$35,418
Second Lien	52,435	52,435	52,435	52,435	52,435
Other Financing	0	0	0	0	0
NET CASH FLOW	\$13,188	\$14,504	\$15,790	\$17,044	\$18,261
DEBT COVERAGE RATIO	1.15	1.17	1.18	1.19	1.21

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$399,261	\$462,852	\$536,573	\$721,109
11,273	13,069	15,150	20,361
0	0	0	0
410,534	475,921	551,723	741,470
(30,790)	(35,694)	(41,379)	(55,610)
0	0	0	0
\$379,744	\$440,227	\$510,344	\$685,860
\$19,468	\$23,686	\$28,817	\$42,657
24,050	27,880	32,321	43,436
78,927	96,027	116,832	172,940
32,753	39,849	48,482	71,765
14,367	17,480	21,267	31,480
30,631	37,267	45,342	67,116
20,861	25,381	30,880	45,710
23,959	29,150	35,465	52,497
20,496	24,936	30,339	44,909
2,733	3,325	4,045	5,988
\$268,245	\$324,981	\$393,789	\$578,497
\$111,499	\$115,247	\$116,555	\$107,362
\$35,418	\$35,418	\$35,418	\$35,418
52,435	52,435	52,435	52,435
0	0	0	0
\$23,646	\$27,393	\$28,702	\$19,509
1.27	1.31	1.33	1.22



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

REPORT DATE: 07/01/08 PROGRAM: HTC 9%, HOME FILE NUMBER: 08106

DEVELOPMENT

Brookhollow Manor

Location: 3444 Depot Street Region: 6
 City: Brookshire County: Waller Zip: 77423 OCT DDA
 Key Attributes: Multifamily, Acquisition/Rehab, Rural, At-Risk, USDA, Family

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
HOME Activity Funds	\$630,000	1.00%	360	\$630,000	1.00%	360
Housing Tax Credit (Annual)	\$209,726			\$204,759		

CONDITIONS

- 1 Receipt, review, and acceptance, by the carryover, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.
- 2 Receipt, review, and acceptance, by cost certification, of USDA-RD approval of the proposed rent increase for each unit.
- 3 Receipt, review, and acceptance, by carryover, of updated loan and equity commitments which are not more than 30 days old.
- 4 Should the terms and rates of the existing or proposed debt or scope of work change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	24

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
Low HOME	30% of AMI	3
Low HOME	50% of AMI	45
High HOME	65% of AMI	0

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PROS

- The project will provide the rehabilitation of a 24-year-old USDA-RD complex and the preservation of affordable housing for the current tenants.
- The Applicant has considerable experience and financial resources

CONS

- The Applicant's and Underwriter's expense to income ratios are both well above the Department's 65% guideline and relies upon the project-based rental assistance to maintain feasibility.
- If the HOME award is ultimately not received, the transaction may not be financially viable.

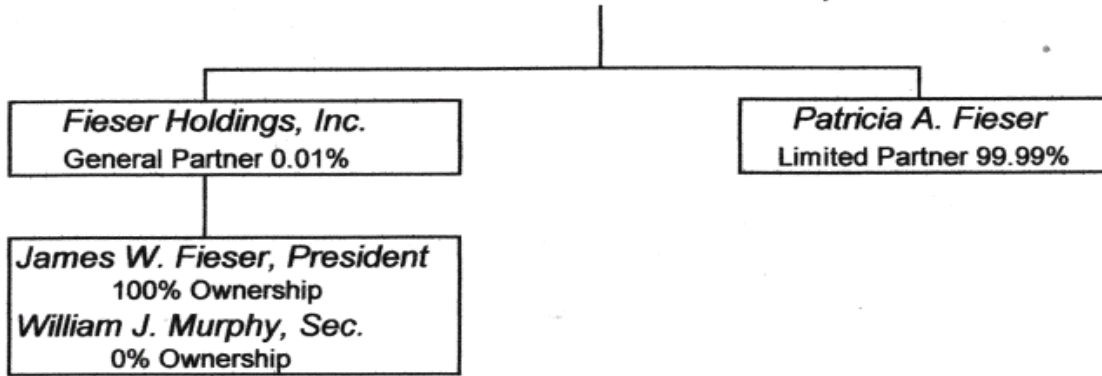
PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

FDI-Brookhollow Manor, LTD.



CONTACT

Contact: James W. Fieser Phone: (281) 367-8189 Fax: (281) 367-8192
 Email: Jim.fieser@jfieser.com

KEY PARTICIPANTS

Name	Financial Notes	# Completed Developments
Fieser Holdings, Inc.	N/A	Seventeen Developments
Fieser Development, Inc.	N/A	
James & Patricia Feiser	N/A	

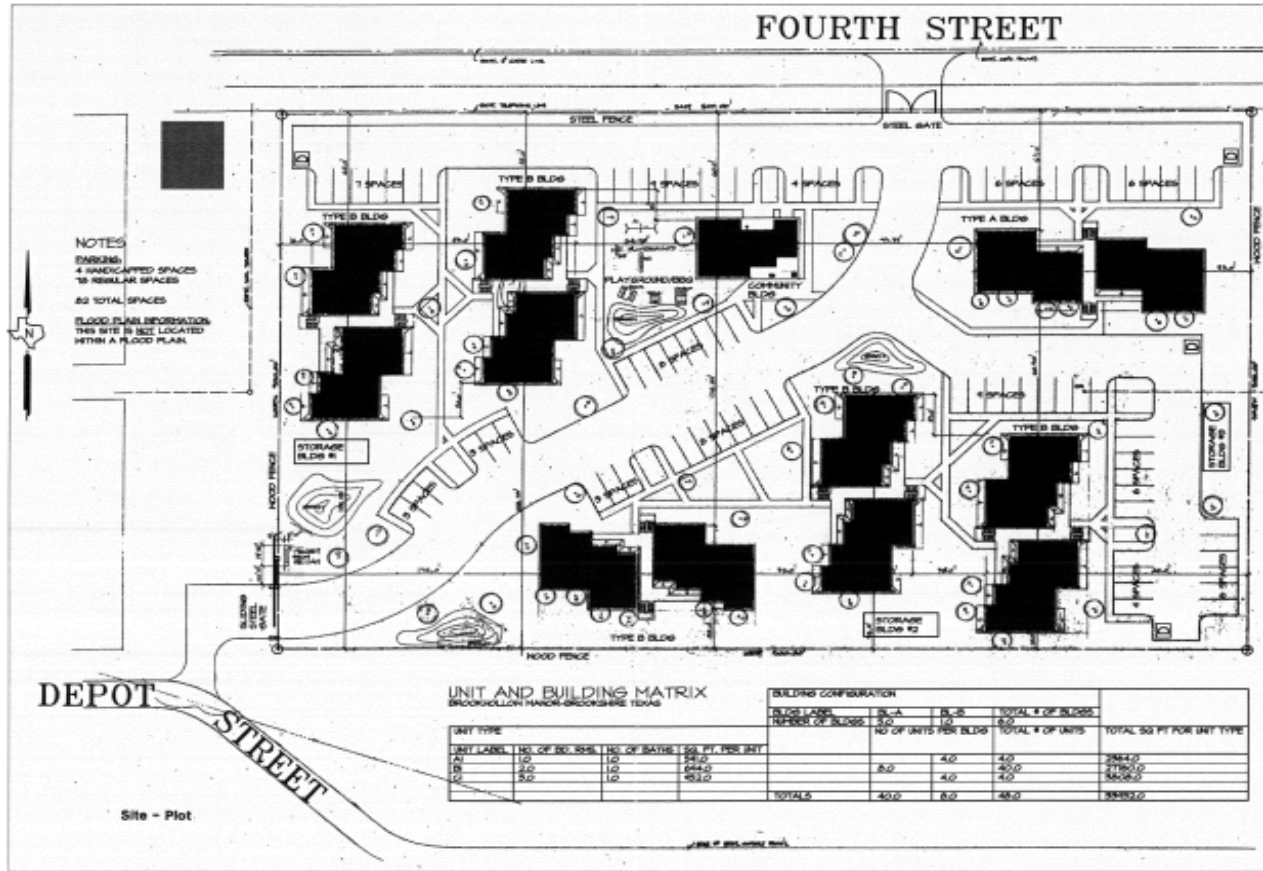
IDENTITIES of INTEREST

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

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PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B							Total Buildings
Floors/Stories	2	2							6
Number	5	1							6

BR/BA	SF	Units							Total Units	Total SF
1 / 1	591		4						4	2,364
2 / 1	694	8							40	27,760
3 / 1	952		4						4	3,808
Units per Building		8	8						48	33,932

Rehabilitation:

The Applicant provided a Capital Needs Assessment conducted by E & A Services, Inc. "Brookhollow Manor was completed in 1984 and is comprised of 48 individual dwelling units located in 6 eight-plex two-story buildings ... Immediate and over-the-term capital needs are projected to total approximately \$55,441/unit in current, un-inflated dollars. The majority of the immediate cost is associated with a major renovation needed to both the exterior and the interior of the dwelling units as well as a considerable amount of site work that is needed, especially in the three corners of the property that have problems with standing water. In addition ... it was identified in the Self Evaluation Needs and Transition Plans dated 2/18/08, that Brookhollow Manor will require some remodeling and/or modifications to bring it into compliance with handicapped accessibility regulations."

SITE ISSUES

Total Size: 3.44 acres Scattered site? Yes No
 Flood Zone: A3 Within 100-yr floodplain? Yes No
 Zoning: N / A Needs to be re-zoned? Yes No N/A

Comments:

The Applicant provided a FIRM map indicating that the site is located in flood zone A3, which is defined by FEMA as among the flood insurance rate zones that correspond to the 1-percent annual chance floodplains that are determined in the Flood Insurance Study by detailed methods of analysis. The QAP specifies design requirements for new construction and reconstruction. Rehabilitation projects are generally not permitted in flood hazard areas unless they already meet the new construction requirements; however, federally financed (i.e. through HUD or USDA-RD) are exempt from this rule. Nevertheless, the Applicant also indicated that the development is designed as required by program rules.

TDHCA SITE INSPECTION

Inspector: ORCA Date: 4/24/2008

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Field beyond: housing
 South: Field beyond: apartments
 East: Depot Street beyond: railroad tracks
 West: Depot Street beyond: housing

Comments:

The inspector reported that "the entire complex has major structural and internal repairs (needed) that are dangerous to tenants ... the site location is externally and internally poor (100%). Complete overhaul would remedy the problem. Site location is acceptable, however the property presents a health hazard.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:

A Phase I Environmental Site Assessment was not provided because USDA-RD financed projects are not required to submit this report; however, the capital needs assessment provider stated that there were no readily observed environmental concerns, including but not limited to asbestos containing materials, lead-based paint, CFC's and PCB's during the on-site inspection. Furthermore, since the property was constructed after 1978, the presence of lead-based paint is unlikely, and no assessment for such is required.

MARKET HIGHLIGHTS

Provider: Acorn Appraisal Associates Date: 2/15/2008
 Contact: Mark E. Verrett Phone: (713) 681-8878 Fax: (713) 681-8958
 Number of Revisions: none Date of Last Applicant Revision: N / A

Market Area:

The appraiser indicated that "there is strong demand within the Brookshire market for developments with rental assistance. The large number of low-income renters in this market means that developments that do offer rental assistance to subsidize tenant payments will likely have a much lower vacancy rate than non-subsidized developments. The population of this market is of sufficient size, diversity, and financial ability to support the subject property and its amenities." (p. 13) According to the Appraiser the City of Brookshire had a population of 7,625 at the updated 2000 Census.

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

INCOME LIMITS						
Waller						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$12,850	\$14,700	\$16,500	\$18,350	\$19,800	\$21,300
50	\$21,400	\$24,450	\$27,500	\$30,550	\$33,000	\$35,450
60	\$25,680	\$29,340	\$33,000	\$36,660	\$39,600	\$42,540

Market Occupancy Rates:

"There were 2,844 housing units, of which 330 (12%) were vacant at the last census. There were 1,784 units (63%) that were owner-occupied and 730 units (26%) that were tenant-occupied ... Two-bedroom units are the most popular within this market and are the predominant floor plan followed by a limited number of one-bedroom units. Three-bedroom units are limited in number and out of the six apartment complexes in the area surveyed, no three-bedroom units were found. The estimated neighborhood apartment vacancy is 3 - 5% which is likely to remain stable. Rental rates are stable as well. " (pp. 11-13)

Absorption Projections:

"Demand for housing in Brookshire has been increasing for the last few years and is expected to continue that trend for the near future." (p. 11)

RENT ANALYSIS (Tenant-Paid Net Rents)					
Unit Type (% AMI)	Current USDA Basic Rent	Proposed Basic Rent	Market Rent	Underwriting Rent	Increase Over Contract
1 BR 591 SF	\$422	\$447	\$372	\$447	\$25
2 BR 694 SF	\$467	\$495	\$455	\$495	\$28
3 BR 952 SF	\$482	\$511	\$500	\$511	\$29

Comments:

A market study report was not provided, as USDA-RD financed projects are not required to submit this report. However, an appraisal is required; the appraisal generally provides sufficient information for the underwriting process. An "As Is" appraisal dated February 15, 2008 was prepared by Acorn Appraisal Associates. Additionally, the property is currently 90% occupied and it is likely that many of the existing tenants will choose to remain at the property after rehabilitation. The presence of an existing tenant base mitigates potential concerns about the lack of information about the market.

Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with Section 1.32(i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 1.9 units per square mile which is less than the 1,432 units per square mile limit. A Primary Market Area concentration was not calculated because a Primary Market Area was not formally provided in the appraisal. The proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

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OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 3/28/2008

The property receives USDA Rental Assistance for 47 of the 48 units. The Applicant's projected income is based on proposed Basic Rents which represent a 6% (\$16K) increase over the current rents for each unit and have not yet been approved by USDA-RD. The appraisal reflects market rents that are lower than the currently approved Basic Rents. The Applicant indicated that USDA has "approved" the proposed rents since they were included in the Preliminary Application submitted to USDA with regard to the proposed rehabilitation. The Underwriter's analysis suggests that the development would operate at or below a 1.10 DCR if the proposed rent increase is not approved. Therefore, the underwriting analysis has utilized the proposed increased rents; and formal documentation of USDA approval of the increased rents will be a condition of this report.

The Applicant's projections for secondary income and losses due to vacancy and collection are consistent with underwriting guidelines. Overall, the Applicant's projected effective gross income is equivalent to the underwriting estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/6/2008

The Applicant's projected annual operating expense estimate of \$4,092 per unit is within 5% of the Underwriter's estimate of \$3,958 per unit derived from historical operating statements for the property, the TDHCA database and other sources.

Conclusion:

The Applicant's projected income and expenses are within 5% of the underwriting estimate; however, net operating income (NOI) varies by more than 5%. As a result, the underwriting estimates will be used to determine the debt capacity and feasibility of the project. The underwriting estimates for effective gross income and operating expenses, combined with the Applicant's requested financing structure, provide a debt coverage ratio (DCR) of 1.34. The Underwriter's Year One DCR is within the parameters of the Department's guidelines.

The Applicant's and Underwriter's expense to income ratios (73% and 70% respectively) are significantly above the TDHCA maximum of 65%. However, the 2008 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive rental assistance in association with USDA-RD-RHS financing." [§1.32(7)(B)(ii)]. The subject's rents are managed by USDA. As such the subject development meets this exception.

Lien position is another critical element in considering the financing of additional HOME funds for the transaction. There is no new money coming into the development from USDA and thus the additional lending risk associated with the development is primarily vested in the additional HOME funding. In fact the USDA loan default risk decreases substantially with the infusion of capital from HOME and the HTC syndication. The Department has historically requested a parity lien with the existing USDA loans in such an instance so that the new HOME rehabilitation funds are not immediately subject to a default risk that might have more to do with USDA's regulations than the performance of the property which they generally control via the annual approval of budgets and basic rents. The request for a parity lien is an inducement by the department or any new lender for USDA to facilitate the preservation of a loan in their portfolio.

The approval of these issues by USDA is not a foregone conclusion, however; therefore, receipt, review and acceptance of documentation that USDA-RD has approved the increase as proposed by cost certification along with the approval of the transfer and parity of the additional HOME debt, by carryover, are conditions of this report.

Feasibility:

The underwriting estimates for effective gross income and annual operating expenses, and the Underwriter's recommended financing structure, are used to create a 30-year operating proforma, applying a 3% growth factor to income and 4% to expenses. This analysis results in continued positive cash flow and a DCR that remains above the 1.15 minimum throughout the required 15-year period. As a result, the project can be considered financially feasible. It should be noted, however, that due to the high expense to income ratio, the debt coverage ratio and cash flow fall below the Department's standards well before year 30 in both the Underwriter's and Applicant's proforma.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: Acorn Appraisal Associates Date: 2/15/2008
 Number of Revisions: none Date of Last Applicant Revision: N / A
 Land Only: 3.44 acres \$135,000 As of: 2/13/2008
 Existing Buildings: (as-is) \$445,000 As of: 2/13/2008
 Total Development: (as-is) \$580,000 As of: 2/13/2008

ASSESSED VALUE

Land Only: 3.44 acres \$88,000 Tax Year: 2007
 Existing Buildings: \$402,000 Valuation by: Waller County
 Total Assessed Value: \$490,000 Tax Rate: 3.5069

Comments:

The current owner's audited financial statements for 2005 and 2006 indicate real estate tax expenses of \$31,274 and 30,068, respectively. However, the audited financial statements for 2007 indicate total taxes paid as being \$13,051. The Applicant explained that the current owner successfully challenged the assessed value of the property and the appraisal district reduced the assessed value.

EVIDENCE of PROPERTY CONTROL

Type: Improved Property Commercial Contract Acreage: 3.44
 Contract Expiration: 12/15/2008 Valid Through Board Date? Yes No
 Acquisition Cost: \$1,522,745 Other: _____
 Seller: Brookhollow Manor, Ltd. Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: none Date of Last Applicant Revision: N / A

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject for \$1,522,745 or \$32K per unit. The Seller is not related to the buyer; however, the transfer must be approved by USDA-RD. History suggests that an acceptable transfer price is approximately the outstanding balance on the USDA 515 loan plus any exit taxes and original equity in the property. The cumulative outstanding balance on the USDA loans is approximately \$1,322,745. The Applicant did not provide documentation of the estimated exit taxes. However, the purchase price appears to be reasonable should USDA apply this standard.

The Applicant has estimated eligible building basis of \$1,422,745 or 93% of the total acquisition price. The Underwriter has used an eligible building basis of \$1,168,313, which is 77% of the total acquisition price based on a prorata allocation of value to land and buildings as reflected in the appraisal submitted by the Applicant.

Sitework Cost:

As the project consists of the rehabilitation of an existing development, site work requirements are relatively low. The Capital Needs Assessment indicates "a considerable amount of site work that is needed, especially in the three corners of the property that have problems with standing water"; nevertheless, the Applicant's development cost schedule itemizes site work of \$3,857 per unit, well below the underwriting limit of \$9,000 per unit. Additionally, the CNA indicates that the first year costs were adjusted upwards by 24% to reflect "soft costs" such as general requirements, general overhead, contingencies and profit in order to present a more accurate estimate. The underwriting analysis reflects the CNA value less the 24% adjustment because the "soft costs" are included in the Applicant's development cost schedule as separate line items.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$84K lower than the estimate provided in the Capital Needs Assessment (CNA). The underwriting analysis will reflect the CNA value, less the 24% adjustment for "soft costs" as discussed previously that were included in these line item estimates.

Conclusion:

The Underwriter's cost schedule was derived from the third-party Capital Needs Assessment (CNA) provided by the Applicant and the information presented in the application. The CNA was well documented and appeared to cover the scope of work provided by the Applicant. Thus, the Underwriter's development cost schedule, as derived from the CNA, will be used to determine the development's need for permanent funds.

The Underwriter's calculated eligible basis of \$3,264,817 supports a tax credit allocation of \$204,759 annually for 10 years; this results in total equity proceeds of \$1,738,710 at a syndication rate of \$0.85 per credit. This will be compared to the Applicant's requested credit amount and the amount determined by the gap in financing in order to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: none Date of Last Applicant Revision: N / A

Source: iCap Type: Interim Financing

Principal: \$302,593 Interest Rate: 6.0% Fixed Term: 24 months

Comments:

Wall Street Journal Prime plus 2%, subject to a floor of 6.0%. The commitment reflects the standard requirement for a first lien by the lender however this is a nominal amount of interim financing and alternative financing should be readily available if the requirement is not removed.

Source: USDA-RD Type: Permanent Financing

Principal: \$1,315,817 Interest Rate: 1.0% Fixed Amort: 600 months

Comments:

The Applicant will assume three existing USDA-RD loans, each amortized for 50 years with an interest rate subsidized down to 1.0%; the loans have current principal balances of \$455,619, \$84,289, and \$775,909. The Applicant has estimated a slightly higher outstanding loan balance for all three loans.

Source: Raymond James Tax Credit Funds Type: Syndication

Proceeds: \$1,780,891 Syndication Rate: 85% Anticipated HTC: \$ 209,726

Comments:

The committed credit price appears to be consistent with recent trends in pricing. However, the Underwriter has performed a sensitivity test and determined that the credit price can decline to \$0.70. At this point, 100% of the available cash flow would be claimed by deferred developer fee and the financial viability of the transaction may be jeopardized. Alternatively, should the final credit price increase to more than \$0.87, the equity proceeds would exceed the gap in financing and an adjustment to the credit allocation may be warranted.

Amount: \$4,986 Type: Deferred Developer Fees

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Market Uncertainty:

The financial market for tax credit developments from both a loan and equity perspective are in their greatest period of uncertainty since the early 1990's and fluctuations in pricing and private funding are expected to continue. The Underwriter has evaluated the pricing flexibility independently for credits and interest rates under which this development could continue to be considered financially feasible. Because of the significant number of potential scenarios, the Underwriter has not modeled the potential impact of movement on both interest rates and equity pricing occurring at the same time.

Due to the uncertainty in the market and the potential for such movement in both equity pricing and interest rates, this report is conditioned upon updated loan and equity commitments at the submission of carryover. Should the revised commitments reflect changes in the anticipated permanent interest rate(s) and equity price, a re-evaluation of the financial feasibility of the transaction should be conducted.

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent financing of \$1,315,817 and \$630,000 in HOME funds indicates the need for \$1,788,909 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$210,670 annually would be required to fill this gap in financing. The three possible allocation amounts are:

Tax Credit Allocation based on Eligible Basis:	<u>\$204,759</u>
Applicant's Requested Allocation:	\$209,726
Tax Credit Allocation based on Gap in Financing:	\$210,670

The amount determined by eligible basis is recommended. An annual allocation of \$204,759 results in total equity proceeds of \$1,738,710 at a syndication rate of \$0.85 per credit.

The Underwriter's recommended financing structure indicates the need for \$50,199 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within three years of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the ratio of HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	_____	Date:	_____
	<i>Thomas Cavanagh</i>		July 1, 2008
Reviewing Underwriter:	_____	Date:	_____
	<i>Raquel Morales</i>		July 1, 2008
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Tom Gouris</i>		July 1, 2008

MULTIFAMILY COMPARATIVE ANALYSIS

Brookhollow Manor, Brookshire, HTC 9%, HOME #08106

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30% LH	3	1	1	591	\$344	\$447	\$1,341	\$0.76	\$76.00	\$20.00
TC 50% LH	1	1	1	591	\$573	447	447	0.76	76.00	20.00
TC 50% LH	20	2	1	694	\$687	495	9,900	0.71	131.00	20.00
TC 60% LH	20	2	1	694	\$687	495	9,900	0.71	131.00	20.00
TC 60% LH	4	3	1	952	\$794	511	2,044	0.54	181.00	20.00
TOTAL:	48		AVERAGE:	707		\$492	\$23,632	\$0.70	\$130.58	\$20.00

INCOME				Total Net Rentable Sq Ft:	33,932	TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION	
POTENTIAL GROSS RENT						\$283,584	\$283,584	Waller		6	
tenant chrgs, laundry, forfeited deposits				Per Unit Per Month:	\$15.00	8,640	8,640	\$15.00	Per Unit Per Month		
Other Support Income:						0		\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME						\$292,224	\$292,224				
Vacancy & Collection Loss				% of Potential Gross Income:	-7.50%	(21,917)	(21,912)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions						0					
EFFECTIVE GROSS INCOME						\$270,307	\$270,312				
EXPENSES				% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI	
General & Administrative				5.06%	\$285	0.40	\$13,678	\$12,200	\$0.36	\$254	4.51%
Management				6.82%	384	0.54	\$18,432	21,250	0.63	443	7.86%
Payroll & Payroll Tax				20.51%	1,155	1.63	\$55,453	58,500	1.72	1,219	21.64%
Repairs & Maintenance				8.51%	479	0.68	\$23,012	23,500	0.69	490	8.69%
Utilities				3.73%	210	0.30	\$10,094	11,000	0.32	229	4.07%
Water, Sewer, & Trash				7.96%	448	0.63	\$21,521	24,500	0.72	510	9.06%
Property Insurance				5.42%	305	0.43	\$14,657	15,150	0.45	316	5.60%
Property Tax				3.5069	351	0.50	16,833	14,000	0.41	292	5.18%
Reserve for Replacements				5.33%	300	0.42	14,400	14,400	0.42	300	5.33%
TDHCA Compliance Fees				0.71%	40	0.06	1,920	1,920	0.06	40	0.71%
Other:				0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES				70.29%	\$3,958	\$5.60	\$190,000	\$196,420	\$5.79	\$4,092	72.66%
NET OPERATING INC				29.71%	\$1,673	\$2.37	\$80,307	\$73,892	\$2.18	\$1,539	27.34%
DEBT SERVICE											
USDA				13.10%	\$738	\$1.04	35,418	\$35,445	\$1.04	\$738	13.11%
HOME				9.00%	\$507	\$0.72	24,316	24,316	\$0.72	\$507	9.00%
Additional Financing				0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH FLOW				7.61%	\$429	\$0.61	\$20,573	\$14,131	\$0.42	\$294	5.23%
AGGREGATE DEBT COVERAGE RATIO						1.34	1.24				
RECOMMENDED DEBT COVERAGE RATIO						1.34					

CONSTRUCTION COST					TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		40.77%	\$31,724	\$44.88	\$1,522,745	\$1,522,745	\$44.88	\$31,724	40.73%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		3.00%	2,331	3.30	111,865	185,156	5.46	3,857	4.95%
Direct Construction		26.51%	20,624	29.17	989,951	905,740	26.69	18,870	24.23%
Contingency	9.90%	2.92%	2,273	3.21	109,090	109,090	3.21	2,273	2.92%
Contractor's Fees	13.86%	4.09%	3,182	4.50	152,726	152,726	4.50	3,182	4.09%
Indirect Construction		4.40%	3,422	4.84	164,236	164,236	4.84	3,422	4.39%
Ineligible Costs		2.13%	1,659	2.35	79,646	79,646	2.35	1,659	2.13%
Developer's Fees	20.00%	14.57%	11,336	16.04	544,136	592,838	17.47	12,351	15.86%
Interim Financing		0.66%	510	0.72	24,500	24,500	0.72	510	0.66%
Reserves		0.96%	746	1.06	35,830	1,916	0.06	40	0.05%
TOTAL COST		100.00%	\$77,807	\$110.07	\$3,734,726	\$3,738,593	\$110.18	\$77,887	100.00%
Construction Cost Recap		36.51%	\$28,409	\$40.19	\$1,363,632	\$1,352,712	\$39.87	\$28,182	36.18%

SOURCES OF FUNDS					RECOMMENDED		
USDA	35.42%	\$27,557	\$38.98	\$1,322,745	\$1,322,745	\$1,315,817	Developer Fee Available
HOME	16.87%	\$13,125	\$18.57	630,000	630,000	630,000	\$592,838
Raymond James	47.68%	\$37,102	\$52.48	1,780,891	1,780,891	1,738,710	% of Dev. Fee Deferred
Deferred Developer Fees	0.13%	\$104	\$0.15	4,986	4,986	50,199	8%
Additional (Excess) Funds Req'd	-0.10%	(\$81)	(\$0.11)	(3,896)	(29)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$3,734,726	\$3,738,593	\$3,734,726	\$350,839

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Brookhollow Manor, Brookshire, HTC 9%, HOME #08106

PAYMENT COMPUTATION

Primary	\$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.27

Secondary	\$630,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.34

Additional	\$1,780,891	Amort	
Int Rate		Aggregate DCR	1.34

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$35,418
Secondary Debt Service	24,316
Additional Debt Service	0
NET CASH FLOW	\$20,573

Primary	\$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.27

Secondary	\$630,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.34

Additional	\$1,780,891	Amort	0
Int Rate	0.00%	Aggregate DCR	1.34

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$283,584	\$292,092	\$300,854	\$309,880	\$319,176	\$370,013	\$428,946	\$497,266	\$668,284
Secondary Income	8,640	8,899	9,166	9,441	9,724	11,273	13,069	15,150	20,361
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	292,224	300,991	310,020	319,321	328,901	381,286	442,015	512,417	688,645
Vacancy & Collection Loss	(21,917)	(22,574)	(23,252)	(23,949)	(24,668)	(28,596)	(33,151)	(38,431)	(51,648)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$270,307	\$278,416	\$286,769	\$295,372	\$304,233	\$352,690	\$408,864	\$473,985	\$636,997
EXPENSES at 4.00%									
General & Administrative	\$13,678	\$14,225	\$14,794	\$15,386	\$16,001	\$19,468	\$23,686	\$28,817	\$42,657
Management	18,432	18,985	19,555	20,141	20,745	24,050	27,880	32,321	43,436
Payroll & Payroll Tax	55,453	57,671	59,978	62,377	64,873	78,927	96,027	116,832	172,940
Repairs & Maintenance	23,012	23,932	24,889	25,885	26,920	32,753	39,849	48,482	71,765
Utilities	10,094	10,498	10,918	11,354	11,809	14,367	17,480	21,267	31,480
Water, Sewer & Trash	21,521	22,382	23,277	24,208	25,177	30,631	37,267	45,342	67,116
Insurance	14,657	15,243	15,853	16,487	17,147	20,861	25,381	30,880	45,710
Property Tax	16,833	17,506	18,207	18,935	19,692	23,959	29,150	35,465	52,497
Reserve for Replacements	14,400	14,976	15,575	16,198	16,846	20,496	24,936	30,339	44,909
Other	1,920	1,997	2,077	2,160	2,246	2,733	3,325	4,045	5,988
TOTAL EXPENSES	\$190,000	\$197,416	\$205,123	\$213,132	\$221,456	\$268,245	\$324,981	\$393,789	\$578,497
NET OPERATING INCOME	\$80,307	\$81,001	\$81,646	\$82,240	\$82,777	\$84,445	\$83,883	\$80,197	\$58,499
DEBT SERVICE									
First Lien Financing	\$35,418	\$35,418	\$35,418	\$35,418	\$35,418	\$35,418	\$35,418	\$35,418	\$35,418
Second Lien	24,316	24,316	24,316	24,316	24,316	24,316	24,316	24,316	24,316
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$20,573	\$21,267	\$21,912	\$22,506	\$23,043	\$24,711	\$24,149	\$20,463	(\$1,235)
DEBT COVERAGE RATIO	1.34	1.36	1.37	1.38	1.39	1.41	1.40	1.34	0.98

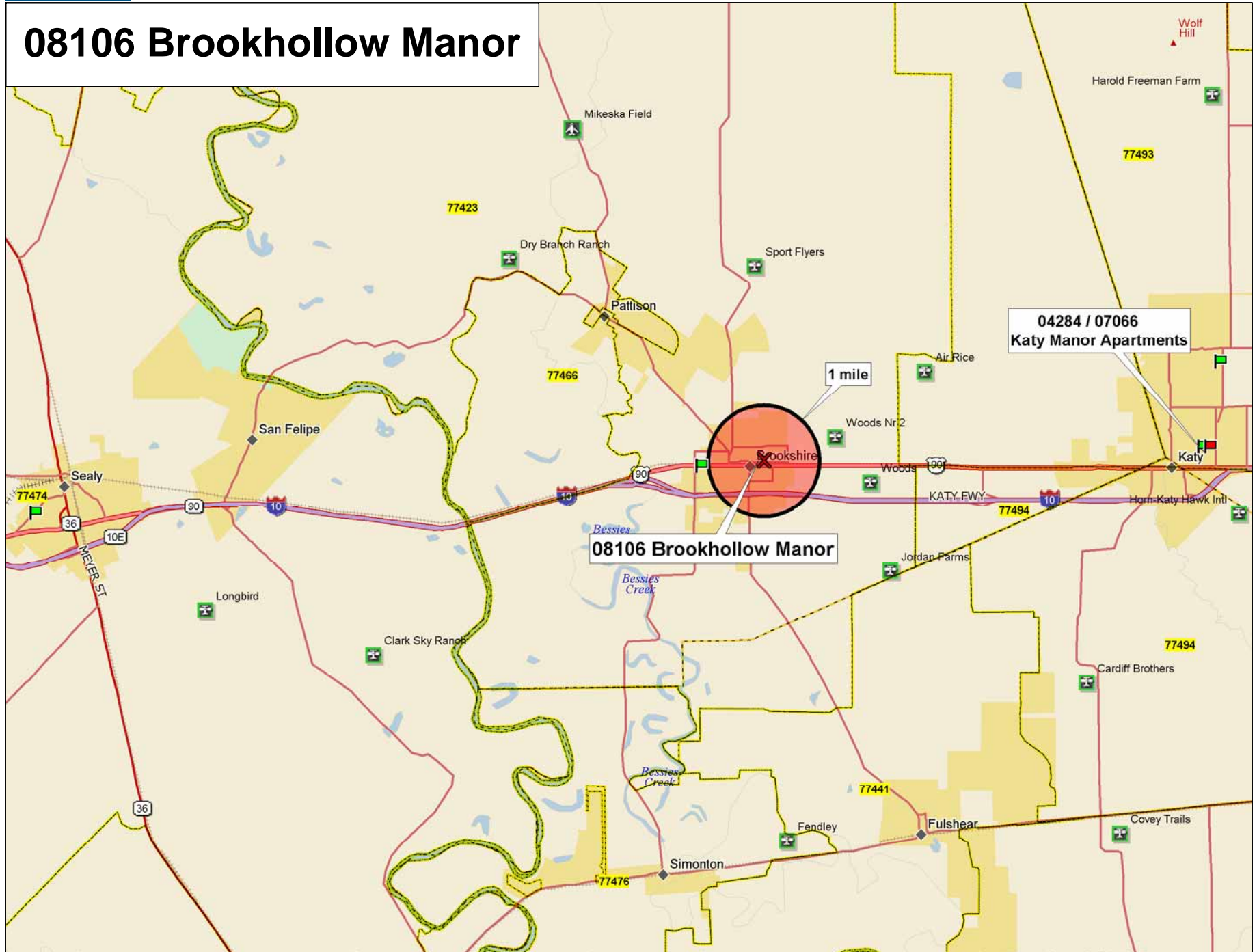
HTC ALLOCATION ANALYSIS -Brookhollow Manor, Brookshire, HTC 9%, HOME #08106

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$100,000	\$354,432				
Purchase of buildings	\$1,422,745	\$1,168,313	\$1,422,745	\$1,168,313		
Off-Site Improvements						
Sitework	\$185,156	\$111,865			\$185,156	\$111,865
Construction Hard Costs	\$905,740	\$989,951			\$905,740	\$989,951
Contractor Fees	\$152,726	\$152,726			\$152,725	\$152,726
Contingencies	\$109,090	\$109,090			\$109,090	\$109,090
Eligible Indirect Fees	\$164,236	\$164,236			\$164,236	\$164,236
Eligible Financing Fees	\$24,500	\$24,500			\$24,500	\$24,500
All Ineligible Costs	\$79,646	\$79,646				
Developer Fees				\$233,663		\$310,474
Developer Fees	\$592,838	\$544,136	\$284,549		\$308,289	
Development Reserves	\$1,916	\$35,830				
TOTAL DEVELOPMENT COSTS	\$3,738,593	\$3,734,726	\$1,707,294	\$1,401,976	\$1,849,736	\$1,862,842

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,707,294	\$1,401,976	\$1,849,736	\$1,862,842
High Cost Area Adjustment					100%	100%
TOTAL ADJUSTED BASIS			\$1,707,294	\$1,401,976	\$1,849,736	\$1,862,842
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$1,707,294	\$1,401,976	\$1,849,736	\$1,862,842
Applicable Percentage			3.55%	3.55%	8.32%	8.32%
TOTAL AMOUNT OF TAX CREDITS			\$60,609	\$49,770	\$153,898	\$154,988

Syndication Proceeds	0.8492	\$514,662	\$422,624	\$1,306,827	\$1,316,086
Total Tax Credits (Eligible Basis Method)				\$214,507	\$204,759
Syndication Proceeds				\$1,821,489	\$1,738,710
Requested Tax Credits				\$209,726	
Syndication Proceeds				\$1,780,891	
Gap of Syndication Proceeds Needed					\$1,788,909
Total Tax Credits (Gap Method)					\$210,670

08106 Brookhollow Manor



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

REPORT DATE: 06/04/09 PROGRAM: HOME FILE NUMBER: 09501

DEVELOPMENT

Chisum Trail Apartments

Location: 1100 Austin Region: 3
 City: Sanger County: Denton Zip: 76266 OCT DDA
 Key Attributes: Multifamily, Family, Rural, At Risk, USDA, Acquisition/Rehabilitation

ALLOCATION

	PREVIOUS REQUEST			PREVIOUS RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$450,000	1.00%	360/360	\$450,000	0.05%	314/314
Housing Tax Credit (Annual)	\$133,940			\$133,940		

	CURRENT REQUEST			CURRENT RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$1,593,628	0.00%	40/40	see below		

The Applicant is requesting an additional \$1,143,628 in HOME funds for a total HOME award of \$1,593,628. The Underwriter recommends that \$860,560 of the total requested HOME funds be structured as a repayable loan at 0% interest and 40-year amortization, and the remaining \$733,068 structured as a non-amortizing forgivable loan. The Applicant already has an existing HOME contract in the amount of \$450K structured as a repayable loan with a .50% interest rate and amortization period of 314 months. Therefore, the existing HOME contract for this development will require an amendment to restructure the existing amount in accordance with the underwriting recommendation made in this addendum.

CONDITIONS

- 1 Receipt, review, and acceptance, by closing, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.
- 2 Receipt, review, and acceptance, by closing, of documentation that USDA-RD has approved an increase of at least 10.7% on average in the current basic rents.
- 3 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	Low HOME	4
50% of AMI	Low HOME	36

PROS

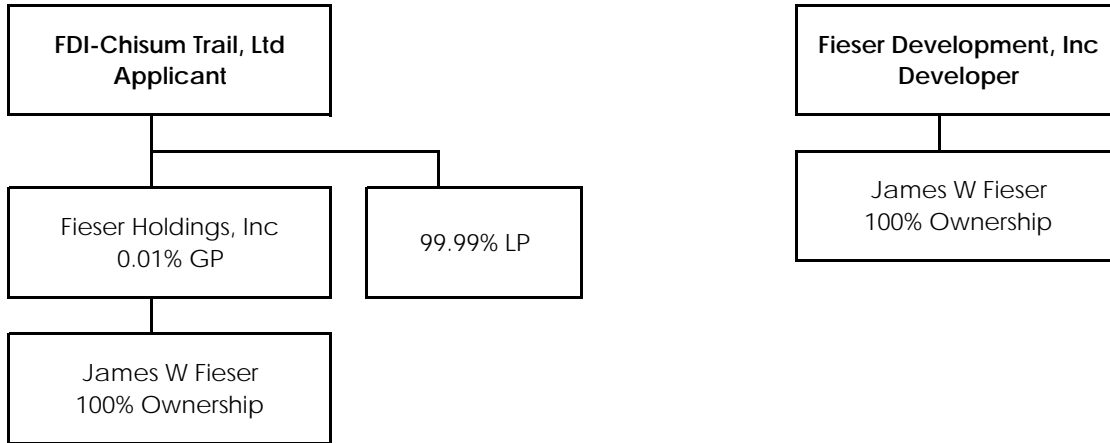
- The application proposes the rehabilitation of an existing 40 unit USDA-RD property constructed in 1984, maintenance of the 515 interest subsidy, and rental assistance for four units.
- The Applicant has considerable experience and financial resources

CONS

- The Applicant's expense to income ratio of 72% is well above the Department's 65% expense to income ratio, but rental assistance is received on 4 units and the HOME rents are well above the USDA-RD rents.
- If the HOME award is ultimately not received, the transaction may not be financially viable.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: James W Fieser Phone: 281.347.8189 Fax: 281.347.8192
 Email: jim.fieser@jfieser.com

ADDENDUM

The Application was originally underwritten and approved during the 2008 9% HTC cycle and was awarded annual tax credits in the amount of \$133,940 along with a HOME award in the amount of \$450,000 structured as a loan with interest at 0.50% and amortizing for 314 months.

The Applicant has returned all of the previously awarded 2008 tax credit allocation due to the market conditions and is now requesting increased HOME funds for a total HOME award of \$1,593,628. The Applicant has requested that the balance of funds requested (\$1,143,628) be structured as a forgivable loan. Current HOME rules allow up to 50% of the total HOME funds requested to be forgivable provided that 10% of all units target tenants at 30% AMI & 50% of all units target tenants at 50% AMI or less.

This addendum has been issued to evaluate the effect these changes have made on the financial viability of the transaction based on the revised documentation provided. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure.

OPERATING PROFORMA ANALYSIS

The Applicant's rental projections have increased by \$1.5K and operating expenses have decreased by \$2K from those projected in the original HTC application. As a result the Applicant's effective gross income remains within 5% of the Underwriter's estimate.

Conclusion:

The Applicant's estimated income, operating expense and NOI are all within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI will be used to evaluate debt service capacity. The Year One proforma results in a DCR of 1.19 which falls within the Department's current guidelines.

In addition, the Applicant's and Underwriter's expense to income ratios (71% and 72% respectively) are significantly above the TDHCA maximum of 65%. However, the 2009 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive rental assistance in association with USDA-RD-RHS financing." [§1.32(7)(B)(ii)]. The subject's rents are managed by USDA. As such the subject development meets this feasibility exception.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above a 1.15.

CONSTRUCTION COST ESTIMATE EVALUATION

The Applicant's total development cost estimate remains unchanged from that projected in the original HTC application. The Underwriter's cost schedule was derived from the original CNA and information presented in the application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriters development cost schedule will be used to determine the development's need for permanent funds.

FINANCING STRUCTURE

Source: USDA-RD Section 515 Type: Existing Financing to Transfer

Principal: \$1,004,790 Interest Rate: 1.0% Fixed Amort: 600 months

Comments:

The Applicant is proposing a same rates and terms transfer of the existing USDA Section 515 mortgage. This type of transfer is generally intended to preserve the below market loan and avoid loss of eligibility for 9% credits associated with new below market funds.

The Applicant provided a promissory note, dated June 20 1984, reflecting an original balance of \$1,040,000 and a 50 year term. Section 515 loans generally provide a subsidy of the market interest rate down to an effective rate of approximately 1%. The remaining term is approximately 314 months with a current balance of \$1,004,790, as reflected above. The estimated balance is reflected as a source of funds in the recommended financing structure.

CONCLUSIONS

Recommended Financing Structure:

As stated previously the Applicant's proforma is used to determine the development's debt service capacity and need for funds. The Applicant has requested a total HOME award of \$1,593,628 with the \$450,000 that was previously awarded structured as approved, and the remaining portion of \$1,143,628 structured as a forgivable loan. However, the HOME NOFA under which this application was submitted allows only up to half of the total HOME funds requested to be structured as a forgivable loan, subject to 10% of all units targeted to tenants at 30% AMI & 50% of all units targeted to tenants at 50% AMI or less. The Applicant's current rent schedule appears to meet this criteria.

Therefore, the Underwriter recommends that \$860,560 of the total requested HOME funds be structured as a repayable loan set at 0.0% interest and 40-year amortization and the remaining \$733,068 structured as a non-amortizing, forgivable loan. The remaining \$41,507 in funds appears to be repayable within 5 years of stabilized operations. This structure would result in slightly over 50% of the total HOME funds requested repayable. The recommended financing structure yields an acceptable DCR of 1.15 and enables the Department to be repaid on a higher amount of HOME funds than previously approved or currently proposed by the Applicant.

It should be noted that an existing HOME contract exists for the property for the previous award made in 2008 for \$450,000. This award amount is currently structured as a repayable loan with a 0.50% interest rate and amortizing over 314 months. The existing HOME contract will require an amendment in order to restructure the funds in accordance with the recommendations made in this addendum.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	_____	Date:	_____
	<i>Carl Hoover</i>		June 4, 2009
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Raquel Morales</i>		June 4, 2009
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 4, 2009

MULTIFAMILY COMPARATIVE ANALYSIS

Chisum Trail Apartments, Sanger, HOME #09501

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
30% LH	4	1	1	654	\$373	\$369	\$1,476	\$0.56	\$63.00	\$58.00
50% LH	12	1	1	654	\$623	\$369	\$4,428	\$0.56	\$63.00	\$58.00
50% LH	4	2	1	797	\$748	\$440	\$1,760	\$0.55	\$79.00	\$62.00
50% LH	20	2	1	797	\$748	\$440	\$8,800	\$0.55	\$79.00	\$62.00
TOTAL:	40		AVERAGE:	740		\$412	\$16,464	\$0.56	\$72.60	\$60.40

INCOME		Total Net Rentable Sq Ft:	29,592	TDHCA- HOME Amendment			TDHCA- Orig + 10% Incr	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT														
Secondary Income		Per Unit Per Month:	\$15.00	\$197,568	\$196,032	\$196,032	\$196,032	\$196,032	\$196,032	\$197,568	Denton	Dallas	3	
Other Support Income:				7,200	7,200	7,200	7,200	7,200	7,200	7,200	\$15.00	Per Unit Per Month		
POTENTIAL GROSS INCOME														
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%	\$204,768	\$203,232	\$203,232	\$203,232	\$203,232	\$203,232	\$204,768	\$0.00	Per Unit Per Month		
Employee or Other Non-Rental Units or Concessions				(15,358)	(15,242)	(15,242)	(15,242)	(15,242)	(15,242)	(15,360)	-7.50%	of Potential Gross Income		
EFFECTIVE GROSS INCOME														
				\$189,410	\$187,990	\$187,990	\$187,992	\$187,992	\$189,408					
EXPENSES		% OF EGI	PER UNIT	PER SQ FT							PER SQ FT	PER UNIT	% OF EGI	
General & Administrative		3.86%	\$183	0.25	\$7,313	\$7,313	\$7,313	\$7,250	\$7,250	\$7,250	\$0.24	\$181	3.83%	
Management		9.26%	438	0.59	17,538	17,538	17,538	17,712	17,712	17,712	0.60	443	9.35%	
Payroll & Payroll Tax		13.38%	634	0.86	25,352	25,352	25,352	27,100	27,100	27,100	0.92	678	14.31%	
Repairs & Maintenance		9.04%	428	0.58	17,120	17,120	17,120	15,700	15,700	13,700	0.46	343	7.23%	
Utilities		2.35%	111	0.15	4,459	4,459	4,459	4,800	4,800	4,800	0.16	120	2.53%	
Water, Sewer, & Trash		14.94%	707	0.96	28,293	28,293	28,293	26,500	26,500	26,500	0.90	663	13.99%	
Property Insurance		5.47%	259	0.35	10,357	10,357	10,357	10,500	10,500	10,500	0.35	263	5.54%	
Property Tax	2.17549	6.50%	308	0.42	12,318	12,318	12,318	13,000	13,000	13,000	0.44	325	6.86%	
Reserve for Replacements		6.34%	300	0.41	12,000	12,000	12,000	12,000	12,000	12,000	0.41	300	6.34%	
TDHCA Compliance Fees		0.84%	40	0.05	1,600	1,600	1,600	1,600	1,600	1,600	0.05	40	0.84%	
Other:		0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%	
TOTAL EXPENSES					\$136,349	\$136,349	\$136,349	\$136,162	\$136,162	\$134,162	\$4.53	\$3,354	70.83%	
NET OPERATING INC					\$53,062	\$51,641	\$51,641	\$51,830	\$51,830	\$55,246	\$1.87	\$1,381	29.17%	
DEBT SERVICE														
Existing USDA 515 First Lien		14.00%	\$663	\$0.90	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526	\$0.90	\$663	14.00%	
TDHCA HOME- repayable		9.17%	\$434	\$0.59	17,369	17,369	17,369	15,000	15,000	19,920	\$0.67	\$498	10.52%	
Additional Financing		0.00%	\$0	\$0.00	0	0	0	0	0	0	\$0.00	\$0	0.00%	
NET CASH FLOW					\$9,167	\$7,746	\$7,746	\$10,304	\$10,304	\$8,800	\$0.30	\$220	4.65%	
AGGREGATE DEBT COVERAGE RATIO					1.21	1.18	1.18	1.25	1.25	1.19				
RECOMMENDED DEBT COVERAGE RATIO								1.15	1.15	1.15				

CONSTRUCTION COST		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA- HOME Amendment	TDHCA- Orig + 10% Incr	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	PER SQ FT	PER UNIT	% of TOTAL	
Acquisition Cost (site or bldg)															
			45.04%	\$30,120	\$40.71	\$1,204,790	\$1,204,790	\$1,204,790	\$1,204,790	\$1,204,790	\$1,204,790	\$40.71	\$30,120	46.37%	
Off-Sites															
			0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%	
Sitework															
			2.36%	1,578	2.13	63,110	63,110	63,110	63,100	63,100	63,100	2.13	1,578	2.43%	
Direct Construction															
			20.22%	13,523	18.28	540,900	534,750	534,750	540,900	540,900	540,900	18.28	13,523	20.82%	
Contingency															
	10.00%		2.26%	1,510	2.04	60,400	59,786	59,786	60,400	60,400	60,400	2.04	1,510	2.32%	
Contractor's Fees															
	14.00%		3.16%	2,114	2.86	84,560	83,700	83,700	84,560	84,560	84,560	2.86	2,114	3.25%	
Indirect Construction															
			5.07%	3,388	4.58	135,500	135,500	135,500	135,500	135,500	135,500	4.58	3,388	5.21%	
Ineligible Costs															
			0.00%	0	0.00	0	94,047	94,047	87,897	87,897	0	0.00	0	0.00%	
Developer's Fees															
	19.14%		14.70%	9,829	13.29	393,150	391,627	391,627	393,150	393,150	393,150	13.29	9,829	15.13%	
Interim Financing															
			4.28%	2,860	3.87	114,397	26,500	26,500	26,500	26,500	114,397	3.87	2,860	4.40%	
Reserves															
			2.93%	1,958	2.65	78,328	78,328	78,328	1,621	1,621	1,621	0.05	41	0.06%	
TOTAL COST					\$66,878	\$90.40	\$2,675,135	\$2,672,139	\$2,672,139	\$2,598,418	\$2,598,418	\$2,598,418	\$87.81	\$64,960	100.00%
+ 10% Increase							\$59,786								
TOTAL COST							\$2,731,925								
Construction Cost Recap				28.00%	\$18,724	\$25.31	\$748,970	\$741,346	\$741,346	\$748,960	\$748,960	\$748,960	\$25.31	\$18,724	28.82%

SOURCES OF FUNDS		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA- HOME Amendment	TDHCA- Orig + 10% Incr	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	RECOMMENDED		
Existing USDA 515 First Lien														
			37.56%	\$25,120	\$33.95	\$1,004,790	\$1,004,790	\$1,004,790	\$1,004,790	\$1,004,790	\$1,004,790	\$1,040,000	Developer Fee Available	
TDHCA HOME- repayable														
			16.82%	\$11,250	\$15.21	450,000	450,000	450,000	450,000	450,000	450,000	860,560	\$393,150	
TDHCA HOME- deferred forgivable														
											1,143,628	733,068		
HTC Syndication Proceeds														
			0.00%	\$0	\$0.00	0	1,137,349	1,137,349	1,137,349	1,137,349	0	0	% of Dev. Fee Deferred	
Transfer Existing Reserves														
			2.93%	\$1,958	\$2.65	78,328	78,328	78,328	0	0	0	0	11%	
Deferred Developer Fees														
			0.00%	\$0	\$0.00	0	6,279	6,279	6,279	6,279	0	41,507		
Additional (Excess) Funds Req'd														
			42.69%	\$28,550	\$38.59	1,142,017	55,179	55,179	0	0	0	0	15-Yr Cumulative Cash Flow	
TOTAL SOURCES						\$2,675,135	\$2,731,925	\$2,731,925	\$2,598,418	\$2,598,418	\$2,598,418	\$2,675,135	\$139,331	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Chisum Trail Apartments, Sanger, HOME #09501

PAYMENT COMPUTATION

Primary	\$1,040,000	Amort	600
Int Rate	1.00%	DCR	2.00

Secondary	\$450,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.21

Additional	\$0	Amort	
Int Rate		Aggregate DCR	1.21

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Primary Debt Service	\$26,526
Secondary Debt Service	21,514
Additional Debt Service	0
NET CASH FLOW	\$7,206

Primary	\$1,040,000	Amort	600
Int Rate	1.00%	DCR	2.08

Secondary	\$860,560	Amort	480
Int Rate	0.00%	Subtotal DCR	1.15

Additional	\$733,068	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$197,568	\$203,495	\$209,600	\$215,888	\$222,365
Secondary Income	7,200	7,416	7,638	7,868	8,104
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS INCOME	204,768	210,911	217,238	223,756	230,468
Vacancy & Collection Loss	(15,360)	(15,818)	(16,293)	(16,782)	(17,285)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$189,408	\$195,093	\$200,945	\$206,974	\$213,183
EXPENSES at 4.00%					
General & Administrative	\$7,250	\$7,540	\$7,842	\$8,155	\$8,481
Management	17,712	18,244	18,791	19,355	19,935
Payroll & Payroll Tax	27,100	28,184	29,311	30,484	31,703
Repairs & Maintenance	13,700	14,248	14,818	15,411	16,027
Utilities	4,800	4,992	5,192	5,399	5,615
Water, Sewer & Trash	26,500	27,560	28,662	29,809	31,001
Insurance	10,500	10,920	11,357	11,811	12,284
Property Tax	13,000	13,520	14,061	14,623	15,208
Reserve for Replacements	12,000	12,480	12,979	13,498	14,038
Other	1,600	1,664	1,731	1,800	1,872
TOTAL EXPENSES	\$134,162	\$139,352	\$144,743	\$150,345	\$156,165
NET OPERATING INCOME	\$55,246	\$55,741	\$56,202	\$56,629	\$57,018
DEBT SERVICE					
First Lien Financing	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526
Second Lien	21,514	21,514	21,514	21,514	21,514
Other Financing	0	0	0	0	0
NET CASH FLOW	\$7,206	\$7,701	\$8,162	\$8,589	\$8,978
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.18	1.19

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$257,781	\$298,839	\$346,437	\$465,582
9,394	10,891	12,625	16,967
0	0	0	0
267,176	309,730	359,062	482,549
(20,038)	(23,230)	(26,930)	(36,191)
0	0	0	0
\$247,138	\$286,500	\$332,132	\$446,358
\$10,319	\$12,555	\$15,275	\$22,610
23,110	26,791	31,058	41,740
38,572	46,928	57,096	84,515
19,499	23,724	28,864	42,726
6,832	8,312	10,113	14,970
37,718	45,889	55,832	82,644
14,945	18,183	22,122	32,746
18,503	22,512	27,389	40,542
17,080	20,780	25,282	37,424
2,277	2,771	3,371	4,990
\$188,855	\$228,445	\$276,401	\$404,907
\$58,283	\$58,055	\$55,731	\$41,451
\$26,526	\$26,526	\$26,526	\$26,526
21,514	21,514	21,514	21,514
0	0	0	0
\$10,243	\$10,015	\$7,691	(\$6,589)
1.21	1.21	1.16	0.86



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

REPORT DATE: 06/29/08 PROGRAM: 9% HTC / HOME FILE NUMBER: 08216

DEVELOPMENT

Chisum Trail Apartments

Location: 1100 Austin Region: 3
 City: Sanger County: Denton Zip: 76266 OCT DDA
 Key Attributes: Multifamily, Family, Rural, At Risk, USDA, Acquisition/Rehabilitation

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
HOME Activity Funds	\$450,000	1.00%	360/360	\$450,000	0.50%	314/314
Housing Tax Credit (Annual)	\$133,940			\$133,940		

* Parity lien position; fully amortized over a term equal to remaining term of the USDA 515 loan (approx. 314 months).

CONDITIONS

- 1 Receipt, review, and acceptance, by the carryover, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.
- 2 Receipt, review, and acceptance, by cost certification, of documentation that USDA-RD has approved an increase of at least 10.7% on average in the current basic rents.
- 3 Receipt, review, and acceptance, by Carryover, of updated loan and equity commitments which are not more than 30 days old.
- 4 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	2
50% of AMI	50% of AMI	18
60% of AMI	60% of AMI	20

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
Low HOME	30% of AMI	2
Low HOME	50% of AMI	38
High HOME	65% of AMI	0

Comments:

The Applicant has elected to restrict more than 40% of the units at 50% of AMI or below in order to meet the IRC Section 42 exception for below market rate HOME loans. Also, a 30% boost is not available to the subject. Such a structure should mitigate risk of losing eligibility for the 9% HTCs.

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PROS

- The application proposes the rehabilitation of an existing 40 unit USDA-RD property constructed in 1984, maintenance of the 515 interest subsidy, and rental assistance for four units.
- The Applicant has considerable experience and financial resources

CONS

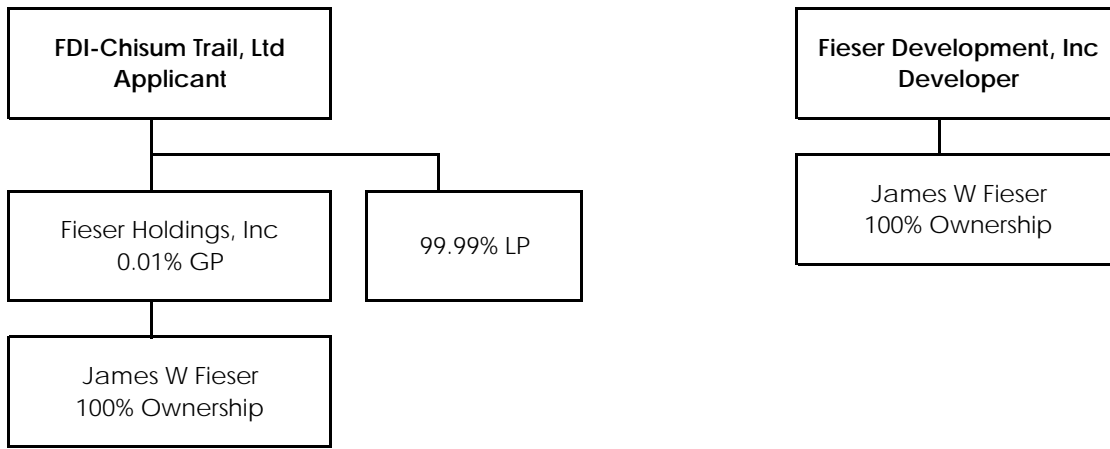
- The Applicant's expense to income ratio of 72% is well above the Department's 65% expense to income ratio, but rental assistance is received on 4 units and the HTC and HOME rents are well above the USDA-RD rents.
- If the HOME award is ultimately not received, the transaction may not be financially viable.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: James W Fieser Phone: 281.347.8189 Fax: 281.347.8192
 Email: jim.fieser@jfieser.com

KEY PARTICIPANTS

Name	Financial Notes	# Completed Developments
Fieser Holdings, Inc	N/A	--
Fieser Development, Inc	N/A	--
James W Fieser	N/A	17 HTC allocations

¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

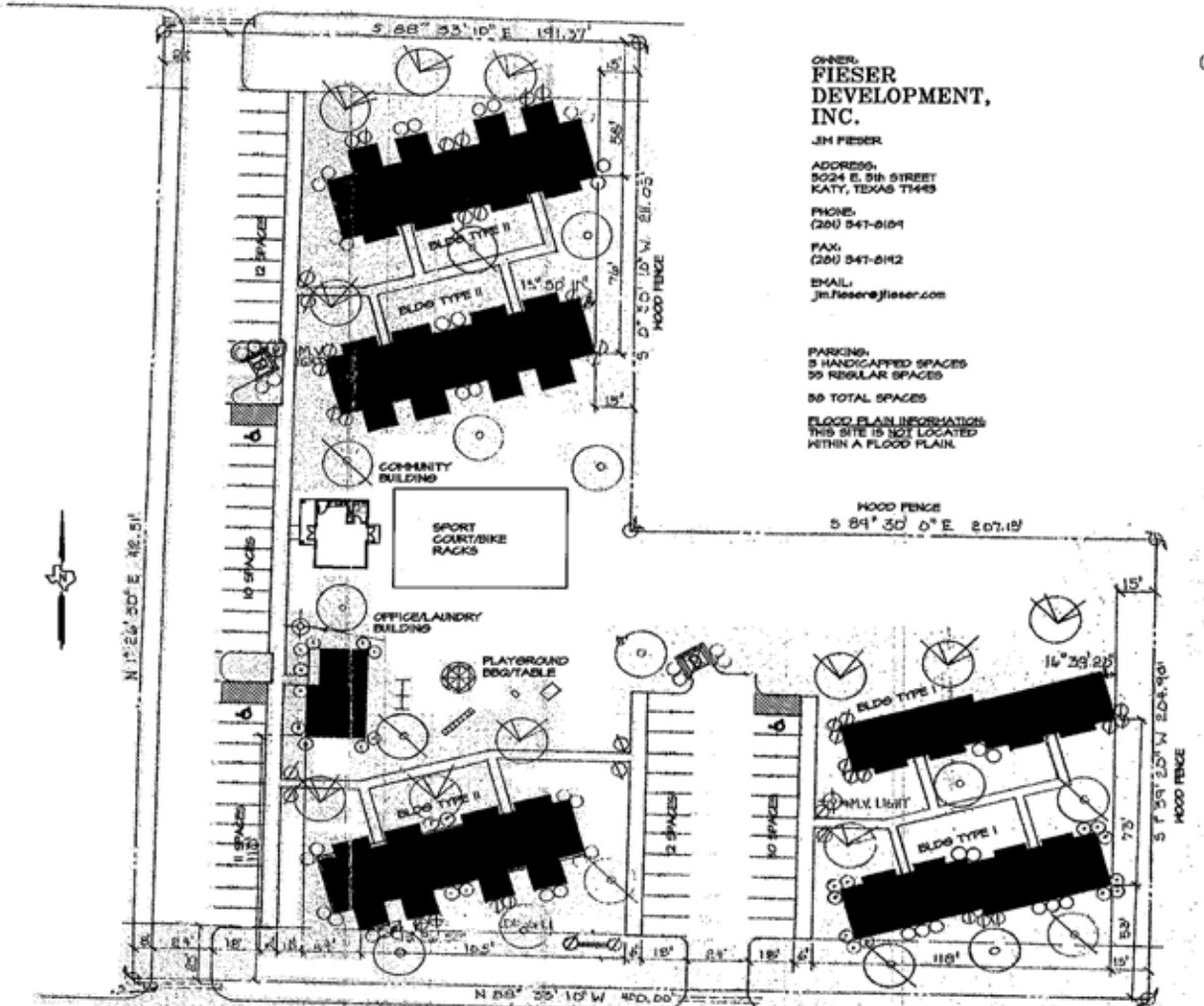
- The Applicant, Developer, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

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PROPOSED SITE

SITE PLAN

CHURCH STREET



OWNER:
FIESER DEVELOPMENT, INC.

04-

JIM FIESER
ADDRESS:
3024 E. 5th STREET
KATY, TEXAS 77448
PHONE:
(281) 547-6101
FAX:
(281) 547-6142
EMAIL:
jim.fieser@fieser.com

PARKING:
5 HANDICAPPED SPACES
55 REGULAR SPACES
60 TOTAL SPACES

FLOOD PLAIN INFORMATION
THIS SITE IS NOT LOCATED WITHIN A FLOOD PLAIN.

HOOD FENCE
S 84° 30' 0" E 207.19'

W. AUSTIN STREET

BUILDING CONFIGURATION

Building Type	A	B																		Total Buildings
Floors/Stories	2	2																		
Number	2	3																		5

BR/BA	SF	Units														Total Units	Total SF				
1/1	654	8																		16	10,464
2/1	797		8																	24	19,128
Units per Building		8	8																	40	29,592

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Development Plan:

The Applicant provided a Capital Needs Assessment reflecting the following scope of work: Repair damaged sidewalks and parking; install new fencing; replace dumpster enclosures; new community building; replace picnic table and playground equipment; repair basketball court; replace building soffits and fascias; replace common area flooring and repair/repaint walls; new landscaping; repair brick veneers; repair/replace stairways; enhance attic insulation; replace 30 heat pumps ; replace 27 water heaters; replace unit flooring; replace 15 exterior doors; replace 13 interior doors; replace 35 ranges and range hoods; replace 20 refrigerators; replace all fixtures and countertops; and refurbish/replace cabinets.

Relocation Plan:

The Applicant plans to temporarily relocate tenants during construction.

SITE ISSUES

Total Size: 2.792 acres Scattered site? [] Yes [x] No
Flood Zone: X Within 100-yr floodplain? [] Yes [x] No
Zoning: MF-2 Needs to be re-zoned? [] Yes [x] No [] N/A

TDHCA SITE INSPECTION

Inspector: Carter Sieber Date: 4/24/2008
Overall Assessment: [] Excellent [x] Acceptable [] Questionable [] Poor [] Unacceptable
Surrounding Uses:
North: vacant commercial / Church St East: single family residential / IH-35
South: W Austin St / City Park w/pool West: vacant commercial

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:
A Phase I Environmental Site Assessment was not provided because USDA-RD financed projects are not required to submit this report. However, environmental clearance will be required subsequent to any award of HOME funds but prior to draws.

MARKET HIGHLIGHTS

Provider: Sherrill & Associates, Inc Date: 2/16/2008
Contact: Jerry Sherrill Phone: 817.557.1791 Fax: N/A
Number of Revisions: 1 Date of Last Applicant Revision: 4/17/2008

Comments:
A market study is not required for existing USDA-RD transactions requesting TDHCA program funds. However, the appraisal provided reflects the following information regarding the subject market.

Primary Market Area (PMA):

"The subject is located in Sanger, Denton County, Texas which is located on Interstate Highway 35 at the intersection of Farm to Market Road 455. It is approximately 7 miles north of Denton, 18 miles south of Gainesville, 44 miles northwest of Dallas and 31 miles northeast of Fort Worth. Denton County had a population of 432,976 in year 2000 and it had an estimated population of 584,288 in 2006 which is an increase of 34.9% over year 2000 while population has increased 12.7% statewide" (p. 9).

This section intentionally left blank.

Secondary Market Area (SMA):

N/A

INCOME LIMITS						
Denton						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$13,950	\$15,950	\$17,950	\$19,950	\$21,550	\$23,150
50	\$23,300	\$26,600	\$29,950	\$33,250	\$35,900	\$38,550
60	\$27,960	\$31,920	\$35,940	\$39,900	\$43,080	\$46,260

Unit Type (% AMI)	Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract
1 BR 654 SF 30%	\$327	\$367	\$495	\$367	\$40
1 BR 654 SF 50%	\$327	\$367	\$495	\$367	\$40
2 BR 797 SF 50%	\$392	\$436	\$515	\$436	\$44
2 BR 797 SF 60%	\$392	\$436	\$515	\$436	\$44

Comments:

As indicated previously, existing USDA 515 transactions are not required to provide a market study. However, the appraisal provided some general information regarding the market and achievable market rents for the subject. Moreover, the property has a current occupancy of 100% according to a rent roll provided at application and is proposing a temporary relocation of tenants. The presence of an existing tenant base mitigates potential concerns about the lack of information about the market.

Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with Section 1.32(i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 1.09 units per square mile which is less than the 1,432 units per square mile limit. A Primary Market Area concentration was not calculated because a Primary Market Area was not formally provided in the appraisal. The proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 4/9/2008

The Applicant's net rents are anticipated basic rent levels. These basic rents have not yet been approved by USDA-RD. The anticipated basic rents are 33% below the net program rents on average and 12% higher than the current USDA-RD basic rent levels. The property currently receives Rental Assistance (RA) on four units. It is likely that the rental assistance will cover the two proposed 30% units, which will allow the tenant paid rent plus RA to exceed the HTC maximum as reflected in the analysis. The appraisal reflects market rents well above the anticipated levels, which suggests that the anticipated rent levels would be achievable in this market. An increase of at least 10.7% on average is necessary in order to maintain a minimum DCR of 1.15.

As a result, the Underwriter has used the Applicant's anticipated basic rents, but receipt, review, and acceptance, by cost certification, of documentation that USDA-RD has approved an increase of at least 10.7% on average in the current basic rents is a condition of this report. The Applicant's secondary income and vacancy and collection loss estimates are in line with Department standards.

Expense: Number of Revisions: none Date of Last Applicant Revision: N/A

The Applicant's total expense estimate of \$3,404 per unit is within 5% of the Underwriter's estimate of \$3,409 per unit derived from actual 2007 operating statements for the property, the TDHCA database, IREM data, and other sources.

Conclusion:

The Applicant's estimate of Net Operating Income is within 5% of the Underwriter's estimate; therefore, the Applicant's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The proforma results in a DCR within the parameters of the Department's current guidelines. The Underwriter has adjusted the terms of the HOME loan to increase the likelihood of repayment and to match the remaining term of the USDA-515 loan. This is discussed in detail in the financing structure section below.

In addition, the Applicant's and Underwriter's expense to income ratios (both at 73%) are significantly above the TDHCA maximum of 65%. However, the 2008 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive rental assistance in association with USDA-RD-RHS financing." [§1.32(7)(B)(ii)]. The subject's rents are managed by USDA. As such the subject development meets this feasibility exception.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow for fifteen years. Because of the high expense to income ratio, it should be noted, the debt coverage ratio and cash flow fall below the Department's year one to 15 standards well before year 30 in both the Underwriter's and Applicant's proforma.

ACQUISITION INFORMATION

APPRAISED VALUE

Table with acquisition details: Provider (Sherrill & Associates, Inc), Date (2/11/2008), Number of Revisions (1), Date of Last Applicant Revision (4/17/2008), and Appraised Values for Land Only, Existing Buildings, USDA Financing Subsidy, and Total Development.

ASSESSED VALUE

Table with assessed values: Land Only (2.79 acres, \$121,620), Existing Buildings (\$376,797), Total Assessed Value (\$498,417), Tax Year (2007), Valuation by (Denton CAD), and Tax Rate (2.17549).

EVIDENCE of PROPERTY CONTROL

Table with property control details: Type (Improved Property - Commercial Contract), Acreage (2.792), Contract Expiration (12/15/2008), Valid Through Board Date (Yes), Acquisition Cost (\$1,204,790), Other, Seller (Chisum Trail Apts Ltd), and Related to Development Team? (No).

This section intentionally left blank.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: none Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject for \$1,204,790 or \$30K per unit. The Seller is not related to the buyer; however, the transfer must be approved by USDA-RD. History suggests that an acceptable transfer price is approximately the outstanding balance on the USDA 515 loan plus any exit taxes and original equity in the property. The outstanding balance on the USDA loan is approximately \$1,004,794 and the original equity was \$76,696 (including reserves funds). The Applicant did not provide documentation of the estimated exit taxes. However, the purchase price appears to be reasonable should USDA apply this standard. Of note, the Applicant has indicated that the existing reserves will be assumed by the partnership; however, this amount is not included in the purchase price and is not reflected in the Applicant's cost schedule. This is discussed in detail below.

The Applicant has estimated eligible building basis of \$1,054,961 or 88% of the total acquisition price. The Underwriter has used an eligible building basis of \$1,054,961, which is based on the Applicant's land value of \$150,000. The Applicant's land value is higher than the appraised land value and tax assessed value.

Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$1,578 per unit, which is comparable to the estimate in the Capital Needs Assessment provided. The CNA also included \$6K in demolition costs that were not reflected in the developer's cost schedule and the Underwriter has included this demolition in ineligible costs. It should be noted that the CNA was revised two times because it did not meet the Department's guidelines of requiring a CNA to account for the developer's entire planned scope of work.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$6K or 1% greater than the estimate provided in the second revision of the Capital Needs Assessment (CNA). The underwriting analysis will reflect the CNA value.

Reserves:

The Applicant has indicated that the existing reserve for replacement accounts and balances will be assumed by the new owner per USDA-RD requirements. The Applicant has provided documentation that the existing reserve for replacement account balances are \$78,328. This amount has not been included in the Applicant's development cost schedule or as a source of funds. However, per the Applicant, the entire amount of existing reserves will be retained in order to satisfy future capital needs. Therefore, the Underwriter has reflected the existing reserve balance as both a use of funds and a source of funds.

Of note, USDA limits the return to owner to 8% of the owner's original equity investment per year and any additional cashflow funds the reserve for replacements. Therefore, it is foreseeable that the Applicant will be able to set aside more than the budgeted \$300 per unit per year.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$2,349,764 supports annual tax credits of \$135,124. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

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FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: Icap Realty Advisors Type: Interim Financing

Principal: \$181,803 Interest Rate: 7.3% Fixed Term: 24 months

Source: USDA-RD Section 515 Type: Existing Financing to Transfer

Principal: \$1,004,790 Interest Rate: 1.0% Fixed Amort: 314 months

Comments:

The Applicant is proposing a same rates and terms transfer of the existing USDA Section 515 mortgage. This type of transfer is generally intended to preserve the below market loan and avoid loss of eligibility for 9% credits associated with new below market funds.

The Applicant provided a promissory note, dated June 20 1984, reflecting an original balance of \$1,040,000 and a 50 year term. Section 515 loans generally provide a subsidy of the market interest rate down to an effective rate of approximately 1%. The remaining term is approximately 314 months with a current balance of \$1,004,790, as reflected above. The estimated balance is reflected as a source of funds in the recommended financing structure.

Source: Raymond James Type: Syndication

Proceeds: \$1,137,349 Syndication Rate: 85% Anticipated HTC: \$ 133,940

Comments:

The committed credit price appears to be consistent with recent trends in pricing. However, the Underwriter has performed a sensitivity test and determined that the credit price can decline to \$0.77. At this point, deferred developer fee would exceed cumulative 15 year cashflow and the financial viability of the transaction may be jeopardized. Alternatively, should the final credit price increase to more than \$0.867, all deferred developer fees would be eliminated and an adjustment to the credit amount may be warranted.

Amount: \$78,328 Type: Existing Reserves

Comments:

As indicated above, the existing reserves balance will transfer to the partnership and be retained for future capital needs. This has been reflected as both a source and a use of funds.

Amount: \$6,279 Type: Deferred Developer Fees

Market Uncertainty:

The financial market for tax credit developments from both a loan and equity perspective are in their greatest period of uncertainty since the early 1990's and fluctuations in pricing and private funding are expected to continue to occur. The Underwriter has evaluated the pricing flexibility independently for credits and interest rates under which this development could continue to be considered financially feasible. Because of the significant number of potential scenarios, the Underwriter has not modeled the potential impact of movement on both interest rates and equity pricing occurring at the same time.

Due to the uncertainty in the market and the potential for such movement in both equity pricing and interest rates, this report is conditioned upon updated loan and equity commitments at the submission of carryover. Should the revised commitments reflect changes in the anticipated permanent interest rate(s) and equity price, a re-evaluation of the financial feasibility of the transaction should be conducted.

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CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio within the Department's guideline of 1.15 to 1.35 with the Applicant's requested terms. However, the Underwriter has reduced the term of the HOME loan to match the remaining term on the USDA-515 loan and decreased the recommended interest rate from 1% to 0.5%, which results in annual debt service consistent with the requested structure and a healthy projected DCR of 1.15 based on the Applicant's proforma. The reduction in the interest rate is necessary to increase the likelihood of repayment of the HOME funds and to maintain a DCR at or above 1.15.

Lien position is another critical element in considering the financing of additional HOME funds for the transaction. There is no new money coming into the development from USDA and thus the additional lending risk associated with the development is primarily vested in the additional HOME funding. In fact the USDA loan default risk decreases substantially with the infusion of capital from HOME and the HTC syndication. The Department has historically requested a parity lien with the existing USDA loans in such an instance so that the new HOME rehabilitation funds are not immediately subject to a default risk that might have more to do with USDA's regulations than the performance of the property which they generally control via the annual approval of budgets and basic rents. The request for a parity lien is an inducement for the department or any new lender by USDA to facilitate the preservation of a loan in their portfolio.

The approval of these issues by USDA is not a foregone conclusion however and therefore, receipt, review and acceptance of documentation that USDA-RD has approved the increase of at least 10.7% overall by cost certification along with the approval of the transfer and parity of the additional HOME debt by carryover are conditions of this report.

The Underwriter's total development cost estimate less the permanent loan of \$1,004,790, requested HOME loan of \$450,000, and existing reserves of \$78,328 indicates the need for \$1,143,628 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$134,679 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$133,940), the gap-driven amount (\$134,679), and eligible basis-derived estimate (\$135,124), the Applicant's request of \$135,124 is recommended resulting in proceeds of \$1,137,349 based on a syndication rate of 85%.

The Underwriter's recommended financing structure indicates the need for \$1,672 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	_____	Date:	_____
	<i>Cameron Dorsey</i>		June 29, 2008
Reviewing Underwriter:	_____	Date:	_____
	<i>Raquel Morales</i>		June 29, 2008
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Tom Gouris</i>		June 29, 2008

MULTIFAMILY COMPARATIVE ANALYSIS

Chisum Trail Apartments, Sanger, 9% HTC / HOME #08216

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30% / LH	2	1	1	654	\$373	\$367	\$734	\$0.56	\$63.00	\$58.00
TC 50% / LH	14	1	1	654	\$623	\$367	\$5,138	\$0.56	\$63.00	\$58.00
TC 50% / LH	4	2	1	797	\$748	\$436	\$1,744	\$0.55	\$79.00	\$62.00
TC 60% / LH	20	2	1	797	\$748	\$436	\$8,720	\$0.55	\$79.00	\$62.00
TOTAL:	40		AVERAGE:	740		\$408	\$16,336	\$0.55	\$72.60	\$60.40

INCOME

Total Net Rentable Sq Ft: 29,592

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
 Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
 Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.89%	\$183	0.25	\$7,313	\$7,250	\$0.24	\$181	3.86%
Management	9.33%	438	0.59	17,538	17,712	0.60	443	9.42%
Payroll & Payroll Tax	13.49%	634	0.86	25,352	27,100	0.92	678	14.42%
Repairs & Maintenance	9.11%	428	0.58	17,120	15,700	0.53	393	8.35%
Utilities	2.37%	111	0.15	4,459	4,800	0.16	120	2.55%
Water, Sewer, & Trash	15.05%	707	0.96	28,293	26,500	0.90	663	14.10%
Property Insurance	5.51%	259	0.35	10,357	10,500	0.35	263	5.59%
Property Tax 2.17549	6.55%	308	0.42	12,318	13,000	0.44	325	6.92%
Reserve for Replacements	6.38%	300	0.41	12,000	12,000	0.41	300	6.38%
TDHCA Compliance Fees	0.85%	40	0.05	1,600	1,600	0.05	40	0.85%
Other:	0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	72.53%	\$3,409	\$4.61	\$136,349	\$136,162	\$4.60	\$3,404	72.43%
NET OPERATING INC	27.47%	\$1,291	\$1.75	\$51,641	\$51,830	\$1.75	\$1,296	27.57%

DEBT SERVICE

Existing USDA 515 First Lien	14.11%	\$663	\$0.90	\$26,526	\$26,526	\$0.90	\$663	14.11%
TDHCA HOME	9.24%	\$434	\$0.59	17,369	15,000	\$0.51	\$375	7.98%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	4.12%	\$194	\$0.26	\$7,746	\$10,304	\$0.35	\$258	5.48%

AGGREGATE DEBT COVERAGE RATIO

1.18 1.25

RECOMMENDED DEBT COVERAGE RATIO

1.15

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		45.09%	\$30,120	\$40.71	\$1,204,790	\$1,204,790	\$40.71	\$30,120	46.37%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		2.36%	1,578	2.13	63,110	63,100	2.13	1,578	2.43%
Direct Construction		20.01%	13,369	18.07	534,750	540,900	18.28	13,523	20.82%
Contingency	10.00%	2.24%	1,495	2.02	59,786	60,400	2.04	1,510	2.32%
Contractor's Fees	14.00%	3.13%	2,093	2.83	83,700	84,560	2.86	2,114	3.25%
Indirect Construction		5.07%	3,388	4.58	135,500	135,500	4.58	3,388	5.21%
Ineligible Costs		3.52%	2,351	3.18	94,047	87,897	2.97	2,197	3.38%
Developer's Fees	20.00%	14.66%	9,791	13.23	391,627	393,150	13.29	9,829	15.13%
Interim Financing		0.99%	663	0.90	26,500	26,500	0.90	663	1.02%
Reserves		2.93%	1,958	2.65	78,328	1,621	0.05	41	0.06%
TOTAL COST		100.00%	\$66,803	\$90.30	\$2,672,139	\$2,598,418	\$87.81	\$64,960	100.00%
Construction Cost Recap		27.74%	\$18,534	\$25.05	\$741,346	\$748,960	\$25.31	\$18,724	28.82%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Existing USDA 515 First Lien	37.60%	\$25,120	\$33.95	\$1,004,790	\$1,004,790	\$1,004,790	Developer Fee Available
TDHCA HOME	16.84%	\$11,250	\$15.21	450,000	450,000	450,000	\$393,150
HTC Syndication Proceeds	42.56%	\$28,434	\$38.43	1,137,349	1,137,349	1,137,349	% of Dev. Fee Deferred
Transfer Existing Reserves	2.93%	\$1,958	\$2.65	78,328	0	78,328	0%
Deferred Developer Fees	0.23%	\$157	\$0.21	6,279	6,279	1,672	
Additional (Excess) Funds Req'd	-0.17%	(\$115)	(\$0.16)	(4,607)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$2,672,139	\$2,598,418	\$2,672,139	\$121,017

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Chisum Trail Apartments, Sanger, 9% HTC / HOME #08216

PAYMENT COMPUTATION

Primary	\$1,004,790	Amort	314
Int Rate	1.00%	DCR	1.95

Secondary	\$450,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.18

Additional	\$1,137,349	Amort	
Int Rate		Aggregate DCR	1.18

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Primary Debt Service	\$26,526
Secondary Debt Service	18,352
Additional Debt Service	0
NET CASH FLOW	\$6,952

Primary	\$1,004,790	Amort	314
Int Rate	1.00%	DCR	1.95

Secondary	\$450,000	Amort	314
Int Rate	0.50%	Subtotal DCR	1.15

Additional	\$1,137,349	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$196,032	\$201,913	\$207,970	\$214,209	\$220,636	\$255,777	\$296,516	\$343,743	\$461,962
Secondary Income	7,200	7,416	7,638	7,868	8,104	9,394	10,891	12,625	16,967
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	203,232	209,329	215,609	222,077	228,739	265,172	307,407	356,369	478,930
Vacancy & Collection Loss	(15,240)	(15,700)	(16,171)	(16,656)	(17,155)	(19,888)	(23,055)	(26,728)	(35,920)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$187,992	\$193,629	\$199,438	\$205,421	\$211,584	\$245,284	\$284,351	\$329,641	\$443,010
EXPENSES at 4.00%									
General & Administrative	\$7,250	\$7,540	\$7,842	\$8,155	\$8,481	\$10,319	\$12,555	\$15,275	\$22,610
Management	17,712	18,243	18,790	19,354	19,935	23,110	26,791	31,058	41,739
Payroll & Payroll Tax	27,100	28,184	29,311	30,484	31,703	38,572	46,928	57,096	84,515
Repairs & Maintenance	15,700	16,328	16,981	17,660	18,367	22,346	27,187	33,078	48,963
Utilities	4,800	4,992	5,192	5,399	5,615	6,832	8,312	10,113	14,970
Water, Sewer & Trash	26,500	27,560	28,662	29,809	31,001	37,718	45,889	55,832	82,644
Insurance	10,500	10,920	11,357	11,811	12,284	14,945	18,183	22,122	32,746
Property Tax	13,000	13,520	14,061	14,623	15,208	18,503	22,512	27,389	40,542
Reserve for Replacements	12,000	12,480	12,979	13,498	14,038	17,080	20,780	25,282	37,424
Other	1,800	1,664	1,731	1,800	1,872	2,277	2,771	3,371	4,990
TOTAL EXPENSES	\$136,162	\$141,431	\$146,906	\$152,594	\$158,505	\$191,701	\$231,908	\$280,614	\$411,143
NET OPERATING INCOME	\$51,830	\$52,198	\$52,532	\$52,827	\$53,079	\$53,583	\$52,443	\$49,027	\$31,867
DEBT SERVICE									
First Lien Financing	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526	\$26,526
Second Lien	18,352	18,352	18,352	18,352	18,352	18,352	18,352	18,352	18,352
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$6,952	\$7,320	\$7,654	\$7,949	\$8,201	\$8,705	\$7,565	\$4,149	(\$13,011)
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.18	1.18	1.19	1.17	1.09	0.71

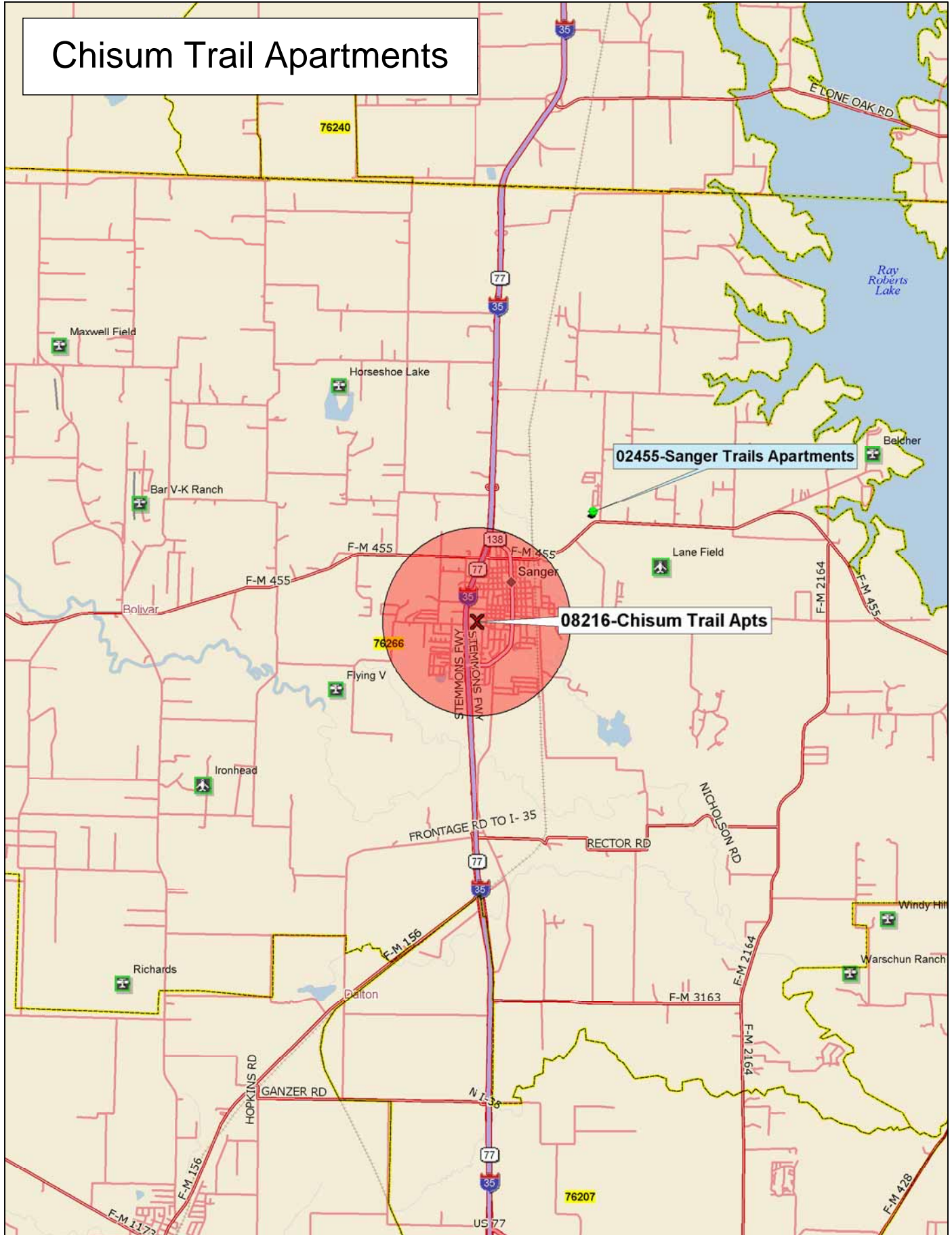
HTC ALLOCATION ANALYSIS -Chisum Trail Apartments, Sanger, 9% HTC / HOME #08216

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$150,000	\$150,000				
Purchase of buildings	\$1,054,790	\$1,054,790	\$1,054,790	\$1,054,790		
Off-Site Improvements						
Sitework	\$63,100	\$63,110			\$63,100	\$63,110
Construction Hard Costs	\$540,900	\$534,750			\$540,900	\$534,750
Contractor Fees	\$84,560	\$83,700			\$84,560	\$83,700
Contingencies	\$60,400	\$59,786			\$60,400	\$59,786
Eligible Indirect Fees	\$135,500	\$135,500			\$135,500	\$135,500
Eligible Financing Fees	\$26,500	\$26,500			\$26,500	\$26,500
All Ineligible Costs	\$87,897	\$94,047				
Developer Fees			\$210,958	\$210,958	\$182,192	\$180,669
Developer Fees	\$393,150	\$391,627				
Development Reserves	\$1,621	\$78,328				
TOTAL DEVELOPMENT COSTS	\$2,598,418	\$2,672,139	\$1,265,748	\$1,265,748	\$1,093,152	\$1,084,016

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,265,748	\$1,265,748	\$1,093,152	\$1,084,016
High Cost Area Adjustment					100%	100%
TOTAL ADJUSTED BASIS			\$1,265,748	\$1,265,748	\$1,093,152	\$1,084,016
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$1,265,748	\$1,265,748	\$1,093,152	\$1,084,016
Applicable Percentage			3.55%	3.55%	8.32%	8.32%
TOTAL AMOUNT OF TAX CREDITS			\$44,934	\$44,934	\$90,950	\$90,190

Syndication Proceeds	0.8491	\$381,557	\$381,557	\$772,302	\$765,848
Total Tax Credits (Eligible Basis Method)				\$135,884	\$135,124
Syndication Proceeds				\$1,153,859	\$1,147,404
Requested Tax Credits				\$133,940	
Syndication Proceeds				\$1,137,349	
Gap of Syndication Proceeds Needed				\$1,143,628	\$1,139,021
Total Tax Credits (Gap Method)				\$134,679	\$134,137

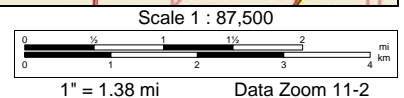
Chisum Trail Apartments



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HOUSING TRUST FUND DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Approval of Housing Trust Fund Program Award Recommendations.

Requested Action

Approve, Deny or Approve with Amendments the Housing Trust Fund Program Award Recommendations.

2009 VETERANS HOUSING SUPPORT PROGRAM

A Notice of Funding Availability (NOFA) for \$1,000,000 for the 2009 Texas Veterans Housing Support Program was approved by the Board on December 18, 2008, consistent with the 2009 Housing Trust Fund Annual Plan. The NOFA allows applications for funding on a statewide first-come, first-served basis and established a submission deadline of May 1, 2009.

The Department has received four applications to date requesting a total of \$959,995 in project funds and \$40,000 in administrative funding for a total of \$999,995 of funds requested. The Board has approved an award totaling \$249,995, leaving \$250,005 available. If the application being considered today is awarded the recommended \$250,000 in HTF funds, \$5 in funds remaining will be added to the HTF available funds balance to be reprogrammed at a future Board meeting.

The application from Webb County to assist 11 veteran households with rental assistance for up to 36 months has been reviewed and met the NOFA requirements and is therefore being recommended for award.

The Application Log reflecting all applications received in response to the Veterans Housing Support Program NOFA and an Award Recommendations Log are attached.

Recommendation

Staff recommends that the Board approve an award for the following application as detailed in the attached Award Log:

2009-0014

Webb County

VRA

2009 Texas Veterans Housing Support Program - Award Recommendations Log

Sorted by date/time received

Total NOFA Amount - \$1,000,000

Total Amount Available Prior to Action: \$250,005

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0014	4/30/2009	8:15 AM	County of Webb	11	\$240,000	\$10,000	11	\$240,000	\$10,000	11	Pending Award
Totals:					\$240,000	\$10,000	11	\$240,000	\$10,000	11	

2009 Texas Veterans Housing Support Program - Application Log

Sorted by date/time received

Total NOFA Amount - \$1,000,000

Total Amount Available Prior to Action: \$250,005

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0004	2/12/2009	2:33 PM	FUTURO Communities, Inc.	11	\$239,995	\$10,000	7	\$239,995	\$10,000	7	Awarded 4/23/2009
2009-0008	3/9/2009	12:53 PM	Center for Housing & Economic Opportunities Corporation	7	\$240,000	\$10,000	7	\$240,000	\$10,000	7	Awarded 4/23/2009
2009-0012	3/26/2009	3:47 PM	Community Partnership for the Homeless	7	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Awarded 5/21/2009
2009-0014	4/30/2009	8:15 AM	County of Webb	11	\$240,000	\$10,000	11	\$240,000	\$10,000	11	Pending Award
Totals:					\$959,995	\$40,000	49	\$959,995	\$40,000	49	

**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009**

Action Items

Presentation, Discussion and Possible Approval for Housing Tax Credit Extensions.

Required Action

Approve, Amend or deny the requests for extensions related to (1) 2003, (1) 2004, five (5) 2006 and one (1) 2007 Housing Tax Credit allocations.

Background

Pertinent facts about the request for extension are given below. The requests were accompanied by a mandatory \$2,500 extension request fee.

**HTC No. 060405, Sea Breeze Seniors Apartments
(Cost Certification Extension)**

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2007 and missed the January 15, 2008 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 15, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Sea Breeze Seniors, LP
General Partner:	Sea Breeze GP, LLC
Developer:	Sea Breeze Seniors, LP
Principals/Interested Parties:	Bluebonnet Gardens
City/County:	Corpus Christi/Nueces
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	200 HTC units
2006 Allocation:	\$612,571
Allocation per HTC Unit:	\$3,062
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2008
New Deadline Requested:	January 15, 2009
New Deadline Recommended:	January 15, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension as requested.

HTC No. 060609, The Residences at Sunset Pointe
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 20, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement; however, they have requested that the Board waive the \$2500 extension processing fee based on the facts presented in their extension request letter.

Owner:	Sunset Pointe Housing Partnership, Ltd.
General Partner:	NDG-Sunset Pointe, LLC
Developer:	NuRock Development Group, Inc.
Principals/Interested Parties:	Robert G. Hoskins and Sandra K. Hoskins
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	254 HTC units
2006 Allocation:	\$699,601
Allocation per HTC Unit:	\$2,754
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	January 20, 2009
New Deadline Recommended:	January 20, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension with the exception of the waiver of the fee.

HTC No. 060071, Retama Village
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner has requested a change in the deadline from January 15, 2009 to July 15, 2009. The reason given for the request was that the audit of the developments costs were delayed because a portion of the development buildings were placed in service in 2008 and the remaining portion in 2009; therefore, additional time is needed for the auditors to review the cost certification documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

It should be noted, in accordance with §49.21(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period."

Owner:	Retama Village, Ltd.
General Partner:	Retama Village GP, LLC and McAllen HFC
Developer:	Brownstone Affordable Housing and Three B Ventures, Inc.
Principals/Interested Parties:	William L Brown, Doak D. Brown, Jed A. Brown, and Wil C. Brown
City/County:	McAllen/Hidalgo
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	128 HTC units
2006 Allocation:	\$1,095,913
Allocation per HTC Unit:	\$8,561
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	July 15, 2009
New Deadline Recommended:	July 15, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension as requested.

HTC No. 060072, Easterling Village
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 26, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

It should be noted, in accordance with §49.21(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period."

Owner:	Easterling Village, Ltd.
General Partner:	Easterling Village GP, LLC
Developer:	Brownstone Affordable Housing and Three B Ventures, Inc.
Principals/Interested Parties:	William L Brown and Doak D. Brown
City/County:	Alice/Jim Wells
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Family
Units:	48 HTC units
2006 Allocation:	\$386,170
Allocation per HTC Unit:	\$8,045
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	January 26, 2009
New Deadline Recommended:	January 26, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension as requested.

HTC No. 07090 (Supplement to HTC No. 060073), Thomas Ninke Senior Village (Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 29, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

It should be noted, in accordance with §49.21(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period."

Owner:	Thomas Ninke Senior Village, Ltd.
General Partner:	Thomas Ninke Senior Village and Victoria Affordable Housing, Corp.
Developer:	Brownstone Affordable Housing and Three B Ventures, Inc.
Principals/Interested Parties:	William L Brown, Doak D. Brown, Jed A. Brown, Wil C. Brown and William Lee Brown GS Trust
City/County:	Victoria/Victoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2006 Allocation:	\$472,636
Allocation per HTC Unit:	\$5,908
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	January 29, 2009
New Deadline Recommended:	January 29, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension as requested.

HTC No. 07149, Residences at Eastland
(Commencement of Substantial Construction)

Summary of Request: Pursuant to §49.14(c) of the 2007 Qualified Allocation Plan, “The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with a possibility of an extension...”. The owner missed the December 1, 2008 deadline to submit commencement of substantial construction for the above referenced development. The owner submitted the full commencement of substantial construction documentation on May 21, 2009. The Compliance Division has reviewed the documentation and determined that the Commencement of Substantial Construction requirement has been satisfied. The owner’s extension request included all documentation necessary to comply with the requirement.

Owner:	FW-Eastland Housing Partners, Ltd.
General Partner:	NDG-Eastland, LLC
Developer:	NuRock Development Group, Inc.
Principals/Interested Parties:	Robert G. Hoskins and Sandra K. Hoskins
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	140 HTC units
2007 Allocation:	\$1,200,000
Allocation per HTC Unit:	\$8,571
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2008
New Deadline Requested:	May 21, 2009
New Deadline Recommended:	May 21, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension as requested.

HTC No. 03178, Jacinto Manor
(HUB Replacement)

Summary of Request: In April of 2008, the Special Limited Partner (SLP), Columbia Housing SLP Corporation, assumed control of the general partner. The exit of the previous general partner resulted in the loss of the participation of a Historically Underutilized Business (HUB). The SLP requested time to locate another HUB to replace the previous one. The SLP was unable to locate another HUB and request a six month extension in November 2008 which was granted by the Executive Director. On May 19, 2009, the SLP requested an additional 90 day extension to secure a HUB partner. The SLP had difficulties attracting qualified HUBs in general but those difficulties were enhanced by the aftermath of Hurricane Ike and the financial conversion of the permanent loan of the development. The SLP does have a promising candidate and needs a couple of months to negotiate terms.

Owner:	Jacinto Manor, Ltd.
General Partner:	Artisan/American Corp and Inland General Construction Co.
Developer:	American Corporation
Principals/Interested Parties:	H. Elizabeth Young and Vernon R. Young, Jr.
City/County:	Jacinto City/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	160 HTC units
2003 Allocation:	\$782,354
Allocation per HTC Unit:	\$4,890
Original Deadline:	November 19, 2008
Current Deadline:	May 19, 2009
New Deadline Requested:	August 19, 2009
New Deadline Recommended:	August 19, 2009
Previous Extensions:	(1) November, 2008
Staff Recommendation:	Approve the extension as requested.

HTC No. 04206, Lake Jackson Manor
(HUB Replacement)

Summary of Request: In May of 2008, the Special Limited Partner (SLP), Columbia Housing SLP Corporation, assumed control of the general partner. The exit of the previous general partner resulted in the loss of the participation of a Historically Underutilized Business (HUB). The SLP requested time to locate another HUB to replace the previous one. The SLP was unable to locate another HUB and request a six month extension in November 2008 which was granted by the Executive Director. On May 19, 2009, the SLP requested an additional 90 day extension to secure a HUB partner. The SLP had difficulties attracting qualified HUBs in general but those difficulties were enhanced by the aftermath of Hurricane Ike and the financial conversion of the permanent loan of the development. The SLP does have a promising candidate and needs a couple of months to negotiate terms.

Owner:	Lake Jackson Manor, Ltd.
General Partner:	Artisan/American Corp and Inland General Construction Co.
Developer:	American Corporation
Principals/Interested Parties:	H. Elizabeth Young and Vernon R. Young, Jr.
City/County:	Lake Jackson/Brazoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2004 Allocation:	\$402,176
Allocation per HTC Unit:	\$5,027
Original Deadline:	November 20, 2008
Current Deadline:	May 22, 2009
New Deadline Requested:	August 22, 2009
New Deadline Recommended:	August 22, 2009
Previous Extensions:	(1) November 2008
Staff Recommendation:	Approve the extension as requested.

SEA BREEZE SENIORS, LP

3701 Ayers Street
Corpus Christi, Texas 78415

RICHARD J. FRANCO, MANAGER

Office: 361-889-3350
Fax: 361-889-3326



May 06, 2009

Kent Bedell
Texas Department of Housing and Community Affairs
Multifamily Division
221 East 11th Street
Austin, Texas 78711-3941

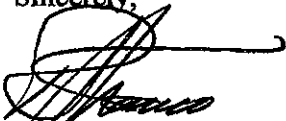
RE: Sea Breeze Senior Apartments TDHCA # 060405
Request for cost certification extension

Dear Mr. Bedell:

Please accept this communication as our formal request for a cost certification extension. Specifically, we are responding to a Request for Information for Cost Certification of Sea Breeze Senior Apartments letter dated April 30, 2009. This request will accompany the required fee in the amount of \$2,500.00.

If you have any questions regarding this request, please contact Deborah Sherrill at 361-889-3393.

Sincerely,



Richard J. Franco

NuRock Companies

580 Decker Drive ♦ Suite 208 ♦ Irving, Texas 75062
Phone 972-573-3400 ♦ Fax 678-218-1496

May 11, 2009

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

Re: Residences at Sunset Pointe
TDHCA #060609

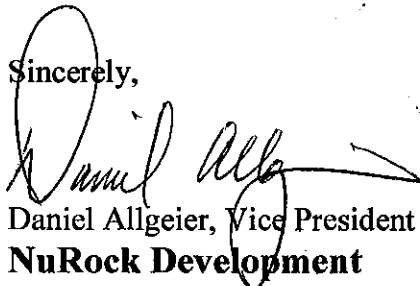
Dear Mr. Bedell:

We submitted our cost certification package to TDHCA on January 20, 2009. The tax credit allocation was governed by the 2006 Qualified Allocation Plan (QAP). As we claimed credits in 2008, this package was due on January 15, 2009. Sunset Pointe Housing Partnership, Ltd. requests an extension of this deadline for submission of the cost certification. We base this request on these facts:

- This cost certification package is for a bond financed property so the State's competitive credit allocations were not affected nor was any other application or project put at a competitive disadvantage because of this short delay.
- The deadline for submittal of the cost certification was April 1 in the 2005 and prior QAPs. This change in deadline caught us by surprise.
- The delay in submittal of this document was not material. It did not affect when the housing was available to eligible residents, the amount of credits requested, the financial viability of the property or the timing of the staff's response to the submittal.
- The package was only 4 business days late.
- This is a quality and successful project, completed on time, fully rented to eligible residents and in the process of conversion to permanent financing.

We respectfully request that the \$2,500 fee associated with this request be waived as well.

Sincerely,


Daniel Allgeier, Vice President
NuRock Development

Extension 2151

dallgeier@nurock.com

05-14-09 12:29 RCVD



Leslie Holleman & Associates, Inc.
Residential Real Estate Development & Consulting

June 5, 2009

Mr. Kent Bedell
Housing Specialist
Multifamily Housing Finance Division
221 East 11th Street
Austin, Texas 78701-2410

via Federal Express

Re: HTC #060071 Retama Village in McAllen, TX
Cost Certification Extension Request

Dear Mr. Bedell:

Retama Village, Ltd. respectfully requests an extension of the January 15, 2009 deadline for the submission of the Cost Certification package. The audit of the total development costs for Exhibit 10C of the Cost Certification is currently in process. Three of the nine buildings in this development were placed in service in late 2008 and the remainder in early 2009. Accordingly, the audit date for the cost certification is February 28, 2009, making the January 15th date unattainable. We anticipate submission of the complete cost certification package to Real Estate Analysis no later than July 15, 2009.

Enclosed is a check in the amount of \$2,500 for the extension fee. Please contact me at (325) 784-9797 if you have any questions or need additional information.

Best Regards,

Leslie Holleman
Consultant to the Partnership

Cc: Rosalio Banuelos, Real Estate Analysis
Joe Saenz, Manager of the General Partner

Retama Village
UAH Property Management, LP as Managing Agent
900 N 26th Street
McAllen, TX 78501

Compass Bank
Dallas, TX

88-744
1119

000164

05/28/2009

Pay TWO THOUSAND FIVE HUNDRED AND 00/100

\$ 2,500.00

TO THE ORDER OF
TDHCA - Housing Finance
Loan Servicing 332-05
PO Box 13941
Austin, TX 78711-3941

Michael Clark
PRESIDENT

Memo



SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑆000164⑆ ⑆111907445⑆ 2512642708⑆

RETAMA VILLAGE

000164

Bill Reference: Ext Fees
Check No: 000164

05/28/2009 TDHCA - Housing Finance

\$ 2,500.00

Account	Comment	Amount
5031 State Compliance Fees	Annual compliance fee 06/01/09 <i>Cost Certification Extension Fee</i>	2,500.00



Leslie Holleman & Associates, Inc.
Residential Real Estate Development & Consulting

June 5, 2009

Mr. Kent Bedell
Housing Specialist
Multifamily Housing Finance Division
221 East 11th Street
Austin, Texas 78701-2410

via Federal Express

Re: HTC #060072 Easterling Village in Alice, TX
Cost Certification Extension Request

Dear Mr. Bedell:

Easterling Village, Ltd. respectfully requests an extension of the January 15, 2009 deadline for the submission of the Cost Certification package. The cost certification package was received by TDHCA on January 26, 2009, nine days after the deadline, as evidenced by the receipt letter from Rosalio Banualos in Real Estate Analysis. The additional days were needed to prepare a complete and accurate package.

Enclosed is a check in the amount of \$2,500 for the extension fee. Please contact me at (325) 784-9797 if you have any questions or need additional information.

Best Regards,

Leslie Holleman
Consultant to the Partnership

Cc: Rosalio Banuelos, Real Estate Analysis
Doak Brown, Manager of the General Partner



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.
Gloria Ray

January 26, 2009

Doak Brown
Easterling Village, Ltd.
6517 Mapleridge
Houston, TX 77081
Phone: (713) 705-3507
Fax: (713) 432-0120

By E-mail Transmission: dbrown@campbellriggs.com

RE: Receipt of Cost Certification for Easterling Village (TDHCA # 060072)

Please be informed that the Department has received your Cost Certification documentation for processing IRS Forms 8609 for the above captioned property. If you have any questions regarding the status of this file you may contact me at (512) 475-3357 or rosalio.banuelos@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink that reads "Rosalio Banuelos".

Rosalio Banuelos
Cost Certification Specialist

cc: Leslie Holleman
By E-mail Transmission: leslieholleman@aol.com

Jason Brow
Asset Manager
Wachovia Securities
301 S. College Street, NC0177
Charlotte, NC 28288
By Facsimile Transmission: (704) 715-0046

Easterling Village Apartments
UAH Property Management, LP as managing agent
1455 Easterling Drive
Alice, TX 78332

Compass Bank
Dallas, TX

88-744
1119

000202

05/28/2009

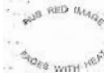
Pay TWO THOUSAND FIVE HUNDRED AND 00/100

\$ 2,500.00

TO THE ORDER OF
TDHCA - Housing Finance
~~Loan Servicing 932-05~~
PO Box 13941
Austin, TX 78711-3941

Michael Clark
PRESIDENT

Memo



SECURITY FEATURES INCLUDED, DETAILS ON BACK.

⑆000202⑆ ⑆11907445⑆ 77370609⑆

EASTERLING VILLAGE APARTMENTS

000202

Bill Reference: Ext Fees
Check No: 000202

05/28/2009 TDHCA - Housing Finance

\$ 2,500.00

Account	Comment	Amount
5031 State Compliance Fees	Annual compliance fee 06/01/09 <i>Cost Certification Extension Fee</i>	2,500.00



Leslie Holleman & Associates, Inc.
Residential Real Estate Development & Consulting

June 5, 2009

Mr. Kent Bedell
Housing Specialist
Multifamily Housing Finance Division
221 East 11th Street
Austin, Texas 78701-2410

via Federal Express

Re: HTC #07090 Thomas Ninke Senior Village in Victoria, TX
Cost Certification Extension Request

Dear Mr. Bedell:

Thomas Ninke Senior Village, Ltd. respectfully requests an extension of the January 15, 2009 deadline for the submission of the Cost Certification package. The cost certification package was received by TDHCA on January 29, 2009, fourteen days after the deadline, as evidenced by the receipt letter from Rosalio Banualos in Real Estate Analysis. The additional days were needed to prepare a complete and accurate package.

Enclosed is a check in the amount of \$2,500 for the extension fee. Please contact me at (325) 784-9797 if you have any questions or need additional information.

Best Regards,

Leslie Holleman
Consultant to the Partnership

Cc: Rosalio Banuelos, Real Estate Analysis
Debbie Gillespie, Manager of the General Partner



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Leslie Bingham Escareño
Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.
Gloria Ray

January 29, 2009

Debbie Gillespie
Thomas Ninke Senior Village, Ltd.
4001 Halsey
Victoria, TX 77901
Phone: (361) 575-3682
Fax: (361) 572-9946

By E-mail Transmission: DGillespi@aol.com

**RE: Receipt of Cost Certification for Thomas Ninke Senior Village
(TDHCA # 07090)**

Please be informed that the Department has received your Cost Certification documentation for processing IRS Forms 8609 for the above captioned property. If you have any questions regarding the status of this file you may contact me at (512) 475-3357 or rosalio.banuelos@tdhca.state.tx.us.

Sincerely,

A handwritten signature in cursive script that reads "Rosalio Banuelos".

Rosalio Banuelos
Cost Certification Specialist

cc: Leslie Holleman
By E-mail Transmission: leslieholleman@aol.com

Jack Hodgkins
MMA Financial, Inc.
101 Arch Street
Boston, MA 02110
By E-mail Transmission: JHodgkins@mmafin.com

Thomas Ninke Senior Village
UAH Property Management, LP as managing agent
1907 Lova Drive
Victoria, TX 77901

Compass Bank
Dallas, TX

88-744
1119

000262

05/28/2009

Pay TWO THOUSAND FIVE HUNDRED AND 00/100

\$ 2,500.00

TO THE ORDER OF
TDHCA - Housing Finance
Loan Servicing 332-05
PO Box 13941
Austin, TX 78711-3941

Michael Clark
PRESIDENT

Memo



SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑆000262⑆ ⑆11907445⑆ 77370617⑆

THOMAS NINKE SENIOR VILLAGE

000262

Bill Reference: Ext Fees
Check No: 000262

05/28/2009 TDHCA - Housing Finance

\$ 2,500.00

Account	Comment	Amount
5031 State Compliance Fees	Annual compliance fee 06/01/09 <i>Cost Certification Extension Fee</i>	2,500.00

NuRock Companies

580 Decker Drive ♦ Suite 208 ♦ Irving, Texas 75062
Phone 972-573-3412 ♦ Fax 678-297-3433

May 20, 2009

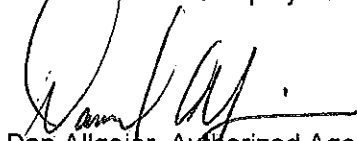
Mr. Bedell,

Please find attached the Commencement of Substantial Construction documentation for Residences at Eastland, TDHCA # 07149. Included you will find our building permits, and our most recent G702 & G703 forms. In fact, the project has moved along fairly well, with approximately 50% of the construction contract amount having been expended (including, of course, that all the foundations are in place, and well over 50% of the framing has been completed).

We anticipate receipt of Certificates of Occupancy in the September/October 2009 timeframe, well in advance of the end of year deadline.

Please also take this as the request for extension of the deadline, and find attached a check for \$2500 for the extension fee.

I hereby certify that there are no reasonably foreseeable issues which may prevent/delay the progress of construction on this project.



Dan Allgeier, Authorized Agent
FW-Eastland Housing Partners, Ltd.
By: NDG-Eastland, LLC, its general partner



TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
Building Homes. Strengthening Communities.

Texas Department of Housing and Community Affairs
 Portfolio Management and Compliance

Attn: Gavin Reid, Inspections Specialist
 P.O. Box 13941, Austin, Texas 78711-3941
 Phone: (512) 657-5619 Fax: (512) 475-3359

Email: gavin.reid@tdhca.state.tx.us

CONSTRUCTION PROGRESS REPORT – COMMENCEMENT OF SUBSTANTIAL CONSTRUCTION

Development Name: Residences at Eastland TDHCA File No.: 07149
 Development Address: 5500 Eastland Street
 Development City: Fort Worth Development County: Tarrant

NAME and ADDRESS of OWNERSHIP ENTITY			
Name:	<u>FW-Eastland Housing Partners, Ltd.</u>	Contact:	<u>Brad Bell</u>
Mailing Address:	<u>580 Decker Drive, Suite 208</u>		
City:	<u>Irving</u>	ST:	<u>TX</u>
		Zip:	<u>75062</u>
Phone:	<u>972-573-3412</u>	Ext.	<u></u>
		Fax:	<u>678-297-3433</u>
Email address:	<u>bbell@nurock.com</u>		

- New Construction:** The minimum activity necessary to meet the requirement of substantial construction for new construction Developments is defined as:
- Delivery of an executed partnership agreement with the investor;
 - Delivery of the executed construction loan and construction loan agreement;
 - Completion of the foundation of the clubhouse (if applicable);
 - Having all permits;
 - All grading completed (not including landscaping);
 - All necessary utilities available at the property; **and**
 - All Right of Way access **and one of the following (Check One):**
 - 20 percent of the construction contract amount for the development expended, adjusted for any change orders and certified by the inspecting architect; **or**
 - 100 percent of the foundations in place and 50 percent of the framing completed; **or**
 - 25 percent of all residential buildings roofed.
- Rehabilitation:** The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for Rehabilitation Developments is defined as:
- Building permits issued or a clearance from the City stating that building permits are not required;
 - A certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation; **and**
 - At least 20 percent of the construction budget expended as documented by the inspecting architect.

Evidence the Development Owner has commenced and continued substantial construction activities should be filed with TDHCA within two (2) weeks of the requirement being met. The QAP requires the evidence to be submitted no later than December 1 of the year after the execution of the Carryover Allocation Documents. If this deadline cannot be met, an extension must be requested through Kent Bedell at (512) 475-3882 or kent.bedell@tdhca.state.tx.us.

Copies of the following documents must be provided with this report (upon review of the documents additional information may be requested):

- Copy of the executed partnership agreement with the investor;
- Copy of the executed construction loan and construction loan agreement;
- Copy of the most recent construction draw, AIA Documents G702 (certified by Architect) and G703;
- Photographs of the development as of the date of this progress report;
- Copies of building permits, or clearance from City stating building permits are not required; **and**
- Certification from owner stating there are no reasonably foreseeable issues which may prevent/delay the start/progress of construction or the timely successful completion of rehab (**rehab only**).

I (we) hereby acknowledge and certify that the total project is at least 50 % complete, and all requirements of Substantial Construction as defined above have been completed as of 5/1/2009 (date). Evidence of the Commencement of Substantial Construction is substantiated by documentation provided which I (we) certify to be true and correct.

By: [Signature] 5.20.09
 Signature of Owner Date

Daniel Algever, Agent
 Printed Name Title

FW-Eastland Housing Partners, Ltd
 by: NDG - Eastland, LLC, general partner

TDHCA Date Stamp



Locke Lord Bissell & Liddell

Attorneys & Counselors

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

May 19, 2009

VIA E-MAIL

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Jacinto Manor (the "Project")
TDHCA No. 03178
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Jacinto Manor, Ltd., which is the owner of the referenced Project (the "Owner"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("SLP") replaced both Jacinto Manor Management, LLC and Jacinto Manor Construction, LLC as general partner of the Owner. Because the Owner's LURA requires participation by a historically-underutilized business (a "HUB"), the Department's approval of the general partner change required that SLP ultimately be replaced by another general partner meeting the HUB requirements. The Owner is required to effect such a general partner replacement by May 19, 2009. The purpose of this letter is to request an extension of the timeframe for the Owner to identify a HUB general partner, as explained more fully below.

SLP, on behalf of the Owner, has been actively seeking a qualified replacement general partner, but has not yet been able to finalize the discussions necessary to effect the replacement. When SLP first began the search for a HUB, it requested a list of potential HUB candidates from the Department, but was advised that such a list did not exist. Consequently, the process of identifying potential general partner replacements took a considerable amount of time and effort.

SLP ultimately was able to find and contact a number of HUBs, but a majority of these HUBs were not willing to take an active role in the operation of the Project, which is an important criterion for SLP in its selection of a replacement general partner. In addition, the discussions with the HUBs were put on hold due to Hurricane Ike, which disrupted not only the Owner's operations, but also those of the HUB candidates. An additional factor that has hampered SLP's ability to complete the HUB search is the difficulty that the Project has had in converting to its permanent loan, which has been an ongoing issue since the end of 2007. Resolution of the issues relating to conversion has taken more time and resources than originally anticipated, and the uncertain status of the permanent financing has been an impediment in trying to attract qualified HUB candidates.

SLP has now worked through the issues with the permanent financing and expects to obtain a permanent loan commitment for the Owner in the next couple of months. The stability in the Project's operations has also allowed SLP to renew its efforts to find a HUB general partner. SLP has been in discussions with several candidates, including one particularly promising candidate called the Warrior

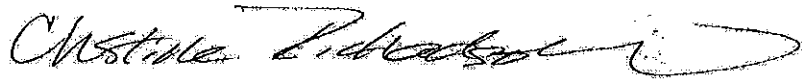
Ms. Meyer
May 19, 2009
Page 2

Group. The Warrior Group is a newcomer to the tax credit community and wishes to gain experience in owning and operating tax credit deals. The parties have engaged in extensive negotiations; however, additional time is needed in order for a decision to be made on whether a deal will be finalized with the Warrior Group or with one of the other candidates SLP is currently interviewing. For your reference, attached as Exhibit A is a summary from SLP that provides additional detail on the issues highlighted above and the steps that have been taken to address them.

In light of the foregoing, the Owner and SLP respectfully request an extension of the deadline to replace SLP with a qualified HUB as general partner until **August 19, 2009**. Significant time, effort, and resources have been invested in the Project to address the general partner replacement and the permanent loan conversion difficulties, but it has simply taken longer than anticipated to work out these issues. SLP believes that the extension will provide sufficient time to finalize a deal with a HUB general partner. The permanent loan commitment is also anticipated to be issued within this timeframe, which will allow for a much smoother transition to the new general partner.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,



Christine R. Richardson

cc: Jacinto Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)
(all via e-mail)

Exhibit A

SLP Summary

PNC Bank through its affiliate, Columbia Housing SLP Corp took possession of the property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the properties. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 4 different entities that have a HUB or a relationship with a HUB and one CHODO in the event a HUD cannot be found. We have done business with three of the five companies and PNC has a good relationship with their respective organizations. The other two have excellent reputations. All five are known to TDHCA and as far as we know are in good standing. While I don't think it would be appropriate to mention all five of the candidates while we are in negotiations, one of the five candidates who has given us permission to use its name, is The Warrior Group (HUB # 175271433290017). Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Jacinto didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

Our efforts to find a HUB Replacement GP also have been hampered by the failure of the property to produce sufficient cash flow to convert the construction loan to a permanent loan. The construction loan matured in December 2007. The lender has extended the loan several times and its current maturity date is April 1, 2009. We are currently negotiating another extension. The property is currently operating at 90% physical occupancy which is a significant milestone because one of the conditions for conversion to a permanent loan is 90% occupancy for at least 90 days. Jacinto Manor first reached 90% in January. The uncertain status of the permanent financing has been an impediment to finalizing a deal with any of the replacement General Partner candidates. Even though the physical occupancy has reached 90%, one of the conditions for loan conversion, the cash flow is not sufficient to produce a 1.15 debt service coverage ratio, another requirement of the lender. PNC Multifamily Capital and its investors have deposited \$1,055,000 to buy down the loan so it can convert and maintain a 1.15 debt coverage ratio. We think it would make sense and, actually be an advantage for the replacement GP, if the property has a commitment from the lender to convert the construction loan before the replacement GP is approved by TDHCA. We should have that commitment in 30 to 60 days, now that operations have improved and PNC has deposited over \$1,000,000 to buy down the loan. The resizing of the loan should enhance the future viability of the property and pave the way for a new General Partner that is a HUB.

Columbia Housing SLP has invested considerable effort into finding viable candidates to be a replacement GP, stabilizing the property and supporting it financially so the financing is solid when the new GP takes over. Regrettably we will not be able to complete the task by the May 19, 2009 deadline. We respectfully request a 90 days extension of the timeframe for the finding a replacement GP suitable to TDHCA.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.

January 7, 2009

Ms. Christine R. Richardson
Locke Lord Bissell & Liddell, LLP
100 Congress Avenue, Suite 300
Austin, TX 78701-2748

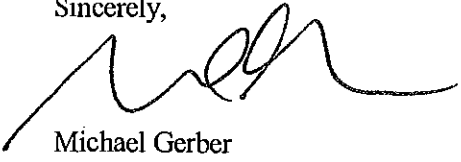
Re: Jacinto Manor Apartments (the Development), Jacinto City, Harris County
Housing Tax Credit Development No. 03178

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs (Department) received your letter dated November 19, 2008. The letter requested an extension of the deadline to submit documentation fulfilling the replacement of HUB requirement, as indicated in the LURA, for the development named above. The extension requested a change in the deadline from November 19, 2008 to May 19, 2009. The reason given for your request was that the Owner and Special Limited Partner have experienced several delays in locating a qualified HUB replacement general partner due to the aftereffects of Hurricane Ike and the current volatility in the financial market, which has hindered the conversion of the construction loan to a permanent loan. You have also indicated that your first priority is to convert the construction loan to the permanent loan so that the transition from the current GP to the replacement will be smoother and less disruptive to the Development's operations.

Your request to extend the deadline to submit documentation fulfilling the replacement of HUB requirement to May 19, 2009 is granted.

Sincerely,



Michael Gerber
Executive Director

MFP/kb

Cc: Robbye Meyer, Director of Multifamily Finance Production
Raquel Morales, Manager of Real Estate Analysis

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Locke Lord Bissell & Liddell_{LLP}

Attorneys & Counselors

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

November 19, 2008

VIA HAND DELIVERY

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

11-19-08 09:46 IN

Re: Jacinto Manor (the "**Project**")
TDHCA No. 03178
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Jacinto Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Jacinto Manor Management, LLC and Jacinto Manor Construction, LLC as general partner of the Owner. A copy of the Department's approval letter is attached as Exhibit A for your reference (the "**Approval Letter**"). The purpose of our letter is to request an extension of the timeframe for the Owner to identify a HUB general partner, as explained more fully below.

The substitution of SLP as general partner was intended as a temporary measure while the Owner and SLP worked to identify a replacement general partner that was a historically-underutilized business ("**HUB**"), as required by the Project's LURA. The Approval Letter indicated that the Owner would have six months (until November 19, 2008) to identify a HUB to become the Owner's general partner. However, it was our understanding from the Department that the six-month timeframe could be extended for an additional six months if necessary for the Owner to identify a suitable HUB general partner.

While the Owner and SLP have been actively seeking a qualified replacement general partner, they have not yet been able to finalize the discussions necessary to effect the replacement. Attached hereto as Exhibit B is documentation that substantiates the efforts of the Owner and SLP to identify a HUB that could assume the general partner role. As you can see from this documentation, the Owner and SLP have undertaken tangible efforts to find a replacement general partner, but have been hampered by the aftereffects of Hurricane Ike. In addition, from a timing perspective, the Owner and SLP believe that the transition to the replacement GP will be smoother and less disruptive to the operations of the Project if the conversion to the permanent loan can be completed first. The ultimate goal is obviously to identify a new general partner that is qualified and that will be a benefit to the ongoing operations of the Project, and both the Owner and SLP want to ensure that there is sufficient time to conduct the due diligence necessary to accomplish this.

In light of the foregoing, we are submitting this letter on behalf of the Owner to request an extension of the timeframe for the Owner to replace SLP with a qualified HUB as general partner until

Ms. Meyer
November 19, 2008
Page 2

May 19, 2009. This date is consistent with the six-month extension that the Department advised would be available in this situation.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Jacinto Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)
(all via e-mail)

EXHIBIT A



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Leslie Bingham-Escareño
Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.
Gloria Ray

May 19, 2008

Christine Richardson
Locke, Lord, Bissell and Liddell, LLP
100 Congress Avenue, Suite 300
Austin, Texas 78701-2748

Re: Jacinto Manor (the Development), Jacinto City
Jacinto Manor, Ltd. (the Development Owner)
Housing Tax Credit Development No. 05178

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs received your letter of April 7, 2008. The letter requested approval for a change in the ownership structure of the development owner named above. The structure would change by the voluntary withdrawal of both of the transaction's co-General Partners, Jacinto Manor Management, LLC and Jacinto Manor Construction, LLC. The current Special Limited Partner, Columbia Housing SLP Corporation will assume the role of General Partner and will obtain the ownership interest vacated by the co-General Partners.

The removal of Jacinto Manor Management, LLC results in the loss of a HUB. The applicant is hereby allotted six months to replace the HUB without penalty to the application. If upon the six-month deadline the HUB has not been replaced, the original application will be subject to a loss of HUB points and any subsequent penalties as may result from such loss. The six-month deadline is November 19, 2008.

Your request is granted. This letter will be forwarded to our Portfolio Management and Compliance Division and to the Real Estate Analysis Division. Please include this letter with the submission of your cost certification.

Thank you for your letter.

Sincerely,

Robbye Meyer
Director of Multifamily Finance Production

MFP/eh

Cc: Patricia Murphy, Director of Portfolio Management and Compliance
Raquel Morales, Manager of Real Estate Analysis

221 East 11th Street, P.O. Box 13941 • Austin, Texas 78711-3941 • (800) 525-0657 • (512) 475-3800

EXHIBIT B

Summary of Actions to Identify HUB GP replacement (from Columbia Housing SLP Corporation)

PNC Bank, through its affiliate, Columbia Housing SLP Corporation, took possession of the Jacinto Manor property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the property. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 3 different entities that have a HUB or a relationship with a HUB. We have done business with two of the three companies and PNC has a good relationship with their respective organizations. The third has an excellent reputation. All three are known to TDHCA and as far as we know are in good standing. Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Jacinto didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

We have also been hampered somewhat by the conversion of the construction loan to a permanent loan. The construction loan matured in December 2007. PNC extended the loan several times and its current maturity date is December 1, 2008. The last time we approved an extension was based on the assumption that we would convert in the fourth quarter of 2008. PNC is the construction lender and the permanent loan will be underwritten and approved by PNC for sale to a third party vendor. When the deal was originally structured, it was anticipated that they loan would be sold in the mortgage back security market. As you know, due to the current credit crises that market has disappeared. The alternative is to sell the loan to Freddie Mac or Fannie Mae and we are underwriting it to Freddie and Fannie standards. We think it would make sense and, actually be an advantage for the replacement GP, if the construction loan is converted before the replacement GP is approved by TDHCA and managing the property. Unfortunately it doesn't look like the loan will convert in the fourth quarter. The loan is in line to be converted either this quarter or the first quarter of 2009.

For the most part the Storm related issues are behind us at Jacinto Manor and the loan conversion process is underway. We will pick up our discussions in the near future and hopefully have a new GP approved and in place by the end of the first quarter of 2009.



Locke Lord Bissell & Liddell

Attorneys & Counselors

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

May 19, 2009

VIA E-MAIL

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Lake Jackson Manor (the "**Project**")
TDHCA No. 04206
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Lake Jackson Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Lake Jackson Manor Management, LLC and Lake Jackson Manor Construction, LLC as general partner of the Owner. Because the Owner's LURA requires participation by a historically-underutilized business (a "**HUB**"), the Department's approval of the general partner change required that SLP ultimately be replaced by another general partner meeting the HUB requirements. The Owner is required to effect such a general partner replacement by May 22, 2009. The purpose of this letter is to request an extension of the timeframe for the Owner to identify a HUB general partner, as explained more fully below.

SLP, on behalf of the Owner, has been actively seeking a qualified replacement general partner, but has not yet been able to finalize the discussions necessary to effect the replacement. When SLP first began the search for a HUB, it requested a list of potential HUB candidates from the Department, but was advised that such a list did not exist. Consequently, the process of identifying potential general partner replacements took a considerable amount of time and effort.

SLP ultimately was able to find and contact a number of HUBs, but a majority of these HUBs were not willing to take an active role in the operation of the Project, which is an important criterion for SLP in its selection of a replacement general partner. In addition, the discussions with the HUBs were put on hold due to Hurricane Ike, which disrupted not only the Owner's operations, but also those of the HUB candidates. An additional factor that has hampered SLP's ability to complete the HUB search is the difficulty that the Project has had in converting to its permanent loan, which has been an ongoing issue since the end of 2007. Resolution of the issues relating to conversion has taken more time and resources than originally anticipated, and the uncertain status of the permanent financing has been an impediment in trying to attract qualified HUB candidates.

SLP has now worked through the issues with the permanent financing and expects to obtain a permanent loan commitment for the Owner in the next couple of months. The stability in the Project's operations has also allowed SLP to renew its efforts to find a HUB general partner. SLP has been in discussions with several candidates, including one particularly promising candidate called the Warrior

Ms. Meyer
May 19, 2009
Page 2

Group. The Warrior Group is a newcomer to the tax credit community and wishes to gain experience in owning and operating tax credit deals. The parties have engaged in extensive negotiations; however, additional time is needed in order for a decision to be made on whether a deal will be finalized with the Warrior Group or with one of the other candidates SLP is currently interviewing. For your reference, attached as Exhibit A is a summary from SLP that provides additional detail on the issues highlighted above and the steps that have been taken to address them.

In light of the foregoing, the Owner and SLP respectfully request an extension of the deadline to replace SLP with a qualified HUB as general partner until **August 22, 2009**. Significant time, effort, and resources have been invested in the Project to address the general partner replacement and the permanent loan conversion difficulties, but it has simply taken longer than anticipated to work out these issues. SLP believes that the extension will provide sufficient time to finalize a deal with a HUB general partner. The permanent loan commitment is also anticipated to be issued within this timeframe, which will allow for a much smoother transition to the new general partner.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,



Christine R. Richardson

cc: Lake Jackson Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)
(all via e-mail)

Exhibit A

SLP Summary

PNC Bank through its affiliate, Columbia Housing SLP Corp took possession of the property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the properties. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 4 different entities that have a HUB or a relationship with a HUB and one CHODO in the event a HUD cannot be found. We have done business with three of the five companies and PNC has a good relationship with their respective organizations. The other two have excellent reputations. All five are known to TDHCA and as far as we know are in good standing. While I don't think it would be appropriate to mention all five of the candidates while we are in negotiations, one of the five candidates who has given us permission to use its name, is The Warrior Group (HUB # 175271433290017). Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Lake Jackson didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

Our efforts to find a HUB Replacement GP also have been hampered by the failure of the property to produce sufficient cash flow to convert the construction loan to a permanent loan. The construction loan matured in December 2007. The lender has extended the loan several times and its current maturity date is April 1, 2009. We are currently negotiating another extension. The property is currently operating at a 1.15 Debt Service Coverage Ratio, which is one of the prerequisites for a loan conversion at 100% of the approved loan amount. Lake Jackson first reached a 1.15 DSCR in February 2009 and is in line to convert in July or August of 2009. The uncertain status of the permanent financing has been an impediment to finalizing a deal with any of the replacement General Partner candidates. Even though the physical occupancy has reached 90%, one of the conditions for loan conversion, the cash flow is not sufficient to produce a 1.15 debt service coverage ratio, another requirement of the lender. PNC Multifamily Capital and its investors have deposited \$1,055,000 to buy down the loan so it can convert and maintain a 1.15 debt coverage ratio. We think it would make sense and, actually be an advantage for the replacement GP, if the property has a commitment from the lender to convert the construction loan before the replacement GP is approved by TDHCA. We should have that commitment in 30 to 60 days, now that operations have improved and PNC has deposited over \$1,000,000 to buy down the loan. The resizing of the loan should enhance the future viability of the property and pave the way for a new General Partner that is a HUB.

Columbia Housing SLP has invested considerable effort into finding viable candidates to be a replacement GP, stabilizing the property and supporting it financially so the financing is solid when the new GP takes over. Regrettably we will not be able to complete the task by the May 22, 2009 deadline. We respectfully request a 90 days extension of the timeframe for the finding a replacement GP suitable to TDHCA.



04206

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
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Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.

March 13, 2009

Ms. Christine R. Richardson
Locke Lord Bissell & Liddell, LLP
100 Congress Avenue, Suite 300
Austin, TX 78701-2748

Re: Jacinto Manor Apartments (the Development), Lake Jackson, Brazoria County
Housing Tax Credit Development No. 04206

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs (Department) received your letter dated November 20, 2008. The letter requested an extension of the deadline to submit documentation fulfilling the replacement of HUB requirement, as indicated in the LURA, for the development named above. The extension requested a change in the deadline from November 20, 2008 to May 22, 2009. The reason given for your request was that the Owner and Special Limited Partner have experienced several delays in locating a qualified HUB replacement general partner due to the aftereffects of Hurricane Ike and the current volatility in the financial market, which has hindered the conversion of the construction loan to a permanent loan. You have also indicated that your first priority is to convert the construction loan to the permanent loan so that the transition from the current GP to the replacement will be smoother and less disruptive to the Development's operations.

Your request to extend the deadline to submit documentation fulfilling the replacement of HUB requirement to May 22, 2009 is granted.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written over a horizontal line.

Michael Gerber
Executive Director

MFP/kb

Cc: Robbye Meyer, Director of Multifamily Finance Production
Raquel Morales, Manager of Real Estate Analysis

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Locke Lord Bissell & Liddell_{LLP}

Attorneys & Counselors

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

November 20, 2008

VIA HAND DELIVERY

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Lake Jackson Manor (the "**Project**")
TDHCA No. 04206
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Lake Jackson Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Lake Jackson Manor Management, LLC and Lake Jackson Manor Construction, LLC as general partner of the Owner. A copy of the Department's approval letter is attached as Exhibit A for your reference (the "**Approval Letter**"). The purpose of our letter is to request an extension of the timeframe for the Owner to identify a HUB general partner, as explained more fully below.

The substitution of SLP as general partner was intended as a temporary measure while the Owner and SLP worked to identify a replacement general partner that was a historically-underutilized business ("**HUB**"), as required by the Project's LURA. The Approval Letter indicated that the Owner would have six months (until November 22, 2008) to identify a HUB to become the Owner's general partner. However, it was our understanding from the Department that the six-month timeframe could be extended for an additional six months if necessary for the Owner to identify a suitable HUB general partner.

While the Owner and SLP have been actively seeking a qualified replacement general partner, they have not yet been able to finalize the discussions necessary to effect the replacement. Attached hereto as Exhibit B is documentation that substantiates the efforts of the Owner and SLP to identify a HUB that could assume the general partner role. As you can see from this documentation, the Owner and SLP have undertaken tangible efforts to find a replacement general partner, but have been hampered by the aftereffects of Hurricane Ike. In addition, from a timing perspective, the Owner and SLP believe that the transition to the replacement GP will be smoother and less disruptive to the operations of the Project if the conversion to the permanent loan can be completed first. The ultimate goal is obviously to identify a new general partner that is qualified and that will be a benefit to the ongoing operations of the Project, and both the Owner and SLP want to ensure that there is sufficient time to conduct the due diligence necessary to accomplish this.

In light of the foregoing, we are submitting this letter on behalf of the Owner to request an extension of the timeframe for the Owner to replace SLP with a qualified HUB as general partner until

Ms. Meyer
November 20, 2008
Page 2

May 22, 2009. This date is consistent with the six-month extension that the Department advised would be available in this situation.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Lake Jackson Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)

EXHIBIT A



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Leslie Bingham-Escareño
Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.
Gloria Ray

May 23, 2008

Christine Richardson
Locke, Lord, Bissell and Liddell, LLP
100 Congress Avenue, Suite 300
Austin, Texas 78701-2748

Re: Lake Jackson Manor (the Development), Lake Jackson
Lake Jackson Manor, Ltd. (the Development Owner)
Housing Tax Credit Development No: 04206

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs received your letter of May 13, 2008. The letter requested approval for a change in the ownership structure of the development owner named above. The structure would change by the voluntary withdrawal of both of the transaction's co-General Partners, Lake Jackson Manor Management, LLC and Lake Jackson Manor Construction, LLC. The current Special Limited Partner, Columbia Housing SLP Corporation will assume the role of General Partner and will obtain the ownership interest vacated by the co-General Partners.

The withdrawal of Lake Jackson Manor Management, LLC results in the loss of the transaction's HUB. The applicant is hereby allotted six months to replace the HUB without penalty to the application. If upon the six-month deadline the HUB has not been replaced, the original application will be subject to a loss of HUB points and any subsequent penalties as may result from such loss. The six-month deadline is November 22, 2008.

Your request is granted. This letter will be forwarded to our Portfolio Management and Compliance Division and to the Real Estate Analysis Division. Please include this letter with the submission of your cost certification.

Thank you for your letter.

Sincerely,


Robbye Meyer
Director of Multifamily Finance Production

MFP/eh

Cc: Patricia Murphy, Director of Portfolio Management and Compliance
Raquel Morales, Manager of Real Estate Analysis

EXHIBIT B

Summary of Actions to Identify HUB GP replacement (from Columbia Housing SLP Corporation)

PNC Bank, through its affiliate, Columbia Housing SLP Corporation, took possession of the Lake Jackson Manor property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the property. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 3 different entities that have a HUB or a relationship with a HUB. We have done business with two of the three companies and PNC has a good relationship with their respective organizations. The third has an excellent reputation. All three are known to TDHCA and as far as we know are in good standing. Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Lake Jackson didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

We have also been hampered somewhat by the conversion of the construction loan to a permanent loan. The construction loan matured in December 2007. PNC extended the loan several times and its current maturity date is December 1, 2008. The last time we approved an extension was based on the assumption that we would convert in the fourth quarter of 2008. PNC is the construction lender and the permanent loan will be underwritten and approved by PNC for sale to a third party vendor. When the deal was originally structured, it was anticipated that they loan would be sold in the mortgage back security market. As you know, due to the current credit crises that market has disappeared. The alternative is to sell the loan to Freddie Mac or Fannie Mae and we are underwriting it to Freddie and Fannie standards. We think it would make sense and, actually be an advantage for the replacement GP, if the construction loan is converted before the replacement GP is approved by TDHCA and managing the property. Unfortunately it doesn't look like the loan will convert in the fourth quarter. The loan is in line to be converted either this quarter or the first quarter of 2009.

For the most part the Storm related issues are behind us at Lake Jackson Manor and the loan conversion process is underway. We will pick up our discussions in the near future and hopefully have a new GP approved and in place by the end of the first quarter of 2009.

Kent Bedell

From: Richardson, Christine [crichardson@lockelord.com]
Sent: Friday, February 27, 2009 11:00 AM
To: Kent Bedell
Subject: RE: Approved HUB extension for TDHCA #03178

Kent, when we requested the extension of the HUB requirement deadline on Jacinto Manor, we requested a similar extension for Lake Jackson Manor (No. 04206) at around the same time. A copy of the extension request is attached. But I realized that I have an approval letter only for Jacinto. Can you please send me the approval letter for Lake Jackson as well or let me know if there are any additional considerations that are delaying the approval? Thanks very much.

From: Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]
Sent: Monday, January 12, 2009 11:05 AM
To: Richardson, Christine
Cc: Bast, Cynthia L.; Robbye Meyer; Raquel Morales; Elizabeth Henderson; Ben Sheppard
Subject: Approved HUB extension for TDHCA #03178

Your request for an extension to the replacement of HUB requirement deadline for Jacinto Manor Apartments, TDHCA # 03178 has been approved. Please see the attached approval letter. The original copy will go out in the mail today. Please let me know if you have any questions.

Regards,

Kent Bedell
Multifamily Housing Specialist
Texas Dept. of Housing and Community Affairs
(512) 475-3882 (P)
(512) 475-1895 (F)
kent.bedell@tdhca.state.tx.us

Kent Bedell

From: Kent Bedell [kent.bedell@tdhca.state.tx.us]
Sent: Friday, February 27, 2009 2:04 PM
To: 'Richardson, Christine'; Kent Bedell
Subject: RE: Approved HUB extension for TDHCA #03178

Christine,

Were these delivered together? I cannot find this extension anywhere. Do you have proof of delivery for this extension?

Thanks,

Kent Bedell

Multifamily Housing Specialist
Texas Dept. of Housing and Community Affairs
(512) 475-3882 (P)
(512) 475-1895 (F)
kent.bedell@tdhca.state.tx.us

-----Original Message-----

From: Richardson, Christine [mailto:crichardson@lockelord.com]
Sent: Friday, February 27, 2009 11:00 AM
To: Kent Bedell
Subject: RE: Approved HUB extension for TDHCA #03178

Kent, when we requested the extension of the HUB requirement deadline on Jacinto Manor, we requested a similar extension for Lake Jackson Manor (No. 04206) at around the same time. A copy of the extension request is attached. But I realized that I have an approval letter only for Jacinto. Can you please send me the approval letter for Lake Jackson as well or let me know if there are any additional considerations that are delaying the approval? Thanks very much.

From: Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]
Sent: Monday, January 12, 2009 11:05 AM
To: Richardson, Christine
Cc: Bast, Cynthia L.; Robbye Meyer; Raquel Morales; Elizabeth Henderson; Ben Sheppard
Subject: Approved HUB extension for TDHCA #03178

Your request for an extension to the replacement of HUB requirement deadline for Jacinto Manor Apartments, TDHCA # 03178 has been approved. Please see the attached approval letter. The original copy will go out in the mail today. Please let me know if you have any questions.

Regards,

Kent Bedell

Multifamily Housing Specialist
Texas Dept. of Housing and Community Affairs
(512) 475-3882 (P)
(512) 475-1895 (F)
kent.bedell@tdhca.state.tx.us

Kent Bedell

From: Richardson, Christine [crichardson@lockelord.com]
Sent: Friday, February 27, 2009 2:19 PM
To: Kent Bedell
Subject: RE: Approved HUB extension for TDHCA #03178

It was actually delivered on a different date. I sent it to Robbye Meyer via e-mail and then followed up with a hard copy. Both the e-mail and delivery receipt for the hard copy are attached.

From: Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]
Sent: Friday, February 27, 2009 2:04 PM
To: Richardson, Christine; Kent Bedell
Subject: RE: Approved HUB extension for TDHCA #03178

Christine,

Were these delivered together? I cannot find this extension anywhere. Do you have proof of delivery for this extension?

Thanks,

Kent Bedell
Multifamily Housing Specialist
Texas Dept. of Housing and Community Affairs
(512) 475-3882 (P)
(512) 475-1895 (F)
kent.bedell@tdhca.state.tx.us

-----Original Message-----

From: Richardson, Christine [mailto:crichardson@lockelord.com]
Sent: Friday, February 27, 2009 11:00 AM
To: Kent Bedell
Subject: RE: Approved HUB extension for TDHCA #03178

Kent, when we requested the extension of the HUB requirement deadline on Jacinto Manor, we requested a similar extension for Lake Jackson Manor (No. 04206) at around the same time. A copy of the extension request is attached. But I realized that I have an approval letter only for Jacinto. Can you please send me the approval letter for Lake Jackson as well or let me know if there are any additional considerations that are delaying the approval? Thanks very much.

From: Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]
Sent: Monday, January 12, 2009 11:05 AM
To: Richardson, Christine
Cc: Bast, Cynthia L.; Robbye Meyer; Raquel Morales; Elizabeth Henderson; Ben Sheppard
Subject: Approved HUB extension for TDHCA #03178

Your request for an extension to the replacement of HUB requirement deadline for Jacinto Manor Apartments, TDHCA # 03178 has been approved. Please see the attached approval letter. The original copy will go out in the mail today. Please let me know if you have any questions.

Kent Bedell

From: Richardson, Christine [crichardson@lockelord.com]
Sent: Thursday, November 20, 2008 10:01 AM
To: Robbye Meyer
Cc: Elizabeth Henderson; Ben Sheppard
Subject: Lake Jackson Manor (TDHCA No. 04206)

Robbye, per my e-mail below, here is the extension request for Lake Jackson. I will have an original couriered to you today.

-----Original Message-----

From: Richardson, Christine
Sent: Wednesday, November 19, 2008 6:42 PM
To: 'Robbye Meyer'
Cc: Elizabeth Henderson; Ben Sheppard
Subject: RE: Jacinto Manor (TDHCA No. 031348)

Okay, thank you. I have another one for Lake Jackson (04206), which is due on November 22. I will get that to you on Thursday. It will be substantively the same as Jacinto.

-----Original Message-----

From: Robbye Meyer [mailto:robbye.meyer@tdhca.state.tx.us]
Sent: Wednesday, November 19, 2008 5:14 PM
To: Richardson, Christine; Robbye Meyer
Cc: Elizabeth Henderson; Ben Sheppard
Subject: RE: Jacinto Manor (TDHCA No. 031348)

Thanks Christine.

This will have to go back to the Board. I will do my best to get it on the December agenda. It should be a consent item.

Robbye G. Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701
(512) 475-2213 (V)
(512) 475-0764 (F)

-----Original Message-----

From: Richardson, Christine [mailto:crichardson@lockelord.com]
Sent: Wednesday, November 19, 2008 4:26 PM
To: Robbye Meyer
Cc: Elizabeth Henderson; Ben Sheppard
Subject: Jacinto Manor (TDHCA No. 031348)

<<Jacinto Manor Extension Request.pdf>> Robbye, we previously received approval for an interim general partner replacement on the referenced transaction. The interim GP is not a HUB, as required by the Project's LURA, but the Owner was given six months to identify a HUB GP replacement. It was our understanding that this timeframe could be extended for an additional six months as necessary, upon request to the Department.

The six-month timeframe for Jacinto ends today, and we are submitting this extension request to seek an additional six months in order to effect the GP replacement. Attached hereto is a copy of our extension request. A hard copy is also being delivered to you.

Please let me know if you have any questions or require additional information. Thank you for your assistance.

Christine R. Richardson
Locke Lord Bissell & Liddell LLP
100 Congress Avenue, Suite 300
Austin, Texas 78701
512-305-4754 Direct
512-391-4754 Fax
crichardson@lockelord.com
www.lockelord.com

Atlanta - Austin - Boston - Chicago - Dallas - Houston - London - Los Angeles - New Orleans - New York - Sacramento - Washington DC

IRS Circular 230 Disclosure: United States Treasury Regulations provide that a taxpayer may rely only on formal written advice meeting specific requirements to avoid federal tax penalties. Any tax advice in the text of this message, or in any attachment, does not meet those requirements and, accordingly, is not intended or written to be used, and cannot be used, by any recipient to avoid any penalties that may be imposed upon such recipient by the Internal Revenue Service.

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LLB&L

Locke Lord Bissell & Liddell LLP

Attorneys & Counselors

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512/305-4700
Fax: 512/305-4800
www.lockelord.com

Christine R. Richardson
Direct Telephone: 512/305-4754
Direct Fax: 512/391-4754
crichardson@lockelord.com

REQUEST FOR RUNNER

Date November 20, 2008

Time: ~~2:45 pm~~ ^{10:30}

Deadline: 4:30 pm

Sender: Rebecca Rizo

Ext: 4781

Requesting Attorney: C. Richardson

Ext: 4754

Delivery: Pick up:

Round trip: (check one)

Address:

PLEASE DELIVER TO:

Ms. Robbye Meyer
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Lake Jackson Manor
TDHCA No. 04206

Client - Matter Name: 0053081.00002 - Artisan American/Lake Jackson

Special Instructions: TDHCA DATE STAMP REQUIRED

Description of documents: Extension request

Proof of Delivery Signature Needed (circle one): Yes No

Received By: *J.R. Conroy*

Date Time: 11-20-08 ^{10:50} and SOA

INTERNAL USE ONLY

Completed By: *J.T. Davis*

Mileage: *DT*

Date and Time: 11-20-08
10:50

Charge: _____

ORAL PRESENTATION

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
JUNE 25, 2009**

Action Item

Presentation, Review and Possible Approval of the Draft 2010-2011 Community Services Block Grant State Plan for Publication in the Texas Register

Requested Action

The U.S. Department of Health and Human Services, Office of Community Services (USHHS OCS) requires that the State of Texas submit a State plan and application in order to receive its allotment of Community Services Block Grant (CSBG) funds. In response to such requirement, the Department has prepared the draft FFY 2010 and 2011 Community Services Block Grant (CSBG) State Plan and Application. Staff recommends approval of draft FFY 2010 and 2011 Community Services Block Grant (CSBG) State Plan and Application for posting on TDHCA website and public comment.

Background

Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B, 10 TAC §5.201 –§5.217 TAC requires that, in conjunction with the development of the State plan, the Department hold public hearings in four locations in different areas of the state to solicit public comment on the intended use of CSBG funds. The statute further requires that the Department provide notice of the public hearings regarding the State Plan not later than the 15th day before the date of the hearing and publish the Draft State Plan on the Department's web site at least 10 days before the first public hearing.

The Department will conduct public hearings in Dallas, Houston, Lubbock, Corpus Christi, and Austin during the week of July 6th, 2009 and will post the draft Plan and Application on the Department's website in compliance with TAC requirements.

Staff recommends that if the Department does not receive significant public comment, the Board grant the Executive Director the authority to make necessary modifications and submit the State Plan and Application to the U.S. Department of Health and Human Services without returning to the Board.

Part V. Narrative State Plan, H. Fiscal Controls and Monitoring of the draft CSBG State Plan describes the federal requirements for Corrective Action, Termination and Reduction in Funding as it relates to the contract of a designated CSBG eligible entity. When a CSBG eligible entity fails to comply with the terms of the CSBG contract or the State plan, or to meet appropriate standards, goals and other requirements established by the State, the State must follow the process outlined in Section 678C of the CSBG Act. This procedure provides the Department with sanctions that go beyond the normal ones imposed when an eligible entity can easily address its deficiencies.

Recommendation

- Staff recommends Board approval of the draft FFY 2010 and 2011 Community Services Block Grant (CSBG) State Plan and Application for posting on TDHCA website and public comment. Staff recommends that if the Department does not receive significant public comment, the Board grant the Executive Director the authority to make necessary modifications and proceed with submission of the State Plan and Application to the U.S. Department of Health and Human Services.

STATE OF TEXAS

FFY 2010 and FFY 2011

COMMUNITY SERVICES BLOCK GRANT (CSBG)

STATE APPLICATION AND PLAN

Submitted by the

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

to the

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 2009

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August 28, 2009

Dr. Yolanda J. Butler
Acting Director
Office of Community Services
U. S. Department of Health and Human Services--ACF
Division of State Assistance
370 L 'Enfant Promenade, S.W., 5th Floor West
Washington, D.C. 20447

Re: State of Texas FFY 2010 and FFY 2011 Community Services Block Grant
State Application and Plan

Dear Dr. Butler:

Enclosed is the State of Texas Plan and Application for Federal Fiscal Years 2010 and 2011 funding under the Community Services Block Grant (CSBG) Act, 42 U.S.C. 9901 et seq. Administration of the Community Services Block Grant in Texas is also governed by state rule in the Texas Administrative Code--Title 10, Part 1, Chapter 5, Subchapter B. and Texas Government Code Subchapters 2306.092 (11) and 2306.097.

The Texas Department of Housing and Community Affairs (Department) is the state agency designated to administer these funds. The official to receive notices of grant awards for CSBG is Mr. Michael G. Gerber, Executive Director. The program contact person within the CSBG State Office is Mr. Stuart P. Campbell, Manager of the Community Services Section (CSS). The CSS phone number is (512) 475-3850, and the fax number is (512) 475-3539. The Department's fiscal contact person for the Community Services Block Grant is Esther Ku, Manager of Accounting Operations. Ms. Ku can be reached at (512) 475-3871 and documents can be faxed to her at (512) 472-7500.

The State of Texas appreciates the opportunity to continue administering the Community Services Block Grant. The CSBG provides support to an array of programs that assist low-income individuals and families to create permanent change in their lives, and in 2008 enabled the State's Community Action Network to provide services to more than 281,536 unduplicated low-income individuals and to assist 2,660 persons to transition out of poverty.

If you require additional information regarding this document, please do not hesitate to contact this office.

Sincerely,

Michael G. Gerber
Executive Director

Enclosure

cc: Ms. Amy M. Oehler, Director
Community Affairs Division

I. FEDERAL FISCAL YEARS COVERED BY THE STATE APPLICATION AND PLAN

The State Application and Plan covers Federal Fiscal Years 2010 and 2011.

II. LETTER OF TRANSMITTAL

Refer to transmittal letter.

III. EXECUTIVE SUMMARY

A. CSBG State Legislation

The state legislation that governs the Texas CSBG program is codified below and a copy of the provisions are included within this document as **Appendix H**.

Texas Government Code 2306.092 (11) requires that Community Affairs and Community Services programs be administered through the Department's Community Affairs Division or any other Department Division, specifically programs created under the federal Economic Opportunity Act of 1964, the Omnibus Budget Reconciliation Act of 1981, and other federal acts creating economic opportunity programs assigned to the Department.

Texas Government Code 2306.097 requires energy services programs that serve low-income individuals, such as the Weatherization Assistance Program (WAP) and the Low-Income Home Energy Assistance Program (LIHEAP), operate in conjunction with the Community Services Block Grant. Therefore, the majority of CSBG eligible entities administer the above-referenced energy efficiency programs in the State of Texas.

Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B. provides information and guidance on the program's purpose and goals, use and distribution of funds, state application and plan, the requirement for eligible entities to conduct community needs assessments and community action plans, requirements associated with tripartite boards, subrecipient performance and reporting requirements, designation and redesignation of eligible entities in unserved areas, and procedures for subrecipient contract termination and reduction of funding.

B. Designation of Lead State Agency to Administer the CSBG Program

The Texas Department of Community Affairs, which in 1991 was merged with the Texas Housing Agency to create the Texas Department of Housing and Community Affairs (Department), began administering the Texas Community Services Block Grant in 1983 in accordance with state statute. In 1999, Governor George Bush designated the Department as the lead agency for this grant in response to Section 676(a) of the CSBG Act. Governor Rick Perry has continued this designation. A letter to this effect is included in the State Application as **Appendix I**.

Designated State Lead Agency: Texas Department of Housing and Community Affairs
Director/Administrator of Designated State Agency: Michael G. Gerber

C. Public Hearing Requirements

- (1) Public Hearings: The Department compiled and distributed a draft Texas CSBG State Application and Plan that described the proposed use of CSBG funds for Federal Fiscal Years 2010 and 2011. Information on the intended use of the CSBG funds was presented at five (5) public hearings held statewide during the week of July 6, 2009. The hearings were announced in a notice in the Texas Register, a copy which is included in this application as **Appendix A**. During the public comment period, the Department received no comments that required amending action.
- (2) Legislative Hearing: The Texas State Legislature meets biennially during which time the budgets of all state agencies are considered. The CSBG budget is included in the review of the Department's overall budget. The Texas Senate conducted its Legislative Appropriations Request hearing on March 5, 2009. The Texas House of Representatives held its Legislative Appropriations Request hearing on March 16, 2009. **Appendix B** references additional detail on the State's Legislative Appropriations Request hearings process and certifies that such process serves to comply with the CSBG Act's requirement [42 U.S.C. Section 9008 (a) (3)] that at least one (1) legislative hearing be held every three years in conjunction with the state's development of its CSBG State Plan.
- (3) Public Inspection of State Plan: The draft Texas FFY 2010 and FFY 2011 CSBG State Application and Plan document was made available for public inspection and comment on the Department's web-site: www.tdhca.state.tx.us as well as at each of the five (5) public hearings conducted throughout the State during the week of July 6, 2009. In addition, copies of the final Texas FFY 2010 and FFY 2011 CSBG State Application and Plan will be made available through the Texas State Library and will remain there on file for future reference.

IV. STATEMENT OF FEDERAL AND CSBG ASSURANCES/CERTIFICATIONS

As part of the CSBG biennial application and plan required by Section 676 of the Community Services Block Grant Act, as amended (42 U.S.C. 9901 *et seq.*) (the Act), I, Michael G. Gerber, Executive Director of the Texas Department of Housing and Community Affairs (Department), hereby agree to the Assurances in Section 676 of the Act.

A. Programmatic Assurances

- (1) The State assures that funds made available through the CSBG will be used:
 - (a) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 *et seq.*), homeless families and individuals, migrant or seasonal farmworkers, and elderly low income individuals and families, and a description of how such activities will enable the families and individuals:

- (i) to remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);
 - (ii) to secure and retain meaningful employment;
 - (iii) to attain an adequate education, with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying out family literacy initiatives;
 - (iv) to make better use of available income;
 - (v) to obtain and maintain adequate housing and a suitable living environment;
 - (vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and,
 - (vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - a. document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and,
 - b. to strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;
- (b) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community based youth development programs that have demonstrated success in preventing or reducing youth crime, such as:
- (i) programs for the establishment of violence free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and
 - (ii) after school child care programs; and,
- (c) to make more effective use of, and to coordinate with, other programs (including State welfare reform efforts). [676(b)(1)]

- (2) To describe how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in Section 675C(b) of the Act in accordance with the Community Services Block Grant, including a description of how the State will support innovative community and neighborhood based initiatives related to the purposes of this subtitle; [676(b)(2)]
- (3) To provide information submitted by CSBG eligible entities in the State, including:
 - (a) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the Act, targeted to low income individuals and families in communities within the State;
 - (b) a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
 - (c) a description of how funds made available through grants made under Section 675C(a) will be coordinated with other public and private resources; and
 - (d) a description of how local CSBG eligible entities will use the funds to support innovative community and neighborhood based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting. [676(b)(3)];
- (4) To ensure that CSBG eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals; [676(b)(4)]
- (5) To ensure that the State and the CSBG eligible entities in the State will coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the CSBG eligible entities will coordinate the provision of employment and training activities in the State and in communities with CSBG eligible entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998; [676(b)(5)]
- (6) To ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such communities; [676(b)(6)]
- (7) To permit and cooperate with Federal investigations undertaken in accordance with section 678D of the Act; [676(b)(7)]

- (8) To ensure that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant under the community services block grant program will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act [676(b)(8)];
- (9) To ensure that the State and CSBG eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of groups served by the State, including religious organizations, charitable groups, and community organizations [676(b)(9)];
- (10) To require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation [676(b)(10)];
- (11) To secure from each eligible entity in the State, as a condition to receipt of funding, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a community needs assessment for the community served, which may be coordinated with community needs assessments conducted for other programs [676(b)(11)];
- (12) To ensure that the State and all CSBG eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, or another performance measure system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act [676(b)(12)]; and,
- (13) To provide information describing how the State will carry out these assurances. [676(b)(13)].

B. Administrative Assurances

The State further agrees to the following as required under the Act:

- (1) To submit an application to the Secretary containing information and provisions that describe the programs for which assistance is sought under the Community Services Block Grant prepared in accordance with and containing the information described in Section 676 of the Act. [675A(b)]
- (2) To use not less than 90 percent of the funds made available to the State by the Secretary under Section 675A and 675B of the Act to make grants to CSBG eligible entities for the stated purposes of the Community Services Block Grant and to make

such funds available to CSBG eligible entities for obligation during the fiscal year and the succeeding fiscal year, subject to the provisions regarding recapture and redistribution of unobligated funds outlined below. [675C(a)(1) and (2)]

- (3) In the event that the State elects to recapture and redistribute funds to an eligible entity through a grant made under Section 675C(a)(1) when unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year, the State agrees to redistribute recaptured funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the Community Services Block Grant. [675C(a)(3)]
- (4) To spend no more than the greater of \$55,000 or 5 percent of its grant received under Section 675A or the State allotment received under Section 675B for administrative expenses, including monitoring activities. [675C(b)(2)]
- (5) In states with a charity tax credit in effect under state law, the State agrees to comply with the requirements and limitations specified in Section 675(c) regarding use of funds for statewide activities to provide charity tax credits to qualified charities whose predominant activity is the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families. [675(c)]
- (6) That the lead agency will hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under Section 675A or 675B for the period covered by the State Plan. [676(a)(2)(B)]
- (7) That the chief executive officer of the State will designate an appropriate State agency for purposes of carrying out State Community Services Block Grant activities. [676(a)(1)]
- (8) To hold at least one legislative hearing every three years in conjunction with the development of the State Plan. [676(a)(3)]
- (9) To make available for the public inspection each plan or revised State plan in such a manner as will facilitate review of and comment on the plan. [676(e)(2)]
- (10) To conduct the following reviews of CSBG eligible entities:
 - (a) full on-site review of each such entity at least once during each three year period;

- (b) an on site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the Community Services Block Grant;
 - (c) follow-up reviews including prompt return visits to eligible entities and their programs, that fail to meet the goals, standards, and requirements established by the State;
 - (d) other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the Community Services Block Grant) terminated for cause. [678B(a)]
- (11) In the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State plan, to provide services under the Community Services Block Grant or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State will comply with the requirements outlined in Section 678C of the Act, to:
- (a) inform the entity of the deficiency to be corrected;
 - (b) require the entity to correct the deficiency;
 - (c) offer training and technical assistance as appropriate to help correct the deficiency, and submit to the Secretary a report describing the training and technical assistance offered or stating the reasons for determining that training and technical assistance are not appropriate;
 - (d) at the discretion of the State, offer the eligible entity an opportunity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan and to either approve the proposed plan or specify reasons why the proposed plan cannot be approved;
 - (e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding to the eligible entity unless the entity corrects the deficiency. [678(C)(a)]
- (12) To establish fiscal controls, procedures, audits and inspections as required under Sections 678D(a)(1) and 678D(a)(2) of the Act.
- (13) To repay to the United States amounts found not to have been expended in accordance with the Act, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under the Community Services Block Grant. [678D(a)(3)]
- (14) To participate, by October 1, 2001, and ensure that all CSBG eligible entities in the State participate in the Results Oriented Management and Accountability (ROMA) System. [678E(a)(1)]

- (15) To prepare and submit to the Secretary an annual report on the measured performance of the State and its CSBG eligible entities, as described under 678E(a)(2) of the Act.
- (16) To comply with the prohibition against use of Community Services Block Grant funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in Section 678F(a) of the Act.
- (17) To ensure that programs assisted by Community Services Block Grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity. [678F(b)]
- (18) To ensure that no person shall, on the basis of race, color, national origin or sex be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Services Block Grant funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 1231 et seq.) shall also apply to any such program or activity. [678F(c)]
- (19) To consider religious organizations on the same basis as other non-governmental organizations to provide assistance under the program so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the constitution; not to discriminate against an organization that provides assistance under, or applies to provide assistance under the Community Services Block Grant on the basis that the organization has a religious character; and not to require a religious organization to alter its form of internal government except as provided under Section 678B or to remove religious art, icons, scripture or other symbols in order to provide assistance under the Community Services Block Grant. [679]

C. Other Administrative Certifications

The State also certifies to the following:

- (1) To provide assurances that cost and accounting standards of the Office of Management and Budget (OMB Circulars A-110 and A-122) shall apply to a recipient of Community Service Block Grant funds.

- (2) To comply with the requirements of Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18 if the services are funded by a Federal grant, contract, loan or loan guarantee. The State further agrees that it will require the language of this certification be included in any sub-awards, which contain provisions for children's services and that all subrecipients shall certify accordingly.

Michel G. Gerber, Executive Director
Texas Department of Housing and Community Affairs

Date

V. NARRATIVE STATE PLAN

A. Administrative Structure

(1) State Administrative Agency

- (a) Outline the mission and responsibilities of the lead agency designated to administer the State's Community Services Block Grant.

As the lead agency for the Community Services Block Grant, the mission and responsibility of the Texas Department of Housing and Community Affairs are to ensure that local CSBG sub-grantee organizations have a central administration, including financial management capabilities, to operate the CSBG program and other grant programs on behalf of the poor. The Department is also committed to ensuring that all administrative and programmatic assurances are met at both the local and state levels.

- (b) Goals and Objectives: Outline the goals and objectives of the lead agency that administers the State's Community Services Block Grant.

The Department's goal is to support efforts in identifying and ameliorating or eliminating the causes of poverty and to help solve problems that block the achievement of economic self-sufficiency. Its objectives are: to assure the availability of a mechanism to address the problems of poverty by funding community action agencies (CAAs) and other human service delivery organizations; and, to ensure opportunities exist for increased participation of the poor in activities of their community so they can also assist in solving their own problems.

CSBG funds are administered by the Texas Department of Housing and Community Affairs to ensure the provision of effective technical assistance and timely funds reimbursement.

(2) CSBG Eligible Entities

- (a) Provide a list of CSBG Eligible Entities.
Refer to **Appendix D.** for List of 2009 CSBG Eligible Entities.
- (b) Show geographic areas served.
Refer to **Appendix E.** for List of 2009 CSBG Program Service Areas.

(3) Distribution and Allocation of Funds - Planned Distribution for Current Fiscal Year

The Department distributes funds utilizing an electronic contract and reporting system. Once the Department has received a final notification from USHHS of the State's full allocation for the year, the Department notifies CSBG eligible entities of the amount of funds to be distributed for the year.

For FFY 2009, the Department applied the formula referenced in Section V., Part B. to allocate the 90% pass-through funds to 48 local CSBG eligible entities. Refer to **Appendix F.** for the Texas FFY 2009 CSBG Allocations.

B. Description of Criteria and Distribution Formula

The Department utilizes a multi-factor funds distribution formula to equitably provide CSBG funds throughout its 254 counties that are served by the 48 CSBG eligible entities. The CSBG funds distribution formula includes four factors: a base award, a minimum floor, poverty population, and population density. The use of these factors ensures equity among all CSBG eligible entities, including the minimum operational funds driven by the floor factor and additional funds for sparsely populated areas. The floor ensures that small organizations are provided a reasonable amount of operational funds sufficient to administer the Community Services Block Grant and any other grants designed to serve the area's low-income population. The population density factor ensures that additional funds are provided to those organizations with sparsely populated service areas.

In FFY 2010 and FFY 2011, the Department will distribute CSBG funds to CSBG eligible entities based on a distribution formula which incorporates the 2000 U.S. Census figures at 125% of poverty; a \$50,000 base; a \$150,000 floor; 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. The formula is applied as follows: each eligible entity receives a base award; then, the weighted factors of poverty population and population density are applied to the state's balance of the 90% funds. If the base and application of the weighted factors does not yield sufficient funds for the minimum floor per entity, then the minimum floor amount is reserved for those CSBG eligible entities under the floor figure. Then, the formula is re-applied to the balance of the 90% funds for the remaining CSBG eligible entities.

Prior to receipt of the decennial poverty population figures per Texas County become available in the 2010 or later year U.S. Census, the Department will meet with the Texas CSBG Formula Committee, which includes representatives from CSBG eligible entities. The purpose of the meeting(s) with the CSBG Formula Committee will be to formulate a recommendation on the formula so that it will be ready for application when the decennial census data information is released. At that time, the Department may officially request USDHHS's approval for an amendment to the method of distribution of the 90% CSBG funds component within this State Application and Plan.

Limitations on use of funds are based on the cost and accounting standards as outlined in the circulars issued by the Office of Management and Budget, the CSBG Act, the Cash Management Improvement Act and any Information Memorandums issued by USHHS. Each eligible entity is authorized to draw funds incrementally for an amount not to exceed a 30-day need. CSBG eligible entities may carry over CSBG funds from one contract period into the next contract period, with certain limitations. However, the Department prohibits the carry over of more than 20% of a performance year's funds.

C. Description of Distribution and Use of Restricted Funds

In 2010 and 2011, as was done in 2009, not less than 90% of the CSBG funds allotted to the State will be allocated to CSBG eligible entities based on the formula described in Part V. B. **Appendix F.** contains the distribution amounts allocated to each CSBG eligible entity in 2009. The Department determines the use of CSBG funds by reviewing the annual Community Action Plan (CAP Plan) submitted by each eligible entity. The CAP Plan must include a Community Needs Assessment due every 5 years, a description of which of the identified needs are to be addressed, a description of the current service delivery system, a description of the linkages and funding coordination, a description of the case management system, identification of the programs operated and services offered by the CSBG eligible entity, and a description of the projects that are planned or currently in operation categorized by the National Performance Indicators.

D. Description of Distribution and Use of Discretionary Funds

Five percent (5%) of the Department's FFY 2010 and FFY 2011 annual CSBG allotted funds will be reserved to fund discretionary projects through a competitive process and to provide funds to CSBG eligible entities to respond to emergency needs as a result of man-made or natural disasters, including hurricanes, tornadoes, and floods. Through the competitive process, CSBG supports activities described in Sec. 675(c)(1)(A)(B) and/or projects which are innovative community and/or neighborhood based initiatives. The funds reserved for disaster assistance are not awarded on a competitive basis.

The Department plans to also use some of its state discretionary funds to sponsor its annual Community Affairs Division training conference which provides CSBG eligible entities with best practices and current information regarding programmatic reporting and administrative requirements. Depending on input from the State's CSBG Performance Awards Committee and the availability of annual funds, the Department may reserve a nominal portion of the state discretionary funds for performance awards or some other recognition to CSBG eligible entities with exemplary performance.

E. Description of Use of Administrative Funds

Not more than five percent (5%) of the Department's annual CSBG allocation is used to cover state administrative costs including salary and benefits for state CSBG staff, a portion of operating costs (space, telephone, staff travel, etc.), and capital expenditures (furnishings, equipment, etc.). Indirect costs are charged based on the Department's approved indirect cost plan. The Department prepares an annual CSBG budget which is monitored by Internal Accounting Division staff to ensure that administrative expenditures do not exceed budget line items or the administration cap. The Department will utilize a portion of its annual CSBG state administration funds for staff to attend state and national conferences and committee meetings and to attend other training conferences, including those held by the Texas Association of Community Action Agencies, Community Action Partnership, the National Association for State Community Services, etc. The attendance at these conferences, meetings, and hearings

will enable CSBG staff to receive current information on CSBG initiatives, USHHS requirements and guidance, peer-to-peer exchange and best practices information.

The State Auditor's Office examines the Department's fiscal records every year. A copy of the Department's General Purpose Financial Statements is included in this application. See **Appendix C.**, TDHCA Audit Financial Statements for the Period Ending 8/31/08.

The Charity Tax Credit Program is not applicable to this application.

F. State Community Services Program Implementation

(1) Program Overview

(a) The Service Delivery System

The State of Texas is comprised of 254 counties and each county is served by a CSBG eligible entity. Each entity is authorized to use CSBG funds to provide administrative support for an array of services that are funded through other federal, state, local and private resources. Many of the CSBG eligible entities offer a broad array of services including Head Start, education services, food, utility assistance, emergency assistance, employment supports, income management programs, housing assistance, transportation, medical assistance, energy and weatherization services, senior meal programs, youth projects, case management services, information and referral services to link clients to other service providers in the area, and many other services on behalf of low-income clients.

The CSBG program year in Texas begins January 1st and ends December 31st. Specific services vary among organizations; however, all CSBG eligible entities serve low-income individuals and families whose income is at or below 125% of poverty income guidelines. However, during FY 2010, the income guidelines will be at 200% of the federal poverty income guidelines due to the CSBG American Reinvestment and Recovery Act.

Although no attempt is made to dictate the types of services each CSBG entity is to provide, the Department ensures that each county is represented by an eligible entity and that each entity provides services to counties in an equitable manner and in accordance with the CSBG Act, the rules in the Texas Administrative Code, and contractual requirements.

CSBG eligible entities are required to provide services to the service area/counties designated in their contract. Since the State of Texas has a land mass of 267,339 square miles, the Department does not require that CSBG eligible entities have neighborhood/service centers in each county of their service area. However, CSBG eligible entities must make services available in their entire service area. In remote and less populated counties where a

neighborhood center is not located, CSBG eligible entities visit the county on a scheduled basis or enter into agreements with local governments, non-profits, or church organizations, to serve as intake centers for persons to apply for CSBG services. In urban areas of the State, multiple neighborhood centers are located throughout the county (ies) and service area.

The State Application and Plan document includes Appendix D. which contains a List of 2009 CSBG Eligible Entities, Appendix E. which contains the List of 2009 CSBG Program Service Areas, and Appendix F. which contains the Texas' FFY 2009 CSBG Allocations to CSBG Eligible Entities.

The 2008 CSBG Annual Report documented that the Texas community action network administered programs supported with \$410.4 million in non-CSBG federal resources and \$15.5 million in State resources.

(b) Linkages

CSBG eligible entities operate within a network of local service providers to reduce duplication of effort and to coordinate resources to address various client circumstances. Texas CSBG eligible entities have developed an extensive network of social service agencies to provide information and referral to clients. Some entities have "one stop" service centers to meet the many needs of the clients seeking services. Linkages are established within the service area and are utilized to connect individuals to the array of local programs and services to meet the needs of family members. The coordination and linkages are key to each CSBG eligible entity's ability to meet the needs of their clients. CSBG eligible entities are to follow-up with clients and/or referral sources to determine if clients referred received the needed services. Similar linkage efforts will continue in FFY 2010 and FFY 2011.

As a condition of continued receipt of CSBG funds each year, each CSBG eligible entity is required to submit an annual Community Action Plan (CAP). Each Community Action Plan must include information on the implementation of an effective case management program which assists low-income individuals attain an income above the federal poverty income guideline level utilized by CSBG. Clients interested in working to transition out of poverty are eligible to receive comprehensive case management services. The provision of case management includes an assessment of the household's needs and a plan of action to meet the needs and regular follow-up to ensure that clients are making progress in meeting established goals.

The Department facilitates the establishment of effective case management services by distributing a manual which outlines the requirements of a case management system and the provision of training and technical assistance on case management. Each entity reports monthly on the number of clients who are working towards achieving an income above the federal poverty income guideline level utilized by CSBG and the number of clients that have achieved

incomes above that level. Case management procedures, as well as the overall progress, on the number clients attaining self-sufficiency are reviewed during the on-site CSBG monitoring process conducted by Department program officers. During 2010, the Department will revise the income limits to 200% of the federal poverty income guidelines.

(c) Coordination with Other Public and Private Resources

The Texas Government Code Section 2306.097 requires that CSBG operate in conjunction with energy programs for low-income individuals. In accordance with this requirement, the majority of the CSBG eligible entities administer the Comprehensive Energy Assistance Program (CEAP), funded with Low-Income Home Energy Assistance Program (LIHEAP) block grant funds, as well as the Weatherization Assistance Program for Low-Income Persons, funded by the U. S. Department of Energy.

In addition, the Community Action Plan for each CSBG eligible entity must include a description of how the entity coordinates and mobilizes public and private resources to effect maximum leveraging for CSBG funds. CSBG funds provide the infrastructure to enable CSBG eligible entities to operate a vast array of anti-poverty and social service programs. Coordination of public and private funding takes place at the local level in different ways. CSBG eligible entity staff and/or administrators meet with other providers in the service area to determine how best to not duplicate services and to provide the services needed to meet the emergency needs of low-income persons and to establish programs which assist low-income persons to transition out of poverty. In 2008, the Texas community action network administered programs supported with \$88.4 million in local public funds and \$23.5 million in private sector resources. It is anticipated that Texas CSBG eligible entities will leverage funds in FFY 2010 and FFY 2011 similar to what is on record for 2008.

(d) Innovative Community and Neighborhood-based Initiatives

At least every five years, each CSBG eligible entity is required to conduct an assessment of the needs of the persons in their respective CSBG service area. As a result of this assessment, the entity develops a plan as to how best to identify, coordinate, and/or develop local resources to address at least one of the needs identified in the community assessment. Additionally, in the annual CAP Plans, the eligible entities must describe the community improvement and revitalization projects to be operated and efforts to improve the quality of life and assets in low-income neighborhoods. The description of these projects and efforts is to include discussion of partners and collaborators and methods that will be used to evaluate progress in achieving their goals.

New for 2010 and 2011 will be a state initiative to expand the types of CSBG allowable services and assistance to be supported with competitive CSBG state

discretionary funds. Efforts will continue to involve more CSBG eligible entities in Individual Development Accounts projects and in yielding the benefits from the IRS's Earned Income Tax Credit component for eligible low income clients. Sample information on performance and specific initiatives is outlined in Appendix N., the Texas FFY 2008 CSBG Annual Report.

(2) Community Needs Assessments

Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B. requires that each CSBG eligible entity conduct a Community Needs Assessment at least every five years. The Department provides guidance on the requirements for the Community Needs Assessment. CSBG eligible entities are encouraged to coordinate the preparation of their CSBG Community Needs Assessment with similar assessments required by other funding agencies. The state requests that CSBG eligible entities update their Community Needs Assessment when major changes occur (i.e., loss of a major employer, downturn in the local economy, etc.).

Based on the results of the Community Needs Assessment, CSBG eligible entities must choose at least one cause of poverty and mobilize community resources in a plan to address that issue. Each entity reports to the Department on the progress on the issue identified and the results achieved.

(3) Tripartite Boards

The Texas Administrative Code rule augments the federal regulations on how CSBG eligible entities must comply with Section 676B Tripartite Boards of the CSBG Act. The Department examines each entity's bylaws for the component which describes the method used to select representatives for the Board. In addition, on-site monitoring procedures include a full review of the entity's latest bylaws, board roster, attendance records, and minutes of board meetings. Board training is provided to CSBG eligible entities by the Department on a request basis, at the annual Community Affairs Division training conference, or at the discretion of the Department if the Department identifies significant board related problems through the monitoring process.

(4) State Charity Tax Program

This is not applicable in the State of Texas.

G. Programmatic Assurances

Describe how each of the assurances outlined in Section 676(b) of the CSBG Act will be carried out.

CSBG funds made available through the grant or allotment will be used:

- (1) To support activities as listed in 676(b)(1)

The Department will meet this assurance through the annual review of the Community Action Plans (CAP Plan) submitted by each eligible entity prior to the state's commitment of CSBG funds. Each CAP Plan is required to describe the efforts that eligible entities will make in any of the areas outlined in 676(b)(1). CSBG program officers are assigned to review each year's CAP Plan 60 to 90 days prior to the next CSBG program year. CAP Plans must include the services and assistance that are to be supported with the allowable uses of CSBG funds and must identify how the services are to be coordinated with other service providers in the community. Compliance documentation with the OMB Circulars' federal requirements and regulations, with the CSBG Act, with CSBG contract provisions, and with the CAP Plan is reviewed during the onsite CSBG monitoring process.

Listed below are examples of the types of activities conducted to support compliance with this assurance.

- (i) to remove obstacles and solve problems that block the achievement of self-sufficiency--sponsorship of tutoring classes to facilitate obtainment of a high school diploma or a general equivalency diploma; payment of college supplies, materials, and tuition costs; and, case management sessions to enhance progress toward client self-sufficiency.
- (ii) to secure and retain meaningful employment--arrangements for job counseling sessions; conducting mock job interviews; and, sponsorship of job fairs.
- (iii) to attain an adequate education, with particular attention toward improving literacy skills--establishment of cooperative agreements with schools or universities to arrange classes to meet local educational needs; payment of tuition costs; and, career counseling through case management sessions.
- (iv) to make better use of available income--arrangements for budget and financial counseling sessions; enrollment in case management programs and energy conservation sessions; and, participation in Individual Development Accounts (IDA's) projects to take advantage of matched savings initiatives.
- (v) to obtain and maintain adequate housing and a suitable living environment--provision of housing rent subsidies; payment of security deposits; and, issuance of housing vouchers to provide emergency housing or shelter accommodations in disaster situations.
- (vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs--issuance of rental payment vouchers to prevent eviction; and use of controlled debit cards honored for allowable purchases in disaster assistance situations.
- (vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with

local law enforcement agencies, local housing authorities, private foundations, and other public and private partners--adherence by local CSBG eligible entities to contract provisions to ensure adequate representation on the tripartite boards by the public, private, and low income sector groups; cooperative agreements with public housing authorities to honor housing vouchers in times of addressing the emergency needs of disaster victims; and partnerships established between CSBG eligible entities and foundations or local banking institutions to obtain the matching funds required for Individual Development Accounts (IDA's).

- (2) To address the needs of youth in low income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community based youth development programs that have demonstrated the success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and after-school child care programs as per 676(b)(1)(B).

CSBG eligible entities conduct a community needs assessment at least every five years, through which each entity prioritizes and addresses the needs identified. Several CSBG eligible entities routinely use CSBG funds to support the operation of youth mentoring programs, life skills training, jobs programs and after school programs. The Department also supports Individual Development Accounts (IDA) projects operated by CSBG eligible entities. IDA projects enable persons to establish savings plans and utilize savings to attend college, purchase a home, or capitalize a small business. Many of the persons enrolled in IDA programs are young adults. As in 2009, the Department plans to make available in 2010 and in 2011 a portion of its 5% CSBG state discretionary funds for competitive applications for innovative projects and initiatives. The optional use of these monies will include local youth and after-school child care projects.

- (3) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts) as per 676(b)(1)(C).

All CSBG eligible entities depend on a strong information and referral system to provide comprehensive assistance to program participants. Many CSBG eligible entities administer Head Start, Family Planning, Transportation, Housing, and Senior programs in conjunction with CSBG. State legislation, Texas Government Code 2306.097, requires that energy services programs that serve low-income individuals operate in conjunction with the CSBG Program.

The coordination with other programs in the community enables clients to receive a multitude of services needed such as education services to complete a GED or attend college; to seek and obtain employment; to seek counseling and rehabilitative

services; to learn budgeting and saving skills; to obtain adequate housing; to obtain emergency assistance such as food, utility, clothing; to participate in the affairs of the community through attendance at community meetings, through participation in their child's school activities, and to serve on boards. The CSBG eligible entities often times do not have all the resources to meet the needs of entire households and therefore must provide a means for clients to receive other needed services through collaborative efforts.

- (4) To ensure that CSBG eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services as may be necessary to counteract conditions of starvation and malnutrition among low income individuals as per 676(b)(4).

All CSBG eligible entities either operate a food pantry onsite or they make referrals to a local pantry where needy families can have access to food items donated by members of the community. Some CSBG eligible entities administer the Women, Infants and Children (WIC) Program, other food programs sponsored by the U.S. Department of Agriculture, and senior congregate and home-delivered meals programs. Depending on the location within the State, CSBG eligible entities will also coordinate with the Texas Association of Community Action Agencies for accessing donated game meat from the Hunters for the Hungry Program and surplus food produce items from the Share Our Surplus Program.

- (5) To assure, as referenced in 676(b)(5), that the State and the eligible entities in the State will coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low income individuals, and to avoid duplication of such services, and State and eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

CSBG eligible entities operate within a network of local service providers to reduce duplication of effort and to coordinate resources to address various client circumstances. Many CSBG eligible entities have developed extensive information and referral networks and/or "one stop" service centers. The Community Action Plan of each CSBG eligible entity must include a description of how the entity coordinates public and private resources to leverage with CSBG funds.

- (6) To assure, as indicated in 676(b)(6), that the State will ensure coordination between antipoverty programs in each community in the State, and ensure where appropriate, that emergency energy crisis intervention programs under Title XXVI (relating to low-income home energy assistance) are conducted in such communities.

Section 2306.097 of the Texas Government Code requires that the CSBG Program operate in conjunction with the Energy Services Program for Low-Income Individuals. Therefore, the majority of the CSBG eligible entities administers the Texas Comprehensive Energy Assistance Program (CEAP) as well as the

Weatherization Assistance Program For Low-Income Persons using funds provided by the U. S. Department of Energy. In addition, several CSBG eligible entities have a working relationship with local Workforce Boards and administer welfare-to-work programs.

- (7) To assure, as indicated in 676 (b) (9), that the State and CSBG eligible entities in the State will, to the maximum extent possible, coordinate programs and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.

The Department is committed to working with local faith-based organizations. Many CSBG eligible entities subcontract with faith-based organizations to provide direct services and most have partnership agreements. In addition, local organizations have traditionally partnered with faith-based organizations to expand resources and to provide services to low-income individuals and families. When the Department releases a Notice of Funding Availability (NOFA) or a Request for Proposals (RFP) announcing competitive funds to serve low-income persons, either through the Community Services Block Grant State Discretionary Funds or through the Emergency Shelter Grants Program, the responses include collaborative applications where multiple organizations apply for funds in joint ventures.

H. Fiscal Controls and Monitoring

- (1) State Program Monitoring: Describe the lead agency's plans for conducting the following reviews of eligible entities, as required under Section 678B (a) of the Act:
 - (a) Full on-site review of each such entity at least once during each 3 year period.

The Department will ensure that each CSBG eligible entity shall be monitored at least once every three years in accordance with the CSBG Act. It is the Department's goal to monitor each organization receiving CSBG funds at a minimum every two years. The Community Affairs Division conducts joint monitoring reviews since the majority of CSBG eligible entities receive Weatherization and CEAP funds; therefore a joint monitoring review by Program Officers responsible for the CSBG funds and other Program Officers who monitor either the Weatherization Assistance Program or the LIHEAP-supported Comprehensive Energy Assistance Program. Monitoring will be conducted in accordance with Section 678B (a) of the Community Services Block Grant Act and the guidance provided to states in Information Memorandum Transmittal No. 97.

The Department employs a risk based monitoring system which considers an assessment of associated risks applied to each of the state's CSBG eligible entities. The factors include the status of the most recent monitoring report, timeliness of grant reporting, results of the last on-site monitoring review, the

number of programs funded by the Department, the funding amounts provided by the Department, and the single audit status. Organizations that attain the highest risk assessment score will have the highest monitoring priority. This procedure will allow the Department to first monitor entities with the highest risk factors and to identify any deficiencies early on and to provide technical assistance on specific needs which have been identified. CSBG eligible entities that are not monitored in the current year will automatically rate a higher risk score the following year.

After an on-site monitoring visit, the CSBG Program Officer will provide a written monitoring report to the entity's executive director that documents the findings, corrective actions required, and recommended actions. CSBG eligible entities and other CSBG funded organizations have 45 days to respond to the Department's report. The program officer will evaluate the adequacy of the responses and corrective action. A follow-up onsite monitoring will be scheduled as deemed necessary. A copy of the state's monitoring report is also provided to the presiding officer of the entity's governing board. For monitoring reviews of CSBG eligible entities, organizations have 45 days to respond to the Department's CSBG monitoring report. For CSBG/CEAP contract operations, the organizations have 45 days to respond to the Department's joint monitoring report.

- (b) An on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the Community Services Block Grant;

The Department will ensure that any new CSBG eligible entity designated in either FFY 2010 or FFY 2011 will receive comprehensive training and technical assistance during its first year of operation. Furthermore, the state will schedule an on site monitoring review of such new CSBG eligible entities and other CSBG funded organizations immediately after their first year of CSBG supported operations.

- (c) Follow-up reviews including prompt return visits to eligible entities, and their Programs, that fail to meet the goals, standards, and requirements established by the State;

If the on site monitoring reveals serious deficiencies with operations under a CSBG contract with the State and the deficiencies are not corrected in a timely manner and in accordance with requirements, the Department will assign a team of specialists to promptly conduct a follow-up onsite team monitoring review and to provide training and technical assistance as deemed necessary.

When a CSBG eligible entity is experiencing problems with programs other than CSBG, the Department maintains close contact with the entity to ensure that State's staff members are available to provide training and technical assistance as deemed necessary for the CSBG program operations.

- (d) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the Community Services Block Grant) terminated for cause.

The State also conducts routine in-house desk reviews which include an examination of performance progress and expenditure rates, based on monthly reports submitted to the Department by each eligible entity.

- (e) Specify the date of last audit conducted and the period covered by the audit for each eligible entity.

Appendix G. contains information regarding each eligible entity's audit period, as well as the date of submission for the last audit conducted.

(2) Corrective Action, Termination and Reduction of Funding

Describe the State's plan for complying with the requirements of Section 678C of the Act. (Section 678C of the Act requires states to comply with certain requirements in the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State Plan, to provide services under the Community Services Block Grant or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.)

When deficiencies are identified within a CSBG eligible entity's program operations, the Department evaluates the severity of the discrepancies and may impose appropriate sanctions in accordance with Section 678C of the CSBG Act and Title 10 of the Texas Administrative Code. If the Department identifies possible instances of fraud, abuse, fiscal mismanagement, or other serious deficiencies in the subrecipient's performance, the following sanctions will be applied: (1) deny the CSBG eligible entity's request for advances and place it on a cost reimbursement method of payment until proof of compliance with the rules and regulations are received by the Department; (2) withhold all payments from the subrecipient (both reimbursements and advances) until proof of compliance with the rules and regulations are received by the Department; (3) suspend performance of the contract; and, (4) impose sanctions as deemed appropriate by the Department's Executive Director, at any time,.

If the Department has implemented sanctions against a subrecipient and the subrecipient has failed to comply with a Quality Improvement Plan (QIP) or a corrective action plan, the Department may request of the subrecipient's Board of Directors the voluntary relinquishment of the CSBG program and their designation as a CSBG eligible entity.

Program deficiencies and corrective action requirements will be communicated to the CSBG eligible entity in writing. The Director of the Community Affairs Division shall consider all recommendations for corrective action.

In the event that the Department determines that an eligible entity fails to comply with the terms of an agreement or the State's CSBG Plan, to provide services under the Community Services Block Grant, or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the Department will:

- (a) inform the eligible entity of the deficiency to be corrected;
- (b) require the eligible entity to correct the deficiency;
- (c) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;
- (d) at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State, and after receiving the proposed quality improvement plan, pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and
- (e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce CSBG funding of the eligible entity unless the entity corrects the deficiency.

Department staff will be available, at every point in the corrective action process, to provide technical assistance to the entity's staff and its governing body.

(3) Fiscal Controls, Audits, and Withholding

Describe the State's systems of fiscal controls, procedures, and plans for audits and inspections, as required under Sections 678D(a)(1) and 678D(a)(2) of the Act. Describe how each of these assurances, outlined in Section 676(b) of the Act will be carried out.

In compliance with assurance 678D(a)(1) and 678D(a)(2) of the Act, the Department provides for fiscal controls through fund accounting procedures that are maintained at both the state and sub-grantee levels. The Department has a comprehensive system of internal controls specifically designed to ensure compliance with the provisions of the CSBG Act. The Department's financial and other records are audited on an annual basis by the State Auditor's Office and a copy of the audit is submitted to the Texas Legislature and to the Secretary of the U.S. Department of Health and Human Services. The Department's audited financial statements from the fiscal year ending August 31, 2008 are included in this CSBG State Application and Plan as Appendix C.

- (a) In compliance with assurance 676(b)(7), cooperation with federal investigations.

The State will permit and cooperate with Federal investigations undertaken in accordance with Section 678D of the Act.

The Department will make appropriate records available to federal investigators in a timely manner. In addition, the CSBG contractual agreements between the Department and CSBG eligible entities and other CSBG funded organizations include a requirement that the CSBG eligible entities and other CSBG funded organizations agree to cooperate with any such investigations and requires that an eligible entity and their subcontractors maintain records relating to the use of the CSBG funds for at least three years.

- (b) In compliance with assurance 676(b)(8) on CSBG funding reduction/termination.

Any eligible entity in the state that received funding in the previous fiscal year through a Community Services Block Grant under the Community Services Block Grant will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act.

The Department will comply with 676(b)(8) and will not terminate funding or reduce funding below the proportional share of the funding received in the previous fiscal year of a CSBG eligible entity that received funding in the previous fiscal year, unless after providing notice and an opportunity for a hearing on the record, the State determines cause exists for termination or such reduction.

- (c) In compliance with assurance 676(b)(10)

The State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

Guidance to the CSBG eligible entities on how to comply with Section 676B Tripartite Boards of the Act is provided through state training conferences, on-site board training and electronic notification documentation released by the Department. CSBG eligible entities must establish procedures whereby organizations or individuals may petition for adequate representation on the governing board (or other mechanism) of the eligible entity. The Department's Program Officers monitor compliance with such requirement during the onsite monitoring review process.

I. Accountability and Reporting Requirements

(1) Results Oriented Management and Accountability (ROMA):

Describe how the State will comply with the following assurance, in 676(b)(12) of the Act: The State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System or another performance measurement system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act.

Beginning in 2001 and for several years thereafter, Texas CSBG eligible entities began reporting outcomes information related to the ROMA reporting requirements as required by the U. S. Department of Health and Human Services. The Department recently began reporting performance based data on the National Goals/National Performance Indicators (NPI) outlined below. The NPI reporting system is being utilized in 2009 and will also be used in 2010 and in 2011 to report outcome information and to facilitate completing portions of the state's National IS Survey and the CSBG Annual Report.

Goal 1: Low-Income People Become More Self-Sufficient

National Performance Indicator 1.1 – Employment

The number and percentage of low-income participants in community action employment initiatives who get a job or become self-employed as measured by one or more of the following:

- A. Unemployed and obtained a job.
- B. Employed and obtained an increase in employment income.
- C. Achieved “living wage” employment and benefits.

National Performance Indicator 1.2 – Employment Supports

The number of low-income participants for whom barriers to initial or continuous employment are reduced or eliminated through assistance from community action as measured by one or more of the following:

- A. Obtained pre-employment skills/competencies required for employment and received training program certificate or diploma.
- B. Completed ABE/GED and received certificate or diploma.
- C. Completed post-secondary education program and obtained certificate or diploma.
- D. Enrolled children in “before” or “after” school programs, in order to acquire or maintain employment.
- E. Obtained care for child or other dependant in order to acquire or maintain employment.
- F. Obtained access to reliable transportation and/or driver’s license in order to acquire or maintain employment.
- G. Obtained health care services for themselves or a family member in support of employment stability.
- H. Obtained safe and affordable housing in support of employment stability.
- I. Obtained food assistance in support of employment stability

National Performance Indicator 1.3 – Economic Asset Enhancement and Utilization

The number and percentage of low-income households that achieve an increase in financial assets and/or financial skills as a result of community action assistance, and the aggregated amount of those assets and resources for all participants achieving the outcome, as measured by one or more of the following:

A. Enhancement –

1. Number and percent of participants in tax preparation programs who identify any type of Federal or State tax credit and the aggregated dollar amount of credits
2. Number and percentage obtained court-ordered child support payments and the expected annual aggregated dollar amount of payments.
3. Number and percentage enrolled in telephone lifeline and/or energy discounts with the assistance of the agency and the expected aggregated dollar amount of savings.

B. Utilization –

1. Number and percent demonstrating ability to complete and maintain a budget for over 90 days.
2. Number and percent opening an Individual Development Account (IDA) or other savings account and increased savings, and the aggregated amount of savings.
3. Of participants in a community action asset development (IDA and others):
 - a. Number and percent capitalizing a small business due to accumulated savings.
 - b. Number and percent pursuing a post-secondary education due to savings.
 - c. Number and percent purchasing a home due to accumulated savings.

Goal 2: The Conditions in Which Low-Income People Lives are Improved

This set of measures collects outcomes on successful CAA projects that build “community assets,” including not only material improvements, like affordable homes and safe streets, but even changes in public policy that will reduce the causes of poverty and revitalize the low-income community.

National Performance Indicator 2.1 Community Improvement and Revitalization

Increase in, or preservation of opportunities and community resources or services for low-income people in the community as a result of community action projects/ initiatives or advocacy with other public and private agencies, as measured by one or more of the following:

- A. Accessible “living wage” jobs created or retained in the community.
- B. Safe and affordable housing units created in the community.
- C. Safe and affordable housing units in the community preserved or improved through construction, weatherization or rehabilitation achieved by community action activity or advocacy
- D. Accessible and affordable health care services/facilities for low-income people created or maintained.
- E. Accessible safe and affordable childcare or child development placements opportunities for low-income families created or maintained.
- F. Accessible “before” school and “after” school program placement opportunities for low-income families created or maintained.
- G. Accessible new, preserved, or expanded transportation resources

- available to low-income people, including public or private transportation.
- H. Accessible preserved or increased educational and training placement opportunities for low-income people in the community, including vocational, literacy, and life skill training, ABE/GED, and post-secondary education.

National Performance Indicator 2.2 -- Community Quality of Life and Assets

The quality of life and assets in low-income neighborhoods are improved by community action initiative or advocacy, as measured by one or more of the following:

- A. Increases in community assets as a result of a change in law, regulation or policy, which results in improvements in quality of life and assets;
- B. Increase in the availability or preservation of community facilities;
- C. Increase in the availability or preservation of community services to improve public health and safety;
- D. Increase in the availability or preservation of commercial services within low-income neighborhoods; and
- E. Increase or preservation of neighborhood quality-of-life resources.

Goal 3: Low-Income People Own a Stake in Their Community

National Performance Indicator 3.2 – Community Empowerment through Maximum Feasible Participation

The number of low-income people mobilized as a direct result of community action initiative to engage in activities that support and promote their own well-being and that of their community as measured by one or more of the following:

- A. Number of low-income people participating in formal community organizations, government, boards or councils that provide input to decision-making and policy setting through community action efforts.
- B. Number of low-income people acquiring businesses in their community as a result of community action assistance.
- C. Number of low-income people purchasing their own homes in their community as a result of community action assistance.
- D. Number of low-income people engaged in non-governance community activities or groups created or supported by community action.

Goal 4: Partnerships Among Supporters and Providers of Service to Low-Income People are Achieved

National Performance Indicator 4.1 – Expanding Opportunities through Community-Wide Partnerships

The number of organizations, both public and private, community action actively works with to expand resources and opportunities in order to achieve family and community outcomes.

Goal 5: Agencies Increase Their Capacity to Achieve Results

National Performance Indicator 5.1 – Broadening the Resource Base

The number of dollars mobilized by community action, including amounts and percentages from:

- A. Community Services Block Grant (CSBG)
- B. Non-CSBG Federal Programs
- C. State Programs
- D. Local Public Funding
- E. Private Sources (including foundations and individual contributors, goods and services donated)
- F. Value of volunteer time

Goal 6: Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

National Performance Indicator 6.1 – Independent Living

The number of vulnerable individuals receiving services from community action that maintain an independent living situation as a result of those services:

- A. Senior Citizens; and
- B. Individuals with Disabilities

National Performance Indicator 6.2 – Emergency Assistance

The number of households served by community action that sought emergency assistance and the percentage of those households for which assistance was provided, including such services as:

- A. Food
- B. Emergency Payments to Vendors, including Fuel and Energy Bills
- C. Temporary Shelter
- D. Emergency Medical Care
- E. Protection from Violence
- F. Legal Assistance
- G. Transportation
- H. Disaster Relief

National Performance Indicator 6.3 – Child and Family Development

The number and percentage of all infants, children, youth, parents, and other adults participating in developmental or enrichment programs that achieve program goals, as measured by one or more of the following:

A. Infants and Children –

1. Infants and children obtain age appropriate immunizations, medical and dental care.
2. Infant and child health and physical development are improved as a result of adequate nutrition.
3. Children participate in pre-school activities to develop school readiness skills.
4. Children who participate in pre-school activities are developmentally ready to enter Kindergarten or 1st Grade.

B. Youth –

1. Youth improve physical health and development.
2. Youth improve social/emotional development.
3. Youth avoid risk-taking behavior for a defined period of time.
4. Youth have reduced involvement with criminal justice system.
5. Youth increase academic, athletic or social skills for school success by participating in before or after school programs.

C. Parents and Other Adults –

1. Parents and other adults learn and exhibit improved parenting skills.
2. Parents and other adults learn and exhibit improved family functioning skills.

(2) Annual Report:

Section 678E (a)(2) of the Act requires each state to prepare and submit to the Secretary an annual report on the measured CSBG performance of the Department and its CSBG eligible entities.

The State of Texas submitted the 2008 CSBG Annual Report, Appendix N., in March 2009 based on Section 678E (a) (2) and guidance from USHHS Information Memorandum No. 108.

The State of Texas will comply with the requirement to submit the 2009 CSBG Annual Report outlining the CSBG network's activities and performance by March 31, 2010. The Department will submit Annual Reports for Texas' FFY 2010 and FFY 2011 CSBG program operations in accordance with CSBG Act provisions and supplemental USDHHS instructions.

VI. Appendices

- A. Texas Register Public Hearings Notice**
- B. Legislative Hearing Documentation**
- C. TDHCA Audited Financial Statements--Period Ending 8/31/2008**
- D. List of 2009 CSBG Eligible Entities**
- E. List of 2009 CSBG Program Service Areas**
- F. State of Texas FFY 2009 CSBG Allocations**
- G. Audit information for CSBG Eligible Entities**
- H. Texas Administrative Code and Texas Government Code**
- I. Lead State Agency Designation Correspondence**
- J. Certification Regarding Lobbying**
- K. Certification Regarding Drug-Free Workplace**
- L. Certification Regarding Debarment, Suspension, and Other Responsibility Matters**
- M. Certification Regarding Pro-Children Act of 1994**
- N. Texas' FFY 2008 CSBG Annual Report**

Appendix A.

Texas Register Public Hearings Notice

Texas Department of Housing and Community Affairs

Notice of Public Hearings – Community Services Block Grant 2010-2011 State Application and Plan

In accordance with the U.S. Department of Health and Human Services' requirement for the Community Services Block Grant (CSBG) and as part of the public information consultation and public hearing requirements in Texas Administrative Code, Subchapter 5.209, on the use of CSBG funds, the Texas Department of Housing and Community Affairs (TDHCA) is conducting a series of public hearings. The primary purpose of the hearings is to solicit comments on the proposed Texas Community Services Block Grant 2010-2011 State Application and Plan which describes the proposed use and distribution of CSBG funds for Federal Fiscal Years 2010 and 2011. As federal statute requires, not less than ninety percent of the CSBG funds will be distributed to CSBG eligible entities and not more than five percent will be used for state administration, including support for monitoring and the provision of technical assistance and training. The remaining five percent will be utilized to fund state discretionary projects/initiatives and for disaster assistance recovery.

The draft Application/Plan is to be presented to the TDHCA Board of Directors on June 25, 2009. Once approved, the document is to be posted and available for review on the Department's website @ www.tdhca.state.tx.us in the CSBG category.

The schedule for the public hearings is as follows:

Tuesday, July 7, 2009

6:00 p.m. – 8:00 p.m.

Coastal Bend Council of Governments, Large Conference Room
2910 Leopard Street
Corpus Christi, Texas

Wednesday, July 8, 2009

1:30 p.m. – 3:30 p.m.

Gulf Coast Community Services Association, Room # 225
University Business Park-Building One
5000 Gulf Freeway
Houston, Texas

Wednesday, July 8, 2009

1:30 p.m. – 3:30 p.m.

Urban League of Greater Dallas, Conference Room
4315 South Lancaster Road
Dallas, Texas

Thursday, July 9, 2009

1:30 p.m. – 3:30 p.m.

Texas Department of Housing and Community Affairs, Room # 116

221 East 11th Street

Austin, Texas

Thursday, July 9, 2009

6:00 p.m. – 8:00 p.m.

City of Lubbock's City Hall Council Chambers, Municipal Building, Room # 101

1625 13th Street

Lubbock, Texas

Individuals who require auxiliary aids or services should contact Gina Esteves, ADA Responsible Employee, at least two days before the scheduled hearing at (512) 475-3943 or Relay Texas at 1-800-735-2989 so that appropriate arrangements can be made.

A representative from TDHCA will be present at each of the public hearings to explain the planning process and receive comments from interested citizens and affected groups regarding the proposed Application/Plan. For questions, contact J. Al Almaguer, Senior Planner, in the Community Services Section at (512) 475-3908 or al.almaguer@tdhca.state.tx.us. Comments may be provided in writing or by oral testimony at the hearings. Written comments may be submitted to TDHCA at the time of each hearing or by mail no later than July 24, 2009.

Appendix B.

Legislative Hearing Documentation

State of Texas

FFY 2010 and FFY 2011 Community Services Block Grant Funds

Legislative Hearing Documentation

The Texas Legislature convenes every other year and among its tasks is to enact appropriation bills that encompass all funds for Texas state agencies, including those derived from state general revenue and from federal block grants. The Community Services Block Grant funds are included in the overall annual budget administered by the Texas Department of Housing and Community Affairs and subject to the legislative review process described herein.

Both branches of the Texas Legislature review each state agency's annual budgets. The Texas Senate conducted its most recent Legislative Appropriations Request hearing on March 5, 2009. The Texas House of Representatives conducted its most recent Legislative Appropriations Request hearing on March 16, 2009. The state appropriation process, which precedes and supports the enactment of the appropriation bills, is an extensive and deliberative process and provides opportunity for full public participation in public hearings.

I, Michael G. Gerber, hereby certify that the above referenced Legislative Appropriations Request process serves to comply with the CSBG Act's requirement 42 U.S.C. Section 9008 (a) (3) that at least one (1) legislative hearing be held every three years in conjunction with the state's development of the Texas application for the FFY 2010 and FFY 2011 Community Services Block Grant funds under 42 U.S.C. Section 9008 (a) (3).

Michael G. Gerber, Executive Director
Texas Department of Housing and Community Affairs

Date

MINUTES**SENATE COMMITTEE ON FINANCE**

Thursday, March 5, 2009

8:30 a.m.

Capitol Extension, Room E1.036

Pursuant to a notice posted in accordance with Senate Rule 11.18, a public hearing of the Senate Committee on Finance was held on Thursday, March 5, 2009, in the Capitol Extension, Room E1.036, at Austin, Texas.

MEMBERS PRESENT:

Senator Steve Ogden
 Senator Juan Hinojosa
 Senator Kip Averitt
 Senator Bob Deuell
 Senator Robert Duncan
 Senator Kevin Eltife
 Senator Chris Harris
 Senator Eddie Lucio, Jr.
 Senator Jane Nelson
 Senator Kel Seliger
 Senator Florence Shapiro
 Senator Royce West
 Senator John Whitmire
 Senator Tommy Williams
 Senator Judith Zaffirini

MEMBERS ABSENT:

None

The chair called the meeting to order at 8:33 a.m. There being a quorum present, the following business was transacted:

The chair laid out SB 1 as pending business. Witnesses testifying and registering on the bill are shown on the attached list.

The chair recognized Senator Eltife to lay out the workgroup recommendations for Article VII.

★ Senator Eltife moved to adopt the workgroup recommendations for Article VII, Department of Housing and Community Affairs; without objection, it was so ordered. ★

Senator Eltife moved to adopt the workgroup recommendations for Article VII, Lottery Commission; without objection, it was so ordered.

Senator Zaffirini moved that Item 3 on page 20 of the workgroup recommendations for Article

VII, relating to the Office of Rural Community Affairs, be moved to Article XI; without objection, it was so ordered.

Senator Eltife moved to adopt the amended workgroup recommendations for Article VII, Office of Rural Community Affairs; without objection, it was so ordered.

Senator Eltife moved to adopt the workgroup recommendations for Article VII, Workforce Commission; without objection, it was so ordered.

Senator Eltife moved to adopt the workgroup recommendations for Article VII, Reimbursements to the Unemployment Compensation Benefit Account; without objection, it was so ordered.

The chair recognized Senator Hinojosa to lay out the workgroup recommendations for Article IV.

Senator Williams moved to pend Item 4 on page 4 of the workgroup recommendations for Article IV, relating to the Supreme Court; without objection, it was so ordered.

Senator Hinojosa moved to adopt the amended workgroup recommendations for Article IV, Supreme Court; without objection, it was so ordered.

Senator Hinojosa moved to adopt the workgroup recommendations for Article IV, Court of Criminal Appeals; without objection, it was so ordered.

Senator Hinojosa moved to adopt the workgroup recommendations for Article IV, 14 Appellate Courts; without objection, it was so ordered.

Senator Hinojosa moved to adopt the workgroup recommendations for Article IV, Office of Court Administration; without objection, it was so ordered.

Senator Hinojosa moved to adopt the workgroup recommendations for Article IV, Office of the State Prosecuting Attorney; without objection, it was so ordered.

Senator Hinojosa moved to adopt the workgroup recommendations for Article IV, State Law Library; without objection, it was so ordered.

Senator Hinojosa moved to adopt the workgroup recommendations for Article IV, State Commission on Judicial Conduct; without objection, it was so ordered.

Senator Duncan moved to pend Item 2 on page 24 of the workgroup recommendations for Article IV, relating to the Comptroller's Department, Judiciary Section; without objection, it was so ordered.

Senator Hinojosa moved to adopt the amended workgroup recommendations for Article IV, Comptroller's Department, Judiciary Section; without objection, it was so ordered.

Senator Hinojosa moved to pend Section 10 of the workgroup recommendations for Article IV, Special Provisions, relating to the 14 Appellate Courts; without objection, it was so ordered.
Senator Hinojosa moved to adopt the amended workgroup recommendations for Article IV, Special Provisions; without objection, it was so ordered.

Senator Ogden moved that SB 1 be left pending; without objection, it was so ordered.

There being no further business, at 10:05 a.m. Senator Ogden moved that the Committee stand recessed until 8:30 a.m., March 6, 2009. Without objection, it was so ordered.

Senator Steve Ogden, Chair

Amy Jeter, Clerk

The House Committee on Appropriations

81st Legislature

March 16, 2009

8:00 a.m.

E1.030

Pursuant to a notice posted on March 11, 2009, the House Committee on Appropriations met in a public hearing and was called to order by the chair, Representative Pitts, at 8:17 a.m.

The roll was answered as follows:

Present: Representatives Pitts; Raymond; Aycock; Button; Chavez; Cohen; Crownover; Darby; Driver; Giddings; Hochberg; Isett; King, Susan; McClendon; Miller, Doug; Morrison; Otto; Zerwas (18).

Absent: Representatives Brown, Fred; Creighton; Dukes; Edwards; Eiland; Flores; Herrero; Riddle; Villarreal (9).

A quorum was present.

(Representative Herrero now present.)

(Representative Villarreal now present.)

(Representative Riddle now present.)

(Representative Creighton now present.)

Office of Rural Community Affairs

The chair laid out the subcommittee recommendations for the Office of Rural Community Affairs.

Representative Darby moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

★ Department of Housing and Community Affairs ★

The chair laid out the subcommittee recommendations for the Department of Housing and Community Affairs.

Representative Miller moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Texas Lottery Commission

The chair laid out the subcommittee recommendations for the Texas Lottery Commission.

Representative Button moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Department of Transportation

The chair laid out the subcommittee recommendations for the Department of Transportation.

The chair left the subcommittee recommendations for the Department of Transportation pending.

Texas Workforce Commission

The chair laid out the subcommittee recommendations for the Texas Workforce Commission.

Testimony taken/registration recorded. (See attached witness list.)

The chair left the subcommittee recommendations for the Texas Workforce Commission pending.

Reimbursements to the Unemployment Compensation Benefit Account

The chair laid out the subcommittee recommendations for Reimbursements to the Unemployment Compensation Benefit Account.

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

State Office of Administrative Hearings

The chair laid out the subcommittee recommendations for the State Office of Administrative Hearings.

Representative Darby moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Department of Banking

The chair laid out the subcommittee recommendations for the Department of Banking.

Representative Darby moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Chiropractic Examiners

The chair laid out the subcommittee recommendations for the Board of Chiropractic Examiners.

Representative Darby moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Office of Consumer Credit Commissioner

The chair laid out the subcommittee recommendations for the Office of Consumer Credit Commissioner.

Representative Darby moved the adoption of the subcommittee recommendations. The motion

was adopted without objection.

Credit Union Department

The chair laid out the subcommittee recommendations for the Credit Union Department.

(Representative Flores now present.)

Representative Darby moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Texas State Board of Dental Examiners

The chair laid out the subcommittee recommendations for the Texas State Board of Dental Examiners.

Representative Darby moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Funeral Service Commission

The chair laid out the subcommittee recommendations for the Funeral Service Commission.

Representative Miller moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Professional Geoscientists

The chair laid out the subcommittee recommendations for the Board of Professional Geoscientists.

Testimony taken/registration recorded. (See attached witness list.)

The chair left the subcommittee recommendations for the Board of the Professional Geoscientists pending.

Health Professions Council

The chair laid out the subcommittee recommendations for the Health Professions Council.

Representative Miller moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Office of Injured Employee Counsel

The chair laid out the subcommittee recommendations for the Office of Injured Employee Counsel.

Representative Miller moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Department of Insurance

The chair laid out the subcommittee recommendations for the Department of Insurance.

Representative Miller moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Office of Public Insurance Counsel

The chair laid out the subcommittee recommendations for the Office of Public Insurance Counsel.

Testimony taken/registration recorded. (See attached witness list.)

The chair left the subcommittee recommendations for the Office of Public Insurance Counsel pending.

Board of Professional Land Surveying

The chair laid out the subcommittee recommendations for the Board of Professional Land Surveying.

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Department of Licensing and Regulation

The chair laid out the subcommittee recommendations for the Department of Licensing and Regulation.

Testimony taken/registration recorded. (See attached witness list.)

(Representative Dukes now present.)

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Texas Medical Board

The chair laid out the subcommittee recommendations for the Texas Medical Board.

Testimony taken/registration recorded. (See attached witness list.)

(Representative Raymond in chair.)

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Texas Board of Nursing

The chair laid out the subcommittee recommendations for the Texas Board of Nursing.

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Optometry Board

The chair laid out the subcommittee recommendations for the Optometry Board.

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Pharmacy

The chair laid out the subcommittee recommendations for the Board of Pharmacy.

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Executive Council of Physical Therapy & Occupational Therapy Examiners

The chair laid out the subcommittee recommendations for the Executive Council of Physical Therapy & Occupational Therapy Examiners.

Representative Chavez moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Plumbing Examiners

The chair laid out the subcommittee recommendations for the Board of Plumbing Examiners.

Representative Button moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Podiatric Medical Examiners

The chair laid out the subcommittee recommendations for the Board of Podiatric Medical Examiners.

Representative Button moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Examiners of Psychologists

The chair laid out the subcommittee recommendations for the Board of Examiners of Psychologists.

Representative Button moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Racing Commission

The chair laid out the subcommittee recommendations for the Racing Commission.

Representative Button moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Real Estate Commission

The chair laid out the subcommittee recommendations for the Real Estate Commission.

Representative Button moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Residential Construction Commission

The chair laid out the subcommittee recommendations for the Residential Construction Commission.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Department of Savings and Mortgage Lending

The chair laid out the subcommittee recommendations for the Department of Savings and Mortgage Lending.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Securities Board

The chair laid out the subcommittee recommendations for the Securities Board.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Tax Professional Examiners

The chair laid out the subcommittee recommendations for the Board of Tax Professional Examiners.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Public Utility Commission of Texas

The chair laid out the subcommittee recommendations for the Public Utility Commission of Texas.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Office of Public Utility Counsel

The chair laid out the subcommittee recommendations for the Office of Public Utility Counsel.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Board of Veterinary Medical Examiners

The chair laid out the subcommittee recommendations for the Board of Veterinary Medical Examiners.

Testimony taken/registration recorded. (See attached witness list.)

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

Special Provisions to Article VIII

The chair laid out the subcommittee recommendations for Special Provisions to Article VIII.

Representative Giddings moved the adoption of the subcommittee recommendations. The motion was adopted without objection.

At 12:07 p.m., on the motion of the chair and without objection, the meeting was adjourned.

Rep. Pitts, Chair

Courtney Reid, Clerk

Appendix C.

TDHCA Audited Financial Statements--Period Ending 8/31/2008

**TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS**

BASIC FINANCIAL STATEMENTS

for the year ended AUGUST 31, 2008
(With Independent Auditor's Report Thereon)



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.

December 18, 2008

The Honorable Rick Perry, Governor
The Honorable Susan Combs, Texas Comptroller
Mr. John O'Brien, Director, Legislative Budget Board
Mr. John Keel, CPA, State Auditor

Dear Governor Perry, Comptroller Combs, Mr. O'Brien and Mr. Keel:

We are pleased to submit the Annual Financial Report of the Texas Department of Housing and Community Affairs for the year ended August 31, 2008, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying annual financial report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) reporting requirements. The financial report has been audited by an independent Auditor as required by statute.

If you have any questions, please contact David Cervantes, Director of Financial Administration at (512) 475-3875. Esther Ku may be contacted at (512) 475-3871 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber".

Michael Gerber
Executive Director

MG/tt

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Basic Financial Statements
for the year ended August 31, 2008

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INDEPENDENT AUDITORS' REPORT

To the Honorable Rick Perry, Governor,
and the Governing Board of
Texas Department of Housing and Community Affairs:

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds, remaining fund information, and supplementary schedules 1-A through 1-E of the Texas Department of Housing and Community Affairs (the "Department") as of and for the year ended August 31, 2008, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements and supplementary schedules 1-A through 1-E are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements and supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the state of Texas as of August 31, 2008, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, major funds, and remaining fund information of the Department, as of August 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, schedules 1-A through 1-E, as listed in the table of contents, present fairly, in all material respects, the information set forth therein in accordance with guidelines issued by the Texas Comptroller of Public Accounts.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2008, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Deloitte & Touche LLP

December 18, 2008

MANAGEMENT'S

DISCUSSION AND ANALYSIS

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

This section of the Texas Department of Housing and Community Affairs' (Department) annual financial report presents management's discussion and analysis of the Department's financial performance during the fiscal year that ended on August 31, 2008. Please read it in conjunction with the Department's financial statements, which follow this section.

The Department was created to assist local governments in helping residents overcome financial, social and environmental problems; to address very low to moderate income housing needs; to contribute to the preservation and redevelopment of neighborhoods and communities; to assist the Governor and the legislature in coordinating federal and state programs affecting local governments; and to continually inform the state and the public about the needs of local government.

The Manufactured Housing Division is administratively attached to the Department and is responsible for establishing standards and requirements for the construction and installation of manufactured housing that are reasonably necessary to protect the health, safety and welfare of the occupants of such housing and the general public. The Manufactured Housing Division has a governing Board of five members appointed by the Governor.

The Department is governed by a Board, composed of seven members, all of whom are appointed by the Governor with the advice and consent of the Texas Senate.

Financial Highlights

- The Department's business-type activity net assets increased \$7.6 million and governmental activities net assets increased \$1.1 million.
- The Department's proprietary fund experienced an increase in operating income in the amount of \$14.5 million to an Operating Income of \$2.3 million. This impact on operating income resulted primarily from the increase of the fair value of investments in the amount of \$13.8 million. The \$4.3 million increase in interest and investment income, the \$1.8 million decrease in other operating revenues, the \$5.1 million increase in interest expense, the \$1.9 million decrease in bad debt expense and the \$2.9 million decrease in Down Payment Assistance had a net offsetting effect on operating income.
- Net Assets in the Department's Governmental Activities increased from \$770 thousand to \$1.9 million. The change represents an increase in revenues larger than the increase in expenditures and transfers out.
- The Department's proprietary fund debt increased \$86.7 million to \$2.7 billion. Debt issuances and debt retirements totaled \$213 million and \$126.3 million, respectively.
- Loan originations for the year totaled \$63.2 million and \$40.4 million in the Department's proprietary and governmental funds, respectively.
- Subprime lending continues to receive significant attention in the financial market. A rise in the number of borrowers who are unable to pay debt obligations has led to

increased foreclosures causing uncertainty in the housing market. According to Standard and Poor's, Housing Finance Agencies (HFAs) face lower risk from defaults on their loans. Homebuyer education programs, conservative underwriting, generous reserves and ongoing HFA asset management have resulted in strong portfolio performance which is expected to continue for the long-term. Since 1988, the Department has had its single family mortgage loans guaranteed by Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or Federal Home Loan Mortgage Corporation (FHLMC).

Overview of the Financial Statements

The financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two types of statements that present different views of the Department.

- The first set of statements are government-wide financial statements that provide information about the Department's overall financial position and results. These statements, which are presented on an accrual basis, consist of the Statement of Net Assets and the Statement of Activities.
- The remaining statements are fund financial statements of the Department's governmental fund and proprietary fund. The governmental fund's activities are funded primarily from Federal funds but also include General Revenue appropriations for which the Department follows a modified accrual basis of accounting. The Department's proprietary fund operates similar to business activities and follows an accrual basis of accounting.
- The basic financial statements also include a "Notes to Financial Statement" section which explains some of the information presented in the Government-wide and fund financial statements and provides additional detailed data.
- The Notes to the Financial Statements are followed by a "Supplementary Information" section, which presents supplementary bond information.

The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of these statements.

Government-Wide Financial Statements

The Statement of Net Assets shows Governmental Activities and Business-type Activities consolidated on a full accrual basis. The Statement of Activities presents a government wide format of expenses, charges for services, operating grants and contributions and net expenses by both Governmental activities and Business-type activities. Both activities are further broken down by function and programs. The second section of the Statement of Activities shows general revenues not associated with a particular program but which provide resources for the Department's programs and operations. The fiduciary activity is not included in the government wide statements.

Schedule of Net Assets

The following tables show a summary of changes from prior year amounts for governmental activities.

Texas Department of Housing and Community Affairs Condensed Schedule of Net Assets – Governmental Activities As of August 31, 2008				
	Governmental Activities		Increase / (Decrease)	
	2008	2007	Amount	%
Assets				
Cash & Investments	\$ 6,899,689	\$ 6,696,555	\$ 203,134	3.0
Legislative Appropriations	3,193,155	2,880,562	312,593	10.9
Federal Receivables	3,458,607	399,825	3,058,782	765.0
Other Intergovernmental Receivables	847,500	65,593	781,907	1192.1
Accounts Receivable	42,082	353,456	(311,374)	(88.1)
Interfund Receivables	49,331	-	49,331	100.0
Loans and Contracts	128,660,128	116,647,963	12,012,165	10.3
Capital Assets	166,479	210,927	(44,448)	(21.1)
Other Assets	74,823	81,021	(6,198)	(7.6)
Total Assets	143,391,794	127,335,902	16,055,892	12.6
Liabilities				
Accounts Payable	10,897,247	7,230,317	3,666,930	50.7
Payroll Payable	853,101	971,482	(118,381)	(12.2)
Claims & Judgments Payable	-	109,334	(109,334)	(100.0)
Interfund Payable	104,613	577,403	(472,790)	(81.9)
Deferred Revenue	128,660,128	116,647,963	12,012,165	10.3
Other Current Liabilities	759,929	770,582	(10,653)	(1.4)
Other Non-current Liabilities	232,713	258,622	(25,909)	(10.0)
Total Liabilities	141,507,731	126,565,703	14,942,028	11.8
Net Assets				
Invested in Capital Assets	166,479	210,927	(44,448)	(21.1)
Restricted by Grantor	42,666	136,181	(93,515)	(68.7)
Unrestricted	1,674,918	423,091	1,251,827	295.9
Total Net Assets	\$ 1,884,063	\$ 770,199	\$ 1,113,864	144.6

Net Assets of the Department's governmental fund were increased by 145%. The ending balance of Unrestricted Net Assets primarily consists of balances in the Housing Trust Fund Administration and Manufactured Housing Division. Restricted Net Assets represent balances in the Investor Owned Utility Programs.

The Department experienced an increase in Federal Receivables. This change occurred primarily because of the substantial payment activities for the Community Development Block Grant (CDBG) and the Low Income Home Energy Assistance Program (LIHEAP) at year end. A new round of CDBG funding was awarded to the Department for the purpose of disaster relief.

Other Intergovernmental Receivables in 2008 represents advances to the subgrantees for the Alternative Housing Pilot Program (AHPP) awarded by the Department of Homeland Security through the Federal Emergency Management Agency (FEMA) during the fiscal year.

Accounts Receivable in 2008 and 2007 are primarily receivables from surety companies to cover Manufactured Housing consumer's warranty claims. The Department experienced increased consumer claims in Manufactured Housing during fiscal year 2007. The claim activities slowed down in 2008. Consequently, Receivables from surety companies decreased.

The Department experienced increases of Loans and Contracts as well as Deferred Revenue. This change occurred primarily because of the increase of current and non-current program loans, which are funded by federal funds. These loans are for the purpose of Single Family HOME and newly awarded CDBG activities.

Accounts Payable experienced an increase during fiscal year 2008. This resulted primarily from additional disaster recovery grant funding of CDBG. There were also increased activities at year end for both LIHEAP and Community Services Block Grant (CSBG) programs.

Included in Other Liabilities is the current and non-current portion of Employees' Compensable Leave. It represents unpaid balances of employees' accumulated annual leave.

Business-Type Activities

Texas Department of Housing and Community Affairs Business-Type Activities – Condensed Schedule of Net Assets as of August 31, 2008				
	Business-Type Activities		Increase / (Decrease)	
	2008	2007	Amount	%
Assets				
Cash & Investments	\$ 1,711,009,092	\$ 1,630,392,649	\$ 80,616,443	4.9
Loans and Contracts	1,292,439,525	1,285,810,608	6,628,917	0.5
Interest Receivable	14,973,551	20,078,776	(5,105,225)	(25.4)
Capital Assets	148,776	206,714	(57,938)	(28.0)
Real Estate Owned	578,375	295,124	283,251	96.0
Deferred Issuance Cost	11,991,756	11,655,758	335,998	2.9
Other Assets	1,868,800	1,661,912	206,889	12.5
Total Assets	3,033,009,875	2,950,101,541	82,908,335	2.8
Liabilities				
Current				
Interest Payable	38,307,371	40,093,199	(1,785,828)	(4.5)
Deferred Revenue	39,987,881	35,104,327	4,883,554	13.90
Other Liabilities	52,110,088	33,677,908	18,432,180	54.7
Non-current				
Bonds/Notes Payable	2,701,244,728	2,591,530,011	109,714,717	4.2
Other Non-current Liabilities	140,045,490	195,989,745	(55,944,255)	(28.5)
Total Liabilities	2,971,695,558	2,896,395,190	75,300,368	2.60
Net Assets				
Invested in Capital Assets	148,775	191,765	(42,990)	(22.4)
Restricted	17,304,915	11,349,639	5,955,276	52.5
Unrestricted	43,860,627	42,164,947	1,695,680	4.0
Total Net Assets	\$ 61,314,317	\$ 53,706,351	\$ 7,607,966	14.2

Business-Type Activities Cont'd.

Net assets of the Department's proprietary fund increased \$7.6 million, or 14.2%, to \$61.3 million. An increase in the Department's fair value of its investments contributed to this increase in net assets offset by the increase of bond interest expense.

Restricted net assets of the Department's proprietary fund increased \$6 million or 52.5%. Unrestricted net assets increased \$1.7 million or 4%.

Cash and investments increased \$80.6 million, or 4.9%, to \$1.7 billion, as funds were generated from debt issuances, reinvestment of loan repayments, and interest earnings. Program loans receivable (current and non-current) increased \$6.6 million, or 0.5%, to \$1.3 billion, primarily as a result from the origination of \$56 million and \$48.4 million in payoffs of mortgage loans under the Department's Multifamily Program. Total bonds and notes payable (current and non-current) increased \$127.3 million, or 4.9%, due to new debt issuances associated with the Department's Single Family and Multifamily Programs net of debt retirements.

Earnings within the Department's various funds were \$164.3 million of which \$151.6 million is classified as restricted and \$12.7 million as unrestricted.

Restricted earnings are composed of \$144.1 million in interest and investment income, \$6.5 million in fair value of investments, and \$1 million in other revenue. Interest and investment income are restricted per bond covenants for debt service. Fair value of investments is an unrealized gain due to the fact that the Department holds investments until maturity. Other revenue is predominantly an accounting recognition of fees received in previous years that were deferred when received and are being amortized over a period of time.

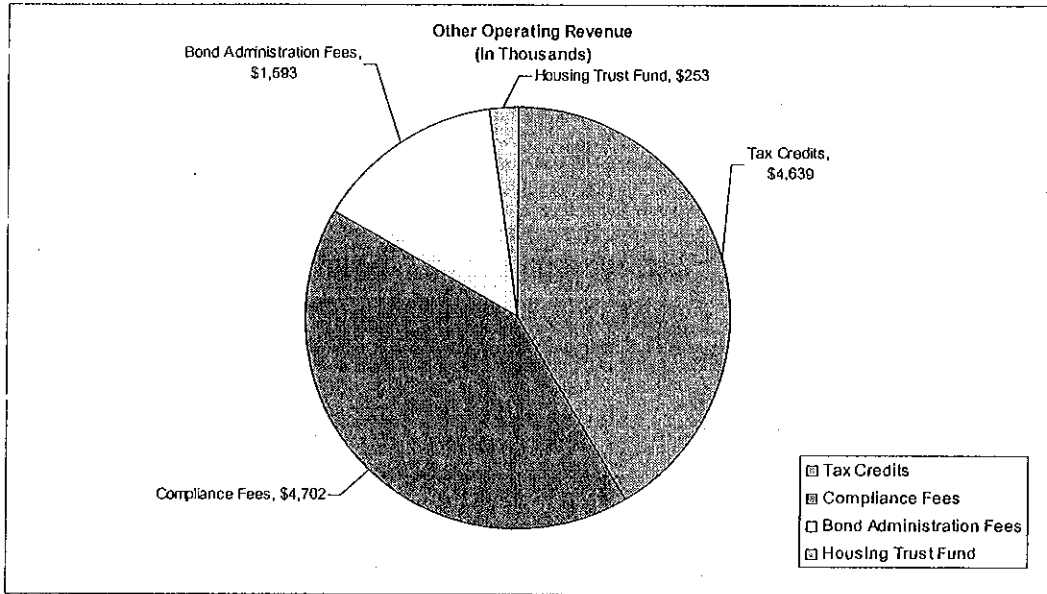
Unrestricted earnings are composed of \$1.5 million in interest and investment income and \$11.2 million in other operating revenue.

Interest and investment income earned from unrestricted investments are used to support various housing initiatives programs such as Housing Trust Fund and the Bootstrap Program. Sources for other operating revenue are fees from the Tax Credit Program, compliance fees, bond administrative fees, and miscellaneous interest earned from funds held by the Comptroller.

Fees earned under the Tax Credit Program are application fees, commitment fees, and inspection fees. Yearly compliance fees are generated from the Department's portfolio of multifamily properties. The Department performs on site visits and desk reviews to ensure that the properties are in compliance with the various housing regulations. Bond administrative fees are generated yearly from the various bond issuances to support the Department's administrative expenses.

Business-Type Activities Cont'd.

The graph below illustrates the composition of the \$11.2 million in other operating revenue, classified as unrestricted earnings, according to the different housing programs.



Schedule of Activities

The Schedule of Activities reflects the sources of the Department's changes in net assets as they arise through its various programs and functions. Single Family, Multifamily and Housing Trust Fund are shown as business-type activities, and seven major programs are shown as governmental activities. Federal and state assistance activities allocate various subsidy funds to local governments, nonprofit organizations or individuals.

A condensed Schedule of Activities for the fiscal year ended August 31, 2008 and 2007 is shown in the table below.

Texas Department of Housing and Community Affairs Condensed Schedule of Activities (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for Services	\$ 4,918	4,561	\$ 156,253	153,153	\$ 161,171	157,714
Operating Grants and Contributions	169,542	160,692	-	-	169,542	160,692
General Revenues	8,193	7,073	8,005	(5,132)	16,198	1,941
Total Revenue	182,653	172,326	164,258	148,021	346,911	320,347
Total Expenses	174,631	167,412	161,975	160,274	336,606	327,686
Excess before Transfers	8,022	4,914	2,283	(12,253)	10,305	(7,339)
Transfers	(6,908)	(4,830)	5,325	3,008	(1,583)	(1,822)
Change in Net Assets	1,114	84	7,608	(9,245)	8,722	(9,161)
Beginning Net Assets	770	686	53,706	62,951	54,476	63,637
Ending Net Assets	\$ 1,884	\$ 770	\$ 61,314	53,706	\$ 63,198	54,476

Governmental Activities

Revenues of the Department's Governmental Activities were primarily from Operating Grants and Contributions. The majority of the revenues were from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Health and Human Services. General Revenues are revenues appropriated to the Department in accordance with legislative acts and regulations.

Total revenue increased \$10.3 million. This increase consisted primarily of increases of \$8.9 million in Operating Grants and Contributions, Charges for Services of \$0.3 million and General Revenues of \$1.1 million. The increase of Operating Grants and Contributions is a result of federal activities in the CDBG program which was for the purpose of disaster recovery. The increase was offset by decreased activities in the HOME and Energy Assistance Programs. The increase of General Revenues is due to an increased appropriation in Housing Trust Fund Administration.

Expenses of the Department's Governmental Activities consisted primarily of Intergovernmental Payments and Public Assistance Payments. The Department distributes program funds to local providers, including local governments, nonprofit and for-profit organizations, community based organizations and real estate developers. The net impact to expenses is primarily due to increased activities in the CDBG and decreased activities in the LIHEAP and HOME Programs.

Transfers consisted primarily of the transferring out of Housing Trust Fund (HTF) from Governmental Activities to Business-Type Activities according to TDHCA rider 10 in the 2008-2009 General Appropriations Act. It included transfers of interest earnings and loan repayments received during the year. In addition, it included transfers of Earned Federal Funds collected in accordance with H.B. 1, Article IX.

Business-Type Activities

Revenues of the Department's Business-type Activities were primarily from charges for services of \$156.3 million and an increase in fair value of investments of \$6.5 million. Charges for services consist primarily of earned interest income on loans for the three housing lending programs. It also includes program investment income which is earned within the Department's bond programs, the investments and the income of which are restricted to those programs by a pledge to the respective bond indentures. Total charges for services increased \$3.1 million which is accounted by the following: a \$7 million increase in interest and investment income related to single family bonds due to higher investment balances, a \$2.1 million decrease in interest and investment income related to multifamily bonds due to lower mortgage loan balances and a \$1.6 million decrease in other operating revenue related to the Administration funds.

Expenses of the Department's Business-type Activities consist primarily of interest expense of \$136.9 million, which increased \$5.1 million and down payment assistance of \$10.2 million, which decreased \$2.9 million. The increase in interest expense is a result of an increase in the Department's debt issued to fund its various Single Family and Multifamily lending programs. The direct expenses also include Administrative Funds, allocations of expenses of Department programs that directly involve the production or monitoring activities associated with the housing programs, as well as certain costs incurred, both internally and externally. Administrative expenses, which were incurred within the Department's Administrative Fund, including all other administrative and supportive functions and overhead expenses remained approximately constant.

Business-Type Activities Cont'd.

The Department's Business-type Activities expenses of \$162 million exceeded Charges for Services of \$156.3 million by \$5.7 million. Charges for Services, primarily interest income on loans and investment income, are intended to cover bond principal and interest expense. The charges for services also covered the other direct expenses. This income, plus interest earned on loans, produces an adequate amount to pay Department obligations as required by the bond indentures covenants.

The Department's Business-type Activities also generated \$1.6 million of unrestricted investment income, which was used primarily to pay administrative costs.

Fund Financial Statements

The fund financial statements provide more detailed information about the Department's most significant funds and the Department as a whole. The Department has two types of funds:

- Governmental fund – The General Revenue Fund is the Department's only Governmental Fund. It is the principal operating fund used to account for the Department's general activities. The financing for this fund is authorized through state legislative appropriations either as committed or collected revenues. Federal and state programs are also reported within this fund. The Condensed Balance Sheet – Governmental Funds would be substantially the same as that of the Condensed Statement of Net Assets – Governmental Activities and therefore, is not included.
- Proprietary fund – The Department's activities in its proprietary fund are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuances of taxable and tax-exempt bonds whose proceeds are used primarily to fund various types of loans to finance low and moderate-income housing. This fund also receives fee income from the Multifamily Tax Credit Program and Compliance fees collected for the purpose of covering the operating costs of the Department. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes or debt service. The Condensed Statement of Net Assets – Proprietary Funds would be exactly the same as the Business-Type Activities Condensed Statement of Net Assets and therefore, is not included.

Governmental Fund

**Texas Department of Housing and Community Affairs
Governmental Fund Activities
Schedule of Revenues, Expenditures and Changes in Fund Balances**

			<u>Increase / (Decrease)</u>	
	2008	2007	Amount	%
OPERATING REVENUES				
Legislative Appropriations	\$ 7,154,112	\$ 5,011,158	\$ 2,142,954	42.8
Federal Revenues	167,174,647	158,265,413	8,909,234	5.6
Federal Grant Pass-Through	742,257	561,044	181,213	32.3
State Grant Pass-Through	3,024	4,924	(1,900)	(38.6)
Licenses, Fees and Permits	4,277,414	3,991,048	286,366	7.2
Interest and Investment Income	640,259	664,179	(23,920)	(3.6)
Sales of Goods and Services	640,355	570,340	70,015	12.3
Other Revenue	2,240,144	3,258,537	(1,018,393)	(31.3)
Total Operating Revenues	<u>182,872,212</u>	<u>172,326,643</u>	<u>10,545,569</u>	<u>6.1</u>
OPERATING EXPENDITURES				
Salaries and Wages	8,935,211	8,518,829	416,382	4.9
Payroll Related Costs	2,851,828	2,427,977	423,851	17.5
Professional Fees and Services	279,414	238,088	41,326	17.4
Travel	567,861	535,916	31,945	6.0
Materials and Supplies	324,873	408,758	(83,885)	(20.5)
Communications and Utilities	222,449	220,278	2,171	1.0
Repairs and Maintenance	519,147	484,966	34,181	7.0
Rentals and Leases	99,371	110,343	(10,972)	(9.9)
Printing and Reproduction	100,913	33,235	67,678	203.6
Claims and Judgments	198,278	858,419	(660,141)	(76.9)
Federal Grant Pass-Through	4,287,392	-	4,287,392	100.0
Intergovernmental Payments	54,509,539	39,748,890	14,760,649	37.1
Public Assistance Payments	101,372,718	113,265,314	(11,892,596)	(10.5)
Other Operating Expenditures	333,497	412,295	(78,798)	(19.1)
Capital Outlay	20,867	17,136	3,731	21.8
Total Operating Expenditures	<u>174,623,358</u>	<u>167,280,444</u>	<u>7,342,914</u>	<u>4.4</u>
Excess of Revenues over Expenditures	8,248,854	5,046,199	3,202,655	63.5
Other Financing Sources (Uses)	<u>(6,907,753)</u>	<u>(4,830,068)</u>	<u>(2,077,685)</u>	<u>43.0</u>
CHANGE IN FUND BALANCE	1,341,101	216,131	1,124,970	520.5
Beginning Fund Balance	1,588,476	1,372,345	216,131	15.7
Appropriations (Lapsed)	(219,351)	-	(219,351)	(100.0)
Ending Fund Balance	<u>\$ 2,710,226</u>	<u>\$ 1,588,476</u>	<u>\$ 1,121,750</u>	<u>70.6</u>

Governmental Fund Cont'd.

Revenues of the Department's governmental activities totaled \$182.8 million and were generated by federal grants primarily from LIHEAP, CSBG, CDBG and HOME programs. Expenditures of \$174.6 million consisted primarily of Intergovernmental and Public Assistance Payments.

Total revenues from governmental activities were increased by \$10.5 million in 2008 which consisted primarily of increases in the Federal Revenue and Legislative Appropriations and was offset by a decrease in Other Revenues.

Federal Revenue increased by \$8.9 million. The increase was primarily attributed to the increase in the CDBG program and was offset by decreases in the HOME and LIHEAP programs. New CDBG funds were awarded to the Department for the purpose of disaster relief and long-term recovery related to Hurricanes of 2005. The HOME program decrease is due to insufficient applicants in the double funding cycle in 2006. The decrease of LIHEAP revenue is a result of phasing out emergency funding from the U.S. Department of Health and Human Services.

The increase in Legislative Appropriations was a result of increases to the Housing Trust Fund by the 80th Legislature.

The decrease in Other Revenues resulted from a decrease of revenue from Investor Owned Utilities. In addition, the Department experienced a decrease in consumer claims during the fiscal year. Consequently, reimbursements from sureties decreased.

The change in Federal Grant Pass-Through Revenues was due to CDBG funding awarded from HUD. This program was for disaster relief assistance in the areas impacted by Hurricane Rita.

The Department experienced similar changes in expenditures. The majority of the increase was attributed to the Intergovernmental Payments for the CDBG program. The increase was offset by a decrease of Intergovernmental Payments and Public Assistance Payments for LIHEAP and HOME programs. Federal Pass-Through expenditures represent payments to another state agency for the CDBG program.

The fiscal year 2008 Other Financing Sources (Uses) consisted primarily of the transfer of HTF from General Revenue to Texas Treasury Safekeeping Trust Company. It also included transfers of Earned Federal Funds to the Comptroller's Office for the purpose of reimbursement to the General Revenue Fund. The majority of the increase of Other Financing Sources (Uses) is related to the increased appropriations to the Housing Trust Fund in fiscal year 2008. The increase was offset by transfers included in 2007 which reduced funds appropriated to the Department for Allocation Office Space Reduction.

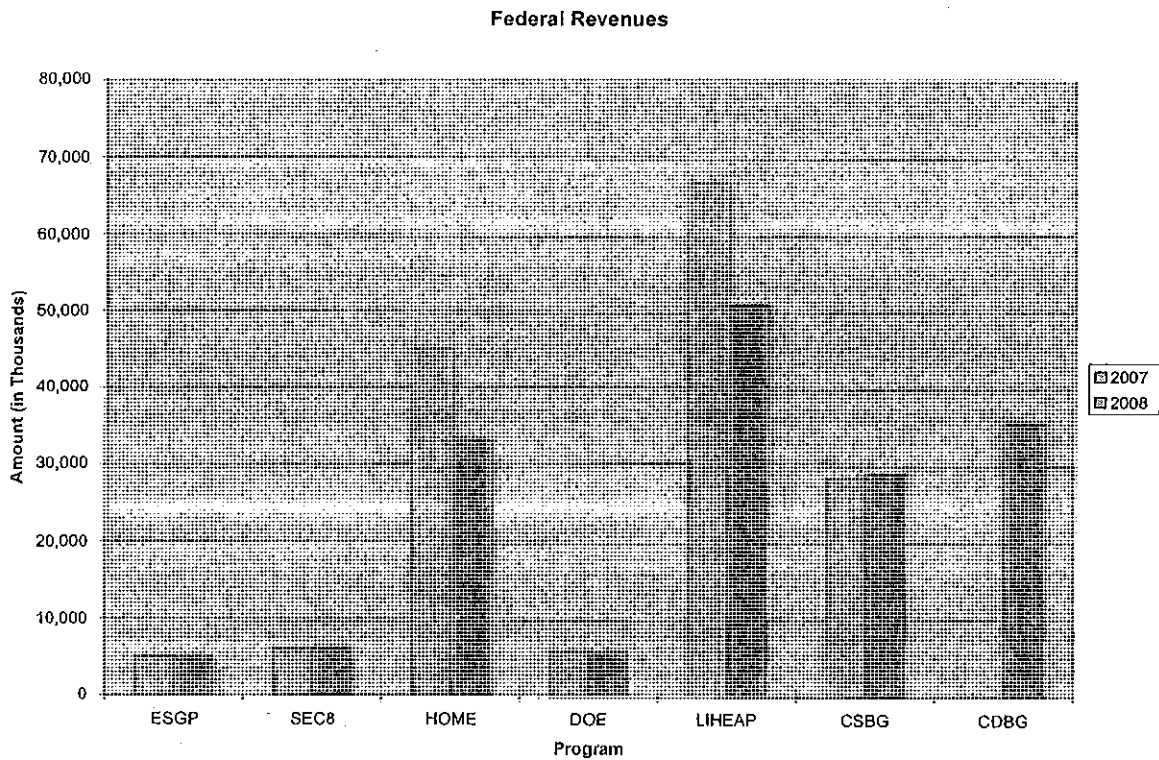
Governmental Fund Cont'd.

The following graphs illustrate a comparison between fiscal year 2008 and 2007 for Federal Revenues, Intergovernmental Payments, and Public Assistance Payments.

The acronyms used in the graphs are defined as following:

ESGP	Emergency Shelter Grants Program
SEC 8	Section 8 Housing Choice Vouchers
HOME	HOME Investment Partnerships Program
DOE	Department of Energy, Weatherization Assistance for Low-Income Persons
LIHEAP	Low-Income Home Energy Assistance Program
CSBG	Community Services Block Grant
CDBG	Community Development Block Grant

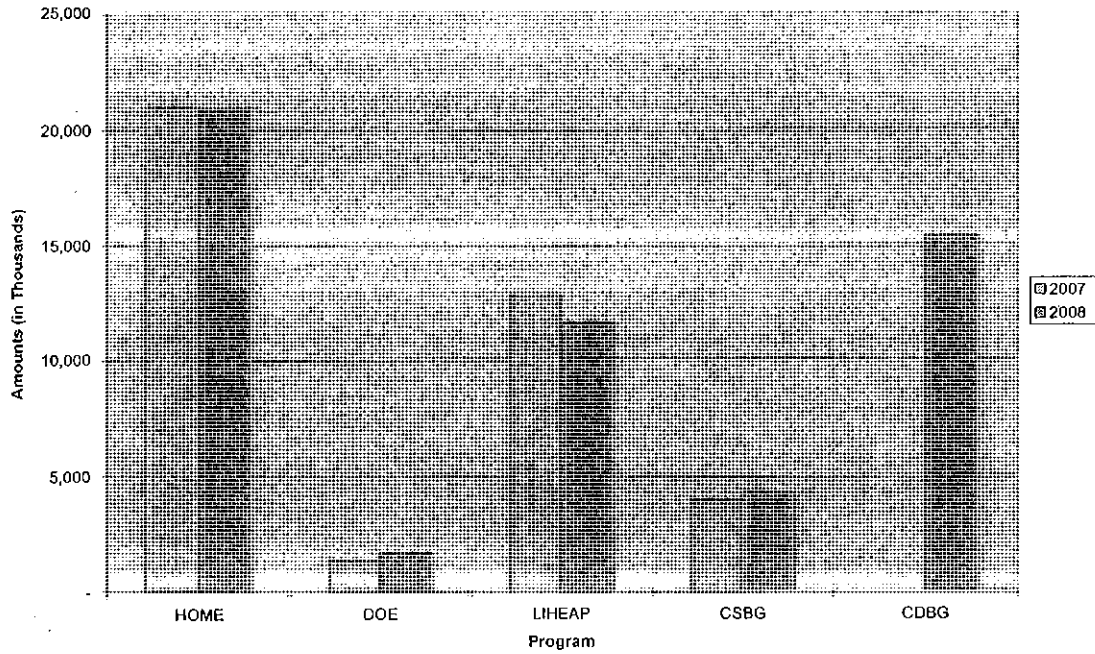
Federal Revenues: Receipts from the State's participation in programs financed with federal funds.



Governmental Fund Cont'd.

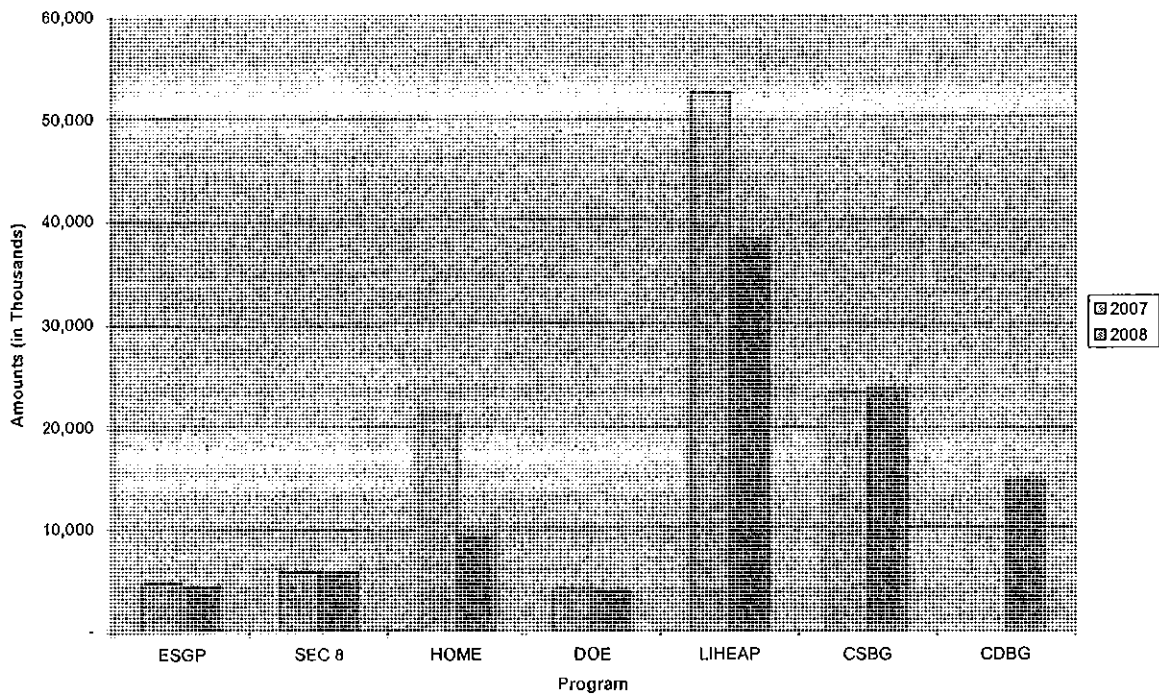
Intergovernmental Payments: Payment of grants to cities, counties, council of governments or other governmental entities.

Intergovernmental Payments



Public Assistance Payments: Payment of grants to community action groups and organizations for community service programs.

Public Assistance Payments



Proprietary Fund

Net assets of the Department's proprietary fund increased from the August 31, 2008 figures by \$7.6 million, or 14.2%, to \$61.3 million. The following table summarizes the Schedule of Revenues, Expenses and Changes in Net Assets of the Department's proprietary fund for the fiscal years ended August 31, 2008 and August 31, 2007.

Texas Department of Housing and Community Affairs Business-Type Activities Schedule of Revenues, Expenses and Changes in Net Assets				
			Increase / (Decrease)	
	2008	2007	Amount	%
OPERATING REVENUES				
Interest and Investment Income	\$ 145,615,487	141,324,170	\$ 4,291,317	3.0
Net Increase (Decrease) in Fair Value	6,488,246	(7,271,533)	13,759,779	189.2
Other Operating Revenues	12,154,130	13,969,145	(1,815,015)	13.0
Total Operating Revenues	164,257,863	148,021,782	16,236,081	205.2
OPERATING EXPENSES				
Salaries and Wages	7,648,771	6,963,206	685,565	9.9
Payroll Related Costs	1,281,350	1,530,973	(249,623)	(16.3)
Professional Fees and Services	2,074,725	1,273,659	801,066	62.9
Travel	289,375	215,834	73,541	34.0
Materials and Supplies	227,316	247,848	(20,532)	(8.3)
Communications and Utilities	112,000	132,166	(20,166)	(15.3)
Repairs and Maintenance	189,450	348,768	(159,318)	(45.7)
Rentals and Leases	50,580	66,536	(15,955)	(24.0)
Printing and Reproduction	16,867	12,925	3,942	30.5
Depreciation Expense	944,600	979,548	(34,948)	(3.6)
Interest	136,892,908	131,807,514	5,085,394	3.9
Bad Debt Expense	389,636	2,242,486	(1,852,850)	(82.6)
Down Payment Assistance	10,198,861	13,082,692	(2,883,831)	(22.0)
Other Operating Expenses	1,658,232	1,369,799	288,432	21.1
Total Operating Expenses	161,974,671	160,273,954	1,700,717	1.1
Operating Income (Loss)	2,283,192	(12,252,172)	14,535,364	118.6
NONOPERATING REVENUES (EXPENSES) & EXTRAORDINARY ITEMS				
	5,324,774	3,007,983	2,316,791	77.0
CHANGE IN NET ASSETS	7,607,966	(9,244,189)	16,852,155	182.30
Beginning Net Assets	53,706,351	62,950,540	(9,244,189)	(14.7)
Ending Net Assets	\$ 61,314,317	53,706,351	\$ 7,607,966	(14.2)

Proprietary Fund Cont'd.

Interest earned on program loans decreased by \$2.6 million, or 3.7%, due primarily to a decrease within the Department's Multifamily Bond Program, due to lower loan amounts outstanding.

Investment income increased \$6.9 million or 9.7% and reflected the investment of bond proceeds associated with one new Single Family issuance totaling \$157 million. The primary increase in investment income was within the Single Family Bond Program funds, which increased \$9 million or 18% but was offset by the Residential Mortgage Revenue Bond Program funds which declined \$1.8 million.

The following table illustrates the changes in net assets by program of the Department's business-type activities for the fiscal years 2008 and 2007.

Texas Department of Housing and Community Affairs Business-Type Activities Changes in Net Assets by Fund Groups (amounts in thousands)					
Fund	2008	2007	Increase / (Decrease)		
			Amount	%	
Single Family	\$ 5,693	4,616	\$ 1,077	23.3	
RMRB	9,800	5,253	4,547	86.6	
CHMRB	1,915	1,587	328	20.7	
Multifamily	(134)	(158)	24	(15.1)	
Commercial Paper	32	52	(20)	(38.5)	
General Funds	18,362	19,488	(1,126)	(5.8)	
Housing Trust Fund	19,750	19,173	577	3.0	
Administration Fund	314	(170)	484	(284.7)	
Housing Initiatives & Compliance	5,582	3,865	1,717	44.4	
Total	\$ 61,314	53,706	\$ 7,608	14.2	

The net assets of the RMRB Bond Program increased by \$4.5 million or 86.6%, primarily due to an increase in fair value in investments.

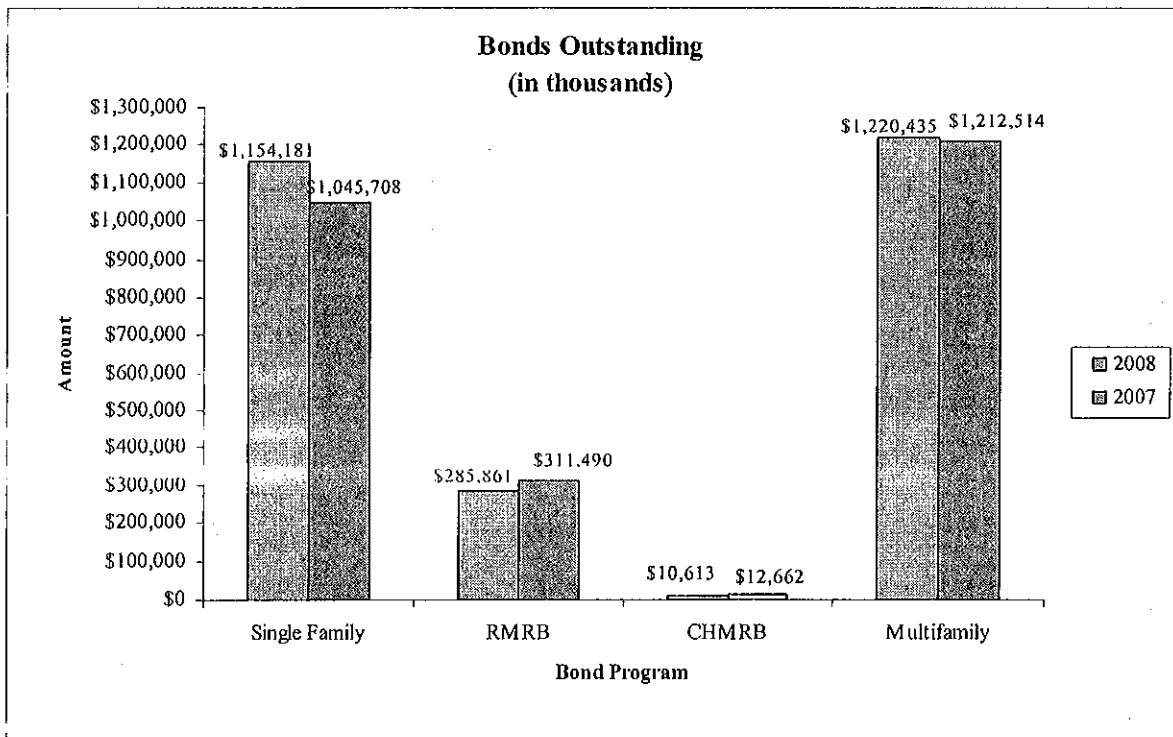
The net assets of the Housing Initiatives & Compliance increased \$1.7 million due to the increase in properties being monitored.

Proprietary Fund Cont'd.

Department Debt

The Department's new debt issuances during fiscal year 2008 totaled \$213.1 million. The Single Family program issued \$157.1 million in bonds and the Multi-Family Bond Program issued \$56 million. The Department also had \$126 million in debt retirement during the year primarily due to consumer refinancing and prepayments of original loans. The net result was an increase in bonds payable of \$86.7 million to \$2.7 billion of which \$41.3 million is due within one year. For additional information, see Note 10, Bond Indebtedness, and supplementary bond information schedules.

The following graph will illustrate a comparison of bonds outstanding between fiscal year 2008 and 2007 per bond program.



The recent credit and liquidity crisis precipitated by the failure of Wall Street investment bank Lehman Brothers among others began a cascading effect of rating downgrades. The current crisis affected counterparties which ultimately impacted the Department in various ways as discussed in Note 12 of the Notes to the Financial Statements.

Request for Information

This financial report is designed to provide a general overview of the Texas Department of Housing and Community Affairs' (TDHCA) operations for all parties interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Texas Department of Housing and Community Affairs, Director of Financial Administration, P.O. Box 13941, Austin, Texas, 78711-3941.

BASIC

FINANCIAL STATEMENTS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT I
STATEMENT OF NET ASSETS - GOVERNMENT WIDE
As of August 31, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3):			
Cash on Hand	\$ 200	\$ 200	\$ 400
Cash in Bank	20,000	119,559	139,559
Cash in State Treasury	-	2,047,522	2,047,522
Cash Equivalents	-	39,356,823	39,356,823
Restricted:			
Cash and Cash Equivalents (Note 3):			
Cash in Bank	-	547,555	547,555
Cash in State Treasury	6,879,489	-	6,879,489
Cash Equivalents	-	163,068,583	163,068,583
Short-term Investments (Note 3)	-	159,097,490	159,097,490
Loans and Contracts	-	12,655,872	12,655,872
Interest Receivable	-	14,898,359	14,898,359
Federal Receivable	3,458,607	-	3,458,607
Legislative Appropriations	3,193,155	-	3,193,155
Receivables From:			
Interest Receivable	62,440	75,192	137,632
Accounts Receivable	42,082	1,548,536	1,590,618
Other Intergovernmental	847,500	-	847,500
Interfund Receivable (Note 5)	49,331	55,282	104,613
Consumable Inventories	12,383	12,383	24,766
Loans and Contracts	6,417,158	1,607,741	8,024,899
Other Current Assets	-	252,599	252,599
Total Current Assets	<u>20,982,345</u>	<u>395,343,696</u>	<u>416,326,041</u>
Non-Current Assets:			
Loans and Contracts	-	32,067,350	32,067,350
Capital Assets (Note 2):			
Depreciable:			
Furniture & Equipment	1,724,291	1,026,111	2,750,402
Accumulated Depreciation	(1,615,098)	(935,196)	(2,550,294)
Other Capital Assets	130,964	132,279	263,243
Accumulated Depreciation	(73,678)	(74,418)	(148,096)
Restricted Assets:			
Investments (Note 3)	-	1,346,771,360	1,346,771,360
Loans and Contracts	122,242,970	1,246,108,562	1,368,351,532
Other Non-Current Assets:			
Deferred Issuance Cost, net (Note 10)	-	11,991,756	11,991,756
Real Estate Owned, net	-	578,375	578,375
Total Non-Current Assets	<u>122,409,449</u>	<u>2,637,666,179</u>	<u>2,760,075,628</u>
Total Assets	<u>\$ 143,391,794</u>	<u>\$ 3,033,009,875</u>	<u>\$ 3,176,401,669</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT I (Continued)

STATEMENT OF NET ASSETS - GOVERNMENT WIDE

As of August 31, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Payables:			
Accounts Payable	\$ 10,897,247	\$ 1,105,178	\$ 12,002,425
Accrued Bond Interest Payable	-	38,307,371	38,307,371
Payroll Payable	853,101	-	853,101
Interfund Payable (Note 5)	104,613	-	104,613
Deferred Revenues	128,660,128	39,987,881	168,648,009
Employees' Compensable Leave (Note 4)	759,929	717,957	1,477,886
Revenue Bonds Payable (Notes 4 & 10)	-	41,276,426	41,276,426
Other Current Liabilities	-	9,010,527	9,010,527
Total Current Liabilities	141,275,018	130,405,340	271,680,358
Non-Current Liabilities:			
Employees' Compensable Leave (Note 4)	232,713	237,194	469,907
Notes and Loans Payable (Note 4)	-	71,431,000	71,431,000
Revenue Bonds Payable (Notes 4 & 10)	-	2,629,813,728	2,629,813,728
Other Non-Current Liabilities (Note 4)	-	139,808,296	139,808,296
Total Non-Current Liabilities	232,713	2,841,290,218	2,841,522,931
Total Liabilities	141,507,731	2,971,695,558	3,113,203,289
NET ASSETS			
Invested in Capital Assets	166,479	148,775	315,254
Restricted:			
For Single Family Bonds	-	17,439,699	17,439,699
For MultiFamily Bonds	-	(134,784)	(134,784)
By Grantor	42,666	-	42,666
Unrestricted	1,674,917	43,860,627	45,535,544
Total Net Assets	\$ 1,884,063	\$ 61,314,317	\$ 63,198,380

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT II
STATEMENT OF ACTIVITIES - GOVERNMENT WIDE
 For the Year Ended August 31, 2008

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	2008 Total
Primary Government						
Governmental Activities:						
Manufactured Housing	\$ 4,831,686	\$ 4,881,391	\$ -	\$ 49,705	\$ -	\$ 49,705
HOME Investment in Affordable Housing	33,019,522	-	33,248,987	229,465	-	229,465
Energy Assistance	58,052,919	6,578	58,131,893	85,552	-	85,552
Community Services	33,812,977	29,800	33,884,125	100,948	-	100,948
Community Development	36,469,125	-	36,324,883	(144,242)	-	(144,242)
Federal Emergency Management	468,488	-	273,491	(194,997)	-	(194,997)
Section 8	6,391,580	-	6,400,208	8,628	-	8,628
Housing Trust Fund	199,417	-	163,888	(35,529)	-	(35,529)
Administration	1,385,529	-	1,114,806	(270,723)	-	(270,723)
Total Governmental Activities	174,631,243	4,917,769	169,542,281	(171,193)	-	(171,193)
Business-type Activities:						
Single Family Bonds	79,065,107	79,437,818	-	-	372,711	372,711
Multifamily Bonds	65,641,578	65,664,932	-	-	23,354	23,354
Housing Trust Fund Program	5,606,037	250,606	-	-	(5,355,431)	(5,355,431)
Administration	11,661,949	10,899,486	-	-	(762,463)	(762,463)
	161,974,671	156,252,842	-	-	(5,721,829)	(5,721,829)
Total Primary Government	\$ 336,605,914	\$ 161,170,611	\$ 169,542,281	\$ (171,193)	\$ (5,721,829)	\$ (5,893,022)

General Revenues:

Original Appropriations	\$ 6,300,167	\$ -	\$ 6,300,167
Additional Appropriations	853,945	-	853,945
Interest & Other Investment Income	476,371	1,516,775	1,993,146
Appropriations Lapsed	(219,351)	-	(219,351)
Other Revenues	781,678	-	781,678
Net Increase in Fair Value of Investments	-	6,488,246	6,488,246
Legislative Transfers In	779,488	-	779,488
Transfers In (Out)	(7,687,241)	5,324,774	(2,362,467)
Total General Revenues and Transfers	1,285,057	13,329,795	14,614,852
Change in Net Assets	1,113,864	7,607,966	8,721,830
Net Assets, September 1, 2007	770,199	53,706,351	54,476,550
Net Assets - August 31, 2008	\$ 1,884,063	\$ 61,314,317	\$ 63,198,380

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT III
COMBINED BALANCE SHEET - GOVERNMENTAL FUND
 As of August 31, 2008

	<u>Total</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3):	
Cash on Hand	\$ 200
Cash in Bank	20,000
Restricted:	
Cash and Cash Equivalents (Note 3):	
Cash in State Treasury	6,879,489
Federal Receivable	3,458,607
Legislative Appropriations	3,193,155
Accounts Receivable	42,082
Receivables From:	
Other Intergovernmental	847,500
Interest	62,440
Interfund Receivable (Note 5)	49,331
Consumable Inventories	12,383
Restricted - Loans and Contracts	6,417,158
Total Current Assets	<u>20,982,345</u>
Non-Current Assets:	
Restricted - Loans and Contracts	<u>122,242,970</u>
Total Non-Current Assets	<u>122,242,970</u>
Total Assets	<u>143,225,315</u>
LIABILITIES	
Current Liabilities:	
Payables From:	
Accounts Payable	10,897,247
Payroll Payable	853,101
Interfund Payable (Note 5)	104,613
Deferred Revenues	128,660,128
Total Liabilities	<u>140,515,089</u>
FUND FINANCIAL STATEMENT-FUND BALANCES	
Fund Balances:	
Reserved for:	
Encumbrances	964,135
Inventories	12,383
Imprest	20,200
Unreserved/Undesignated	1,713,508
Total Fund Balances as of August 31	<u>2,710,226</u>
NOTE: Amounts reported for governmental activities in the statement of net assets are different because:	
Capital net assets net of accumulated depreciation used in governmental activities are not financial resources and therefore not reported in the funds.	166,479
Long term liabilities relating to employees' compensable leave are not due and payable in the current year therefore are not reported in the funds.	(992,642)
NET ASSETS AS OF AUGUST 31	<u>\$ 1,884,063</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT IV

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUND

Year Ended August 31, 2008

	<u>Total</u>
REVENUES	
Legislative Appropriations:	
Original Appropriations (GR)	\$ 6,300,167
Additional Appropriations (GR)	853,945
Federal Revenue (PR-OP G/C)	167,174,647
Federal Revenue Grant Pass-Thru Revenue(PR-OP G/C)	742,257
State Grant Pass-Through Revenue (PR-OP G/C)	3,024
Licenses, Fees & Permits (PR-C/S)	4,277,414
Interest and Other Investment Income (PR-OP G/C)	163,888
Interest and Other Investment Income (GR)	476,371
Sales of Goods and Services (PR-C/S)	640,355
Other (PR-OP G/C)	1,458,466
Other (GR)	781,678
Total Revenues	<u>182,872,212</u>
EXPENDITURES	
Salaries and Wages	8,935,211
Payroll Related Costs	2,851,828
Professional Fees and Services	279,414
Travel	567,861
Materials and Supplies	324,873
Communication and Utilities	222,449
Repairs and Maintenance	519,147
Rentals & Leases	99,371
Printing and Reproduction	100,913
Claims and Judgments	198,278
Federal Pass-Through Expenditures	4,287,392
Intergovernmental Payments	54,509,539
Public Assistance Payments	101,372,718
Other Expenditures	333,497
Capital Outlay	20,867
Total Expenditures	<u>174,623,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,248,854</u>
OTHER FINANCING SOURCES (USES)	
Transfers In (Note 5)	21,648
Transfers Out (Note 5)	(7,708,889)
Legislative Transfers In (Note 5)	779,488
Total Other Financing (Uses)	<u>(6,907,753)</u>
Net Change in Fund Balances	1,341,101
FUND FINANCIAL STATEMENT-FUND BALANCES	
Fund Balances--Beginning	1,588,476
Appropriations Reinstated (Lapsed)	(219,351)
Fund Balances - August 31	<u>\$ 2,710,226</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT IV (Continued)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- GOVERNMENTAL FUND

Year Ended August 31, 2008

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the statement of activities.

	<u>Total</u>
Net Change in Fund Balances (Exhibit IV)	\$ 1,341,101
Appropriations (Lapsed)	<u>(219,351)</u>
Changes in Fund Balances	1,121,750

Amounts reported for governmental activities in the Statement of Activities (Exhibit II) are different because of the adjustments to:

- capital outlay expense	20,867
- depreciation expense	<u>(65,315)</u>
- payroll expense due to Compensable Leave	36,562
Changes in Net Assets, August 31 (Exhibit II)	<u>\$ 1,113,864</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT V
 STATEMENT OF NET ASSETS - PROPRIETARY FUND
 August 31, 2008

	Total
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 200
Cash in Bank	119,559
Cash in State Treasury	2,047,522
Cash Equivalents	39,356,823
Restricted Assets:	
Cash and Cash Equivalents (Note 3)	
Cash in Bank	547,555
Cash Equivalents	163,068,583
Short-term Investments (Note 3)	159,097,490
Loans and Contracts	12,655,872
Interest Receivable	14,898,359
Receivable:	
Interest Receivable	75,192
Accounts Receivable	1,548,536
Interfund Receivable (Note 5)	55,282
Consumable Inventories	12,383
Loans and Contracts	1,607,741
Other Current Assets	252,599
Total Current Assets	<u>395,343,696</u>
Non-Current Assets:	
Loans and Contracts	32,067,350
Capital Assets: (Note 2)	
Depreciable	
Furniture and Equipment	1,026,111
Less: Accumulated Depreciation	(935,196)
Other Capital Assets	132,279
Less: Accumulated Depreciation	(74,418)
Restricted Assets:	
Investments (Note 3)	1,346,771,360
Loans and Contracts	1,246,108,562
Other Non-current Assets	
Deferred Issuance Cost, net (Note 10)	11,991,756
Real Estate Owned, net	578,375
Total Non-Current Assets	<u>2,637,666,179</u>
Total Assets	<u>3,033,009,875</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT V (Continued)

STATEMENT OF NET ASSETS - PROPRIETARY FUND

August 31, 2008

	Total
LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	1,105,178
Accrued Bond Interest Payable	38,307,371
Deferred Revenues	39,987,881
Employees' Compensable Leave (Note 4)	717,957
Revenue Bonds Payable (Notes 4 & 10)	41,276,426
Other Current Liabilities	9,010,527
Total Current Liabilities	<u>130,405,340</u>
Non-Current Liabilities	
Employees' Compensable Leave (Note 4)	237,194
Notes and Loans Payable (Note 4)	71,431,000
Revenue Bonds Payable (Note 4 & 10)	2,629,813,728
Other Non-Current Liabilities (Note 4)	139,808,296
Total Non-Current Liabilities	<u>2,841,290,218</u>
Total Liabilities	<u>2,971,695,558</u>
NET ASSETS	
Invested in Capital Assets	148,775
Restricted	17,304,915
Unrestricted	43,860,627
Total Net Assets	<u>\$ 61,314,317</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUND
 For the fiscal year ended August 31, 2008

	Total
OPERATING REVENUES	
Interest and Investment Income	\$ 145,615,487
Net Increase in Fair Value	6,488,246
Other Operating Revenues	12,154,130
Total Operating Revenues	<u>164,257,863</u>
OPERATING EXPENSES	
Salaries and Wages	7,648,771
Payroll Related Costs	1,281,350
Professional Fees and Services	2,074,725
Travel	289,375
Materials and Supplies	227,316
Communications and Utilities	112,000
Repairs and Maintenance	189,450
Rentals and Leases	50,580
Printing and Reproduction	16,867
Depreciation and Amortization	944,600
Interest	136,892,908
Bad Debt Expense	389,636
Down Payment Assistance	10,198,861
Other Operating Expenses	1,658,232
Total Operating Expenses	<u>161,974,671</u>
Operating Income	<u>2,283,192</u>
Income before Other Revenues, Expenses, Gains, Losses and Transfers	2,283,192
OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS	
Transfers In (Note 8)	<u>5,324,774</u>
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>5,324,774</u>
CHANGE IN NET ASSETS	7,607,966
Net Assets, September 1, 2007	<u>53,706,351</u>
NET ASSETS, AUGUST 31, 2008	<u>\$ 61,314,317</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VII
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
 For the fiscal year ended August 31, 2008

	Total
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Loan Programs	\$ 69,570,639
Proceeds from Other Revenues	9,548,446
Payments to Suppliers for Goods/Services	(8,404,574)
Payments to Employees	(8,731,536)
Payments for Loans Provided	<u>(63,176,373)</u>
Net Cash (Used for) Operating Activities	<u>(1,193,398)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	254,674,363
Proceeds from Transfers from Other Funds	5,324,774
Payments to Other Funds	(224,356)
Payments of Principal on Debt Issuance	(126,342,397)
Payments of Interest	(139,304,200)
Payments for Other Cost of Debt	<u>(1,646,137)</u>
Net Cash (Used for) Noncapital Financing Activities	<u>(7,517,953)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Additions to Capital Assets	<u>(19,321)</u>
Net Cash (Used for) Capital Activities	<u>(19,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	620,189,369
Proceeds from Interest/Invest. Income	83,538,933
Payments to Acquire Investments	<u>(654,572,612)</u>
Net Cash Provided by Investing Activities	<u>49,155,690</u>
Net Increase in Cash and Cash Equivalents	40,425,018
Cash and Cash Equivalents, September 1, 2007	<u>164,715,224</u>
Cash and Cash Equivalents, August 31, 2008	<u>\$ 205,140,242</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VII (Continued)
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND
 For the fiscal year ended August 31, 2008

	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 2,283,192
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Amortization and Depreciation	944,600
Provision for Uncollectibles	389,636
Operating Income and Cash Flow Categories Classification Differences	49,823,170
Changes in Assets and Liabilities:	
(Increase) in Receivables	(154,915)
Decrease in Accrued Interest Receivable	5,105,225
(Increase) in Loans / Contracts	(6,628,919)
(Increase) in Property Owned	(283,251)
(Increase) in Acquisition Costs	(335,998)
(Increase) in Other Assets	(39,592)
Increase in Payables	271,724
Increase in Deferred Revenues	4,883,555
(Decrease) in Accrued Interest Payable	(1,785,828)
(Decrease) in Other Liabilities	(55,665,997)
Total Adjustments	(3,476,590)
Net Cash (Used for) Operating Activities	\$ (1,193,398)

NON CASH TRANSACTIONS

Increase in Fair Value of Investments for 2008 was \$6,488,246

Loans and the related properties acquired were transferred to real estate owned in the amount of \$300,690 for 2008

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VIII

COMBINED STATEMENT OF FIDUCIARY NET ASSETS

As of August 31, 2008

AGENCY FUND	Total
ASSETS	
Current Assets:	
Restricted:	
Cash in State Treasury	\$ 61,910
	<hr/>
Total Current Assets	61,910
Total Assets	\$ 61,910
	<hr/> <hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 300
Funds Held for Others	61,610
	<hr/>
Total Current Liabilities	61,910
Total Liabilities	\$ 61,910
	<hr/> <hr/>

**NOTES TO THE
FINANCIAL STATEMENTS**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENTITY

Effective September 1, 1991, the Texas Department of Housing and Community Affairs (Department) was created to assist local governments in helping residents overcome financial, social and environmental problems; to address very low to moderate income housing needs; to contribute to the preservation and redevelopment of neighborhoods and communities; to assist the Governor and the legislature in coordinating federal and state programs affecting local governments; and to continually inform the state and the public about the needs of local government (*Texas Government Code Ann., Chapter 2306*). The Department was created by merging two former agencies, the Texas Housing Agency and the Texas Department of Community Affairs.

The regulation of manufactured housing was transferred from the Texas Department of Licensing and Regulation to the Department on September 1, 1995. The Manufactured Housing Division is administratively attached to the Department and is responsible for establishing standards and requirements for the construction and installation of manufactured housing that are reasonably necessary to protect the health, safety and welfare of the occupants of such housing and the general public. The Manufactured Housing Division has a governing Board of five members appointed by the Governor.

The Department is governed by a Board, composed of seven members, all of whom are appointed by the Governor with the advice and consent of the Texas Senate. The Board then appoints the Executive Director, with the approval of the Governor.

The accompanying financial statements of the Department have been prepared to conform with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Component Units - No component units have been identified which should be included in the Department's financial statements.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Funds

General Fund

The General Fund is the principal operating fund used to account for most of the Department's general activities. It accounts for all financial resources except those accounted for in other funds.

Proprietary Fund Types

Enterprise Funds (Business-Type Activity)

Enterprise Funds account for operations financed and operated in a manner similar to private business. The intent is to recover costs through user charges and where a periodic determination of revenues earned, expenses incurred, and net income are appropriate for management control, accountability, contractual obligations and other purposes.

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

Fiduciary Fund Types

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental funds are accounted for using the modified accrual basis of accounting. Under modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The Department considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for the Fund Financial Statements prepared on the modified accrual basis of accounting. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

The Government-wide Financial Statements are accounted for using the accrual method of accounting. This includes unpaid Employee Compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, capital assets and accumulated depreciation.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary Funds distinguish operating from non-operating items. Operating revenues result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets.

The Department has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989 as allowed by GASB Statement No. 20.

BUDGET AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). The state monitors its statewide budget by establishing the legal level of control at the agency level to ensure that expenditures are not made in excess of budgetary authority. Within the Department, procedures are used to ensure that expenditures do not exceed their total budget at the division level, but the State Comptroller ultimately ensures that each total authorized agency budget is not exceeded.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

ASSETS, LIABILITIES AND FUND BALANCES/NET ASSETS

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, (GASB Statement 31). The Department utilizes established quoted market prices for determining the fair value of its debt securities in

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

reserve funds. Fair value of the Department's securitized mortgage loans (GNMA, FNMA, FHLMC) has been established by each bond issue's trustee using a pricing service.

The Department has reported all investment securities at fair value as of August 31, 2008 with exception of some short-term money market investments and nonparticipating interest-earning investments contracts which are reported at amortized cost provided that the fair value of these investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

Changes in the fair value for the Enterprise Fund are reported in the Combined Statement of Revenues, Expenses, and Changes in Net Assets-Proprietary Fund as "Net Increase (Decrease) in the Fair Value of Investments."

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets in the General Fund include federal grants which are restricted by the grantor for specific program purposes established by the State Legislature. The Proprietary Fund includes certain assets pledged to respective bond indentures, the use of which is restricted by those same bond covenants.

Consumable Inventories

Consumable inventories consist of postage on hand at year-end. Inventories for governmental fund types and proprietary fund types are accounted for using the consumption method of accounting. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if donated, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset (5 years for both Furniture & Equipment and Other Capital Assets) using the straight-line method.

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the donation date. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

Loans and Contracts

Loans and contracts consist of loans in the General Fund made from federal funds for the purpose of Single Family loans and Multifamily development loans from the HOME and Community Development Block Grant Program.

Restricted loans and contracts in proprietary funds consist of mortgage loans made from Single Family and Multifamily bond proceeds. Unrestricted loans and contracts consist of Single Family loans and Multifamily development loans from the Housing Trust Fund and other Housing Initiative Programs. Loans receivable are carried at the unpaid principal balance outstanding, net of the allowance for estimated losses. Deferred commitment fees relating to the Single Family, Residential Mortgage Revenue Bonds (RMRB) Series 1987A and certain Multifamily programs are included as a reduction of loans receivable. Interest on loans is credited to income as earned. Loans are generally placed on nonaccrual status when the Department becomes aware that the borrower has entered bankruptcy proceedings or when they are past due 90 days as to either principal or interest or when payment in full of principal and interest is not expected. Deferred commitment fees are recognized using the interest method over the estimated lives of the loans.

Real Estate Owned

Real estate owned are properties acquired through foreclosure that are carried at the unpaid principal balance on the related property plus accrued interest and reimbursable expenses through the date of foreclosure, less any sales proceeds, reimbursements received from mortgage insurers and an allowance for estimated losses on such properties, which approximates the net realizable value of the property at foreclosure.

Loans secured by Single Family properties on which there is an indication that the borrower no longer has the ability to repay the loan and that foreclosure is likely are considered in-substance foreclosures and are classified as real estate

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

owned in the accompanying balance sheet. Interest on real estate owned is credited to income as earned based on a calculation of interest recoverable in accordance with the Department's agreements with its mortgage insurers.

Allowance for Estimated Losses on Loans and Foreclosed Properties

The allowance for estimated losses on loans is calculated for future charge-offs on Single Family and Multifamily loans. The allowance for estimated losses on real estate owned is calculated for future charge-offs on foreclosed Single Family loans.

All losses are charged to the allowance when the loss actually occurs or when a determination is made that a loss is likely to occur. During the year, management estimates the level of future losses to determine whether the allowances for estimated losses are adequate to absorb anticipated losses in the existing loan and real estate owned portfolios. Based on these estimates, a provision for estimated losses on loans and real estate owned is credited to the allowances in order to adjust the allowances to levels estimated to be adequate to absorb reasonably foreseeable losses.

While management uses available information to recognize losses in the loan and real estate owned portfolios, future additions may be necessary based on changes in economic conditions. However, it is the judgment of management that allowances are currently adequate to absorb reasonably foreseeable losses in the existing loan and real estate owned portfolios.

Commitment Fees

Commitment fees received in connection with the origination of loans are deferred and recognized using the interest method over the estimated lives of the related loans and mortgage-backed securities, or if the commitment expires unexercised it is credited to income upon expiration of the commitment.

Deferred Issuance Costs

Deferred issuance costs on bonds are amortized using the interest method over the contractual life of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of deferred issuance costs.

Discounts and Premiums on Debt

Discounts and premiums on debt are recognized using the interest method over the lives of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of discounts and premiums on debt.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Current Liabilities

Other current liabilities primarily consist of escrow fees and arbitrage rebate liability.

Deferred Revenues

Deferred Revenues in the governmental fund represent a deferral of amounts disbursed from funding agencies for the amount of Loans and Contracts outstanding. These deferred revenues are classified as current liabilities in accordance with GAAP. The deferred revenues in the proprietary fund represent fees such as commitment fees and compliance fees that are deferred upon receipt and amortized over a period of time. It also includes deferred revenues for loans and contracts.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

Bonds Payable – Revenue Bonds

Revenue bonds are accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or noncurrent in the statement of net assets.

Notes and Loans Payable

Notes and Loans Payable is composed of Commercial Paper Notes issued by the Department. Proceeds not used to refund outstanding Commercial Paper Notes are intended to redeem single-family mortgage revenue bonds.

Other Non-current Liabilities

Other non-current liabilities primarily account for funds due to Developers as a result of Multifamily bond proceeds. These proceeds are conduit debt issued on behalf of the Developer for the purpose of Multifamily developments and are held by the trustee. Due to the developers' fluctuation in cash flow needs, the current portion cannot be reasonably estimated.

Fund Balance/Net Assets

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and the "Fund Balance" is the difference between fund assets and liabilities on the governmental fund statements.

Reservations of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserved for Consumable Inventories

This represents the amount of postage to be used in the next fiscal year.

Reserve for Imprest Accounts

This represents reserves for travel and imprest cash in amounts equal to the assets.

Unreserved/Undesignated

Unreserved represents the unappropriated balance at year-end.

Net Assets

Invested in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation. The Department reports net assets as restricted when constraints placed on net assets are externally imposed by bond covenants and federal grants. Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets or Restricted Net Assets.

Interfund Transactions and Balances

The Department may have the following types of transactions among funds:

1. Transfers - Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
2. Legislative Sources/Uses – Budget transfers between agencies within the General Revenue Fund (0001).
3. Quasi-External Transactions - Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS
 For the fiscal year ended August 31, 2008

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2008, is presented below:

PRIMARY GOVERNMENT				
Governmental Activities:	Balance 09/01/07	Additions	Deletions	Balance 08/31/08
Depreciable Assets:				
Furniture and Equipment	\$1,735,344	\$20,867	(\$31,920)	\$1,724,291
Other Capital Assets	130,964	-	-	130,964
Total Depreciable Assets at Historical Costs	\$1,866,308	\$20,867	(\$31,920)	\$1,855,255
Less Accumulated Depreciation for:				
Furniture and Equipment	(\$1,607,895)	(\$39,123)	\$31,920	(\$1,615,098)
Other Capital Assets	(47,486)	(26,192)	-	(73,678)
Total Accumulated Depreciation	(1,655,381)	(65,315)	31,920	(1,688,776)
Governmental Activities Capital Assets, Net:	\$210,927	(\$44,448)	-	\$166,479

PRIMARY GOVERNMENT				
Business-Type Activities:	Balance 09/01/07	Additions	Deletions	Balance 08/31/08
Depreciable Assets:				
Furniture and Equipment	\$1,437,962	\$19,321	(\$431,172)	\$1,026,111
Other Capital Assets	132,279	-	-	132,279
Total Depreciable Assets at Historical Costs	\$1,570,241	\$19,321	(\$431,172)	\$1,158,390
Less Accumulated Depreciation for:				
Furniture and Equipment	(\$1,330,513)	(\$35,855)	\$431,172	(\$935,196)
Other Capital Assets	(47,963)	(26,455)	-	(74,418)
Total Accumulated Depreciation	(1,378,476)	(62,310)	431,172	(1,009,614)
Business-Type Activities Capital Assets, Net:	\$191,765	(\$42,989)	-	\$148,776

NOTES TO THE FINANCIAL STATEMENTS
 For the fiscal year ended August 31, 2008

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

The Department is authorized by statute to make investments following the “prudent person rule” and based upon provisions within the master bond indentures and its Investment Policy adopted by the Board in accordance with the Public Funds Investment Act. There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2008, the carrying amount of deposits was \$687,114.

Governmental Funds Current Assets Cash in Bank	\$20,000
Proprietary Funds Current Assets Cash in Bank	
Texas Treasury Safekeeping Trust	119,559
Proprietary Funds Current Assets Restricted Cash in Bank	
Texas Treasury Safekeeping Trust	243,052
Demand Deposits	304,503
Cash in Bank	\$687,114

At August 31, 2008 the Department’s cash and deposits in the State Treasury amounted to \$8,927,011. Of that amount, \$8,927,011 was fully collateralized by securities held with a trustee in the State’s name, as reported to the Department by the Comptroller of Public Accounts of the State of Texas.

Investments

The types of investments in which the Department may invest are restricted by the provisions of the master bond indentures and the Department’s Investment Policy adopted by its Board in accordance with the Public Funds Investment Act. The indentures allow for investments in direct obligations of or guaranteed by the U.S. Government; obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by agencies or intermediaries of the U.S. Government; obligations issued by public agencies or municipalities; obligations and general obligations of or guaranteed by the state; demand deposits, interest-bearing time deposits or certificates of deposit; repurchase agreements in U.S. Government securities; direct or general obligations of any state within the territorial U.S.; investment agreements with any bank or financial institution; commercial paper; and guaranteed investment contracts. Certain trust indentures restrict the Department from investing in certain of the aforementioned investments.

At August 31, 2008, the fair value of investments (including both short-term and long-term) are shown below.

Business Type Activities	Carrying Value	Fair Value
U.S. Treasury Securities	\$ 939,415	\$ 1,013,942
U.S. Government Agency Obligations	1,332,487,317	1,308,774,174
Repurchase Agreements (TTSTC)	131,206,394	131,206,394
Fixed Income Money Markets	71,219,012	71,219,012
Misc (Investment Agreements/GICs)	196,080,733	196,080,733
Total	\$ 1,731,932,871	\$ 1,708,294,255

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Preservation and safety of principal is the foremost objective of the investment program. According to the Department’s investment policy, investments should be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk is mitigated by

- Limiting investments to the safest types of securities.
- Pre-qualifying the financial institution, broker/dealers, intermediaries, and advisors with which the Department will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS Cont'd

As of August 31, 2008, the Department's credit quality distribution for securities with credit risk exposure was as follows.

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	Not Rated	AAA	AA	A
05	3054	U.S. Government Agency Obligations		\$231,003,819		
05	3054	Repurchase Agreements (TTSTC)	\$131,206,394			
05	3054	Misc (Investment Agreements/GICs)	\$196,080,733			
			Not Rated	AAA-M	AA-M	A-M
05	3054	Fixed Income Money Market		\$71,219,012		

A total of \$1,078,784,298 was not subject to credit risk disclosure due to their explicit guarantee by the U.S. Government which is composed of \$1,013,942 in U.S. Treasury securities and \$1,077,770,356 in U.S. Government Agency obligations issued by the Government National Mortgage Association.

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2008, the Department's concentration of credit risk is as follows.

Fund Type	GAAP Fund	Issuer	Carrying Value	% of Total Portfolio
05	3054	Paribas Corporation	\$131,206,394	7.68%
05	3054	Transamerican Life	\$ 88,070,816	5.16%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investment. The longer the maturity of an investment will result in greater sensitivity of its fair value to changes in the market interest rates. The Department's investment policy allows for the mitigation of interest rate risk by

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities.

Information about the sensitivity of the fair values of the Departments investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Department's investments by maturity:

Remaining Maturity (in months)

Government and Business Type Activities	Fair Value	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
U.S. Treasury Securities	\$1,013,942				\$1,013,942
U.S. Government Agency Obligations	1,308,774,174	\$11,317,707		\$12,085,642	1,285,370,825
Repurchase Agreements (TTSTC)	131,206,394	131,206,394			
Fixed Income Money Markets	71,219,012	71,219,012			
Misc (Investment Agreements/GICs)	196,080,733	147,779,783	\$19,385,040		28,915,910
Total	\$1,708,294,255	\$361,522,896	\$19,385,040	\$12,085,642	\$1,315,300,677

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS Cont'd

Highly Sensitive Investments

Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. These prepayments result in a reduction of expected total cash flows affecting the fair value of these securities and make the fair value of these securities highly sensitive to the changes in interest rates. The Department does not make it a common practice to sell these investments. Any fluctuation in fair value generates an unrealized gain or loss. As of August 31, 2008, the Department holds \$1,308,774,174 in mortgage backed securities.

NOTE 4: SUMMARY OF LONG TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2008, the following changes occurred in liabilities.

Governmental Activities	Balance 9/1/07	Additions	Reductions	Balance 8/31/08	Amounts Due Within One Year
Compensable Leave	\$ 1,029,205	759,929	796,492	\$ 992,642	\$ 759,929
Total Governmental Activities	\$ 1,029,205	759,929	796,492	\$ 992,642	\$ 759,929

Business-Type Activities	Balance 9/1/07	Additions	Reductions	Balance 8/31/08	Amounts Due Within One Year
Revenue Bonds Payable	\$ 2,582,373,505	216,112,363	127,395,714	\$ 2,671,090,154	\$41,276,426
Notes Payable	32,869,000	38,562,000		71,431,000	-
Subtotal	2,615,242,505	254,674,363	127,395,714	2,742,521,154	41,276,426
Compensable Leave	756,566	717,957	519,372	955,151	717,957
Total Business-Type Activities	\$ 2,615,999,071	255,392,320	127,915,086	\$2,743,476,305	\$41,994,383

Commercial Paper Notes Payable

The Department is authorized to issue the Notes in an aggregate principal amount not to exceed \$75,000,000 outstanding. Proceeds of the initial issuance of the Notes and of future issues not issued to refund outstanding Notes will be used to redeem certain of the Department's single-family mortgage revenue bonds (the "Refunded Bonds"), which are subject to redemption as a result of the receipt by the Department of prepayments of the related underlying mortgage loans. Such prepayments may, at a future date, be recycled into new mortgage loans by the Department.

Commercial Paper Notes Payable Debt Service Requirements Business-Type Activities			
Year	Principal	Interest	Total
2009	\$71,431,000	\$194,623	\$71,625,623
Total	\$71,431,000	\$194,623	\$71,625,623

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 4: SUMMARY OF LONG TERM LIABILITIES Cont'd.

Other Non-current Liabilities

Other non-current liabilities in the Enterprise Fund totaling \$139,808,296 primarily account for funds due to Developers as a result of Multifamily bond proceeds which have corresponding investment balances not adjusted to market value. These proceeds are conduit debt issued on behalf of the Developer for the purpose of Multifamily developments and are held by the trustee. Due to the various variables related to the balance, the current portion cannot be reasonably estimated.

NOTE 5: INTERFUND BALANCES / ACTIVITIES

As explained in Note 1 on Interfund Transactions and Balances, there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

The Department experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statements.

Individual balances and activity at August 31, 2008, follows:

Fund	Current Interfund Receivable	Current Interfund Payable
General Fund (01)		
General Revenue (0001)	\$ 49,331	\$ 1,488
Consolidated Federal (0127)	-	103,125
Enterprise Fund (05, 0896)	55,282	-
Total Interfund Receivable/ Payable (Exhibit I & Exhibit III & VIII)	\$ 104,613	\$ 104,613

The Department has no Non-Current Interfund Receivables/Interfund Payables.

Fund	Transfers In	Transfers Out	Purpose
General Fund (01)			
Appd Fund 0001, D23 Fund 0001		\$ 5,324,774	Article VII-6, Rider 10
Appd Fund 0001, D23 Fund 0001		1,492,594	Article IX, § 6.26
Appd Fund 0001, D23 Fund 0001		21,648	Article IX, § 13.09
Appd Fund 0001, D23 Fund 0066		89,971	Gov't Code, Sect. 403.021
Appd Fund 0001, D23 Fund 0077		414	Gov't Code, Sect. 403.021
Appd Fund 0001, D23 Fund 0088		779,488	Article IX, § 6.26
Appd Fund 5140, D23 Fund 5140	\$ 21,648		Article IX, § 13.09
Total Transfers for Fund 0001 (Exhibit IV)	\$ 21,648	\$ 7,708,889	
Enterprise Fund (05)			
Appd Fund 3054, D23 Fund 0999	5,324,774		Article VII-6, Rider 10
Total Transfers for Fund 3054 (Exhibit VI)	\$ 5,324,774		
Total Transfers *	\$ 5,346,422	\$ 7,708,889	

* The \$2,362,467 difference between total transfers in/out represents transfers to the Texas Comptroller of Public Accounts.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 5: INTERFUND BALANCES / ACTIVITIES Cont'd

Fund	Legislative Transfers In	Legislative Transfers Out
General Fund (01)		
Appd Fund 0001, D23 Fund 0001	\$ 717,174	-
Appd Fund 0001, D23 Fund 0066	61,521	-
Appd Fund 0001, D23 Fund 0077	793	-
Total Legislative Transfers (Exh IV)	\$ 779,488	-

NOTE 6: CONTINGENT LIABILITIES

The Department is a defendant in legal actions arising from transactions and activities conducted in the ordinary course of business. Management, after consultation with legal counsel, believes that the aggregate liabilities, if any, will not be material to the basic financial statements.

NOTE 7: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Department will be abolished effective September 1, 2011 unless continued in existence as provided by the Act. If abolished, the Department may continue until September 1, 2012 to close out its operations.

NOTE 8: RISK FINANCING AND RELATED INSURANCE

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. It is the Department's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The Department assumes substantially all risks associated with the performance of its duties. Currently there is no purchase of commercial insurance, nor is the Department involved in any risk pools with other government entities. The Department carries Public Official Liabilities Insurance coverage in the amount of \$10,000,000; automobile liability insurance in the amount of \$500,000, errors and omissions insurance of \$300,000 related to loan servicing for others and a \$350,000 Public Employee Fidelity Bond.

The Department's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There have been no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. The Department incurred no claims liability during fiscal years 2007 and 2008 related to these policies.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

NOTE 9: SEGMENT INFORMATION FOR ENTERPRISE FUND

The Segment information below is for the Department's direct debt associated with the issuance of Single Family bonds only and does not include the Multifamily bonds where the Department is only a conduit issuer. Therefore, this note represents less than what is reported in the Enterprise Fund as a whole. Each grouping consists of separate indentures that have one or more bonds outstanding with the revenue stream and assets exclusively pledged in support of that debt. Each indenture imposes the requirement of separate accounting of the revenues, expenses, gains, losses, assets, and liabilities.

CONDENSED SCHEDULE OF NET ASSETS

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds
Restricted Assets:			
Current Assets	\$ 167,908,195	\$ 8,137,154	\$ 789,899
Capital Assets	-	-	-
Other Assets	<u>1,032,469,077</u>	<u>293,541,064</u>	<u>12,117,302</u>
Total Assets	<u>1,200,377,272</u>	<u>301,678,218</u>	<u>12,907,201</u>
Liabilities:			
Current Liabilities	67,054,606	11,052,849	387,565
Long Term Liabilities	<u>1,127,629,554</u>	<u>280,825,335</u>	<u>10,604,935</u>
Total Liabilities	<u>1,194,684,160</u>	<u>291,878,184</u>	<u>10,992,500</u>
Net Assets:			
Restricted Net Assets	<u>\$ 5,693,112</u>	<u>\$ 9,800,034</u>	<u>\$ 1,914,701</u>
Total Restricted Net Assets	<u>\$ 5,693,112</u>	<u>\$ 9,800,034</u>	<u>\$ 1,914,701</u>

CONDENSED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Operating Revenues:			
Interest and Investment Income	\$ 59,116,300	\$ 17,317,425	\$ 880,910
Net Increase in Fair Value	2,745,879	3,574,123	168,243
Other Operating Revenues	547,838	383,190	44,471
Operating Expenses	(59,972,390)	(16,279,137)	(768,372)
Depreciation and Amortization	<u>(685,346)</u>	<u>(179,739)</u>	<u>(2,812)</u>
Operating Income	<u>1,752,281</u>	<u>4,815,862</u>	<u>322,440</u>
Nonoperating Revenues (Expenses):			
Other Nonoperating Revenues (Expenses):	-	-	-
Special and Extraordinary Items	-	-	-
Transfers In (Out)	<u>(674,723)</u>	<u>(268,968)</u>	<u>5,242</u>
Changes in Net Assets	1,077,558	4,546,894	327,682
Net Assets, September 1, 2007	<u>4,615,554</u>	<u>5,253,140</u>	<u>1,587,019</u>
Net Assets, August 31, 2008	<u>\$ 5,693,112</u>	<u>\$ 9,800,034</u>	<u>\$ 1,914,701</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 9: SEGMENT INFORMATION FOR ENTERPRISE FUND Cont'd

CONDENSED SCHEDULE OF CASH FLOWS

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds
Net Cash Provided (Used) By:			
Operating Activities	\$ 769,104	\$ 276,281	\$ (8,609)
Noncapital Financing Activities	57,435,012	(41,953,320)	(2,761,477)
Investing Activities	(36,350,593)	40,436,808	2,697,423
Net Increase (Decrease)	21,853,523	(1,240,231)	(72,663)
Beginning Cash and Cash Equivalents	62,334,075	7,417,278	792,280
Ending Cash and Cash Equivalents	\$ 84,187,598	\$ 6,177,047	\$ 719,617

NOTE 10: BONDED INDEBTEDNESS

The Department has 125 bond issues outstanding at August 31, 2008. All series are revenue bonds backed by the pledged revenue sources and restricted funds specified in the bond resolutions. Each series is designed to be self-supporting with no repayment nor obligation from the State's General Revenue. The Department issues bonds to assist in financing the purchase of homes by or the construction of rental housing for families with very low to moderate incomes. Loan payments provide the revenues for debt service payments. (Detailed supplemental bond information is disclosed in Schedules 1-A, 1-B, 1-C, 1-D, and 1-E.)

Proceeds from the issuance of bonds under the Single Family and Residential Mortgage Revenue Bonds (RMRB) Series 1987A Programs were used to acquire loans. Proceeds from Collateralized Home Mortgage Revenue Bond (CHMRB) and the remaining RMRB programs were used to acquire pass-through certificates backed by mortgage loans. Proceeds from the remaining Multifamily bond issues were used to finance mortgage loans.

DEBT SERVICE REQUIREMENTS

PRINCIPAL ONLY (amounts in thousands)

Description	2009	2010	2011	2012	2013	2014 to 2018	2019 to 2023
Single-family	\$ 26,192	\$ 41,721	\$ 43,706	\$ 44,581	\$ 46,301	\$ 187,389	\$ 137,505
RMRB	5,005	4,935	4,185	4,375	4,655	28,725	45,125
CHMRB							
Multifamily	9,671	9,706	10,612	11,305	11,909	70,354	111,240
Total	\$ 40,868	\$ 56,362	\$ 58,503	\$ 60,261	\$ 62,865	\$ 286,468	\$ 293,870

Description	2024 to 2028	2029 to 2033	2034 to 2038	2039 to 2043	2044 to 2048	Total
Single-family	\$186,890	\$213,065	\$201,160	\$ 14,915	\$ -	\$ 1,143,425
RMRB	52,875	130,505	5,045	-	-	285,430
CHMRB	10,400	-	-	-	-	10,400
Multifamily	174,733	178,799	262,873	270,700	99,060	1,220,962
Total	\$424,898	\$522,369	\$469,078	\$285,615	\$ 99,060	\$ 2,660,217

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 10: BONDED INDEBTEDNESS Cont'd.

Actual maturities will differ from contractual maturities since the Department has the right to call or prepay obligations with or without call or prepayment penalties as the related loans and mortgage-backed securities mature or prepay.

PRINCIPAL AND INTEREST (amounts in thousands)

Description	2009	2010	2011	2012	2013	2014 to 2018	2019 to 2023
Single-family	\$ 70,435	\$ 86,737	\$ 87,455	\$ 87,018	\$ 87,338	\$ 371,718	\$ 292,802
RMRB	20,398	20,103	19,141	19,132	19,211	98,218	103,538
CHMRB	718	718	718	720	718	3,592	3,592
Multifamily	75,476	74,540	74,877	74,964	74,909	368,720	384,264
Total	\$167,027	\$182,098	\$182,191	\$181,834	\$182,176	\$ 842,248	\$ 784,196

Description	2024 to 2028	2029 to 2033	2034 to 2038	2039 to 2043	2044 to 2048	Total
Single-family	\$304,538	\$288,446	\$222,352	\$ 15,313	\$ -	\$ 1,914,152
RMRB	97,279	154,095	5,184	-	-	556,299
CHMRB	10,991	-	-	-	-	21,767
Multifamily	406,958	362,847	392,247	330,415	107,529	2,727,746
Total	\$819,766	\$805,388	\$619,783	\$345,728	\$107,529	\$ 5,219,964

Interest on bonds and collateralized mortgage obligations is payable periodically, except for capital appreciation bonds, on which interest is compounded semiannually and payable at maturity or upon redemption.

The Single Family, RMRB and CHMRB bonds are collateralized by the revenues and assets pledged under the trust indentures, primarily Single Family mortgage loans, mortgage-backed securities (which had a change in ownership as discussed in Note 12) and investments. The Multifamily bonds are collateralized by varying methods, including, but not limited to, the mortgage loans on the applicable housing developments, certificates of deposit, letters of credit, guarantees provided by third parties and collateralized mortgage obligations issued by federally chartered, privately owned corporations.

The trust indentures contain positive and negative covenants. Events of default include the following: failure to make timely payment of both principal and interest on any outstanding bond; failure to make timely payment of any other monies required to be paid to the Trustee; and non-performance or non-observance of any other covenants, agreements or conditions contained in the indentures. Management believes they are in compliance with the covenants of the indentures.

Deferred issuance costs at August 31, 2008, consist of the following:

	Amount
Deferred Issuance Costs at August 31, 2008	\$ 41,272,747
Less Accumulated Amortization	(29,280,991)
Deferred Issuance Costs, net	\$ 11,991,756

NOTES TO THE FINANCIAL STATEMENTS
 For the fiscal year ended August 31, 2008

NOTE 10: BONDED INDEBTEDNESS Cont'd

CHANGES IN BONDS PAYABLE (amounts in thousands)

Description	Bonds Outstanding 9/1/07	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/08	Amounts Due Within One Year
Single Family	\$ 1,037,085	\$ 157,060	\$ 10,550	\$ 40,170	\$ 1,143,425	\$ 26,581
RMRB	310,690	-	5,205	20,055	285,430	5,036
CHMRB	12,400	-	-	2,000	10,400	8
Multifamily	1,213,299	56,025	6,780	41,582	1,220,962	9,652
Total						
Principal	<u>\$ 2,573,474</u>	<u>\$ 213,085</u>	<u>\$ 22,535</u>	<u>\$ 103,807</u>	<u>\$ 2,660,217</u>	<u>\$ 41,277</u>
Net Deferred Amt due to Refund Unamortized Premium	(239)				15,230	
Unamortized Refunding (Loss)	(5,226)				(4,357)	
Total	<u>\$ 2,582,374</u>				<u>\$ 2,671,090</u>	

VARIABLE TO FIXED INTEREST RATE SWAP

OBJECTIVE

In order to hedge against increases in interest rates on variable rate demand bond issues, the Department has entered into five interest rate swap agreements with the objective of reducing the interest rate risk of certain variable rate demand bonds. The variable rate demand bonds were issued at a lower total interest cost than attainable through traditional fixed rate bond structures. The Department has entered into interest rate swap agreements with various rated counterparties. Under the terms of the agreements, the Department makes periodic fixed interest rate payments in exchange for receiving variable rate payments comparable to the rates payable on the variable rate demand bonds. The swap notional amounts amortize in accordance with the scheduled and/or anticipated reductions in the related variable rate demand bond liability. The Department is potentially exposed to loss in the event of nonperformance by the counterparties under the swap agreements. Termination of the swap agreements may result in the Department making or receiving termination payments. Each swap agreement includes optional early termination provisions granting the Department the right, but not an obligation, to terminate the interest rate swaps at par without a termination payment after an effective date.

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 10: BONDED INDEBTEDNESS Cont'd

TERMS AND FAIR VALUE

The terms, including the fair value of the outstanding swaps as of August 31, 2008 are as follows. The fair value of the swaps are not shown in the financial statements. The notional amounts of the swaps match the principal amount of the associated debt.

Counterparty	Notional Amount	Fair Value	Effective Date	Fixed Rate	Variable Rate	Swap Termination Date
UBS AG	\$53,000,000	(\$2,510,824)	9/1/04	3.843 %	63% of LIBOR + .30%	9/1/34 (a)
Goldman Sachs Capital Markets, LP	35,000,000	(1,343,868)	1/1/05	3.6125 %	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR	3/1/35 (b)
Bear Stearns Financial Products, Inc. (e)	94,860,000	(3,327,212)	8/1/05	3.99 %	Less of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR	9/1/36 (c)
UBS AG	36,000,000	(1,829,278)	11/15/06	3.857%	63% of LIBOR +.30%	9/1/25 (d)
Bear Stearns Financial Products, Inc. (e)	141,070,000	(4,926,319)	6/5/07	4.013% %	Less of (the greater of (a) 65% of LIBOR and (b) 56% of LIBOR + .45%) and LIBOR	9/1/38 (c)
Total	\$359,930,000	(\$13,937,501)				

- a. Swap Agreement has an optional early termination date of March 1, 2014 and every March and September thereafter. The maximum notional amount subject to early termination is equal to 60% of the current notional amount.
- b. Swap Agreement has an optional early termination date of September 1, 2014 and every March and September thereafter.
- c. Swap Agreement is subject to an early termination date at any time with a 10 business day notice.
- d. Swap Agreement has an optional early termination date of March 1, 2016 and every March and September thereafter. The maximum notional amount subject to early termination is current notional amount per the amortization schedule.
- e. Bear Stearns Financial Products, Inc. was formerly a subsidiary of The Bear Stearns Companies, Inc. As a result of Bear Stearns' acquisition by JP Morgan Chase & Co. on 3/16/2008, Bear Stearns Financial Products, Inc. operates as a subsidiary of JP Morgan Chase & Co.

CREDIT RISK

As of August 31, 2008, the Department is not exposed to credit risk on any of its outstanding swaps because the swaps have negative fair values. If interest rates change and the fair value of the swaps become positive, the department would be exposed to credit risk on those swaps. The swap agreements contain varying collateral agreements and insurance policies with the counterparties. The credit ratings for the counterparties are as follows.

Counterparty	Standard & Poor's	Moody's	Fitch
UBS AG	AA-	Aa2	AA+
Goldman Sachs Capital Markets, LP	A	Not Rated	AA-
Bear Stearns Financial Products, Inc.	AAA	Aaa	Not Rated

BASIS RISK

The Department's variable-rate bond coupon payments are equivalent to the Bond Market Association (BMA) rate. The swap agreements designate a function of LIBOR as the rate for payments received on these swaps. The Department will be exposed to basis risk should LIBOR and BMA converge. The swap agreements provide an option to terminate as stated above.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2008

NOTE 10: BONDED INDEBTEDNESS Cont'd

ROLLOVER RISK is the risk that arises when a derivative associated with a government's variable-rate debt does not extend all the way to the maturity date of the associated debt, thereby creating a gap in the protection otherwise afforded by the derivative. The Department is not exposed to rollover risk on swap agreements which mature or may be terminated prior to the maturity of the associated debt. The counterparties in the swap agreements have limited rights to terminate the swap. They can terminate only if the Department were to be downgraded below investment grade or default on any swap payments. The swap providers cannot unilaterally terminate any of the swaps subjecting the Department to rollover risk.

The Department has retained optional termination rights which are listed below. They are intended to allow the Department to keep the notional amount in line with bonds outstanding to the extent the Department experiences prepayments.

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
2004B Single Family	September 2034	May be terminated as early as March 2014
2004D Single Family	March 2035	May be terminated as early as September 2014
2005A Single Family	September 2036	May be terminated at anytime giving 10 day notice
2006H Single Family	September 2037	May be terminated as early as March 2016
2007A Single Family	September 2038	May be terminated at anytime giving 10 day notice

SWAP PAYMENTS AND ASSOCIATED DEBT

Using rates as of August 31, 2008, debt service requirements of the Department's outstanding variable-rate debt and net swap payments are as follows. As rates vary, variable-rate debt bond interest payments and new swap payments will vary. The Department's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds outstanding.

<u>Fiscal Year</u> <u>Ending</u> <u>August 31</u>	<u>Variable-Rate Bonds</u>		<u>Interest Rate</u> <u>Swaps, Net</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2009	\$ 515,000	\$ 7,485,423	\$ 7,408,843	\$ 15,409,266
2010	4,000,000	7,457,227	7,379,018	18,836,245
2011	4,755,000	7,366,041	7,284,980	19,406,021
2012	4,990,000	7,264,207	7,180,317	19,434,524
2013	5,220,000	7,157,443	7,070,539	19,447,982
2014-2018	43,800,000	33,573,795	33,133,761	110,507,556
2019-2023	62,505,000	27,882,390	27,544,377	117,931,767
2024-2028	77,485,000	20,560,946	20,344,511	118,390,457
2029-2033	86,070,000	11,843,341	11,762,883	109,676,224
2034-2038	69,990,000	3,154,100	3,229,756	76,373,856
2039-2042	600,000	6,090	6,554	612,644
Total	\$ 359,930,000	\$ 133,751,003	\$ 132,345,539	\$ 626,026,542

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 10: BONDED INDEBTEDNESS Cont'd

Demand Bonds

The Department currently holds seven single family bond series in the amount \$371,000,000 in variable rate demand bonds. The proceeds of these bonds were used to refund outstanding bonds or provide funds for the primary purpose of purchasing mortgaged-backed securities which are pools of first time homebuyer loans. These bond series have the following terms.

Demand Bonds - Standby Purchase Agreements					
Single Family Bond Series	Liquidity Provider	Commitment Fee Rate	Outstanding Variable Rate Demand Bonds as of 8/31/08	Bank Bonds Remaining with Liquidity Provider as of 11/14/08	Liquidity Facility Expiration Date
2007A	DEPFA Bank plc	0.09%	\$ 141,070,000	\$ 139,380,000	06/5/2012
2006H	DEPFA Bank plc	0.09%	36,000,000	36,000,000	11/15/2009
<i>Total DEPFA Bank plc</i>			<i>\$ 177,070,000</i>	<i>\$ 175,380,000</i>	
2005A	Dexia Credit Local	0.275%	\$ 94,860,000	\$ 15,000,000	04/28/2011
2004D	Dexia Credit Local	0.275%	35,000,000	22,000,000	04/28/2011
2004B	Dexia Credit Local	0.275%	53,000,000	52,900,000	04/28/2011
2005C	Dexia Credit Local	0.1225%	7,215,000	4,515,000	12/15/2015
2004A Jr. Lien	Dexia Credit Local	0.315%	3,855,000	600,000	04/28/2011
<i>Total Dexia Credit Local</i>			<i>\$ 193,930,000</i>	<i>\$ 95,015,000</i>	
Total Demand Bonds			\$ 371,000,000	\$ 270,395,000	

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to remarket any bonds, the liquidity facility will purchase the bonds (bank bonds). If bonds purchased by the liquidity facility are not remarketed according to the terms of the liquidity agreement, the Department will be subject to term out provisions with the corresponding liquidity provider to convert the bonds to an installment loan payable over seven years.

The 2007A series in the amount of \$139,380,000 and 2006H series in the amount of \$36,000,000 are subject to term out provisions effective within six months of the purchase of the bonds by DEPFA, currently April 2009. If these bonds are not remarketed by April 2009, the Department will be subject to 14 semi-annual payments over 7 years. The Department could potentially pay in principal and interest a total of \$160,287,000 and \$82,800,000 related to the 2007A and 2006H Series, respectively. Interest was computed using the prime lending rate of 4.00% effective during November 2008 (See Note 12 for related information).

The 2004A Jr. Lien, 2004B, 2004D, 2005A and 2005C variable rate demand bonds currently owned by DEXIA are not subject to term out provisions until six months following the expiration of the liquidity agreement.

Refunding Bonds

On August 22, 2008, the Department issued \$14,000,000 in variable rate debt (Series 2008 Addison Park Apartments Multifamily) with a maximum rate of 12% to refund \$14,000,000 of outstanding 2004 Multifamily (Addison Park Apartments) bonds. The purpose of the refunding was to establish a new financing structure establishing Freddie Mac as the credit enhancer which would guarantee payments to the bondholders and make the bonds AAA rated. In addition, the refunding transaction would establish a new letter of credit which would satisfy the expiring letter of credit under the original bond issue. The refunding transaction resulted in a cash flow loss of \$247,989, and an economic loss of \$153,684. Because the new debt is variable rate debt, the economic and cash differences were calculated using the current rate as of August 31, 2008 which is 2.05%. The cash flow and economic impact will fluctuate with the prevailing interest rates. Using the maximum rate allowable by the trust indenture of 12%, the Department could incur a maximum of additional \$49,470,502 in debt service payments and an economic loss of \$11,482,294 on the refunding.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS
 For the fiscal year ended August 31, 2008

NOTE 10: BONDED INDEBTEDNESS Cont'd

Pledged and Other Sources (amounts in thousands)

GASB Statement No. 48 requires the following disclosures for "specific revenues that have been formally committed to directly collateralize or secure debt of the Department." The following table summarizes by indenture, pledged and other sources and related expenditures for the Department's revenue bonds. A detail schedule of each bond issue is included in Schedule 2-D.

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2008			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
Total Single Family Bonds	\$ 96,251	\$ 6,695	\$ 10,550	\$ 53,660
Total Residential Mtg Revenue Bonds	37,764	388	5,205	16,165
Total 1992 CHMRB	2,909	11		787
Total Multifamily Bonds	107,246	9	6,780	65,369
Total	\$ 244,170	\$ 7,103	\$ 22,535	\$ 135,981

NOTE 11: EMPLOYEE BENEFITS

PLAN DESCRIPTION

The Department contributes to the Employees Retirement System of Texas (the "System"), a cost-sharing, multiple-employer, defined benefit plan. The Department has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which standardizes financial reporting for pensions by state and local government employers. The System provides service retirement, disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Subtitle B, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Employees Retirement System of Texas, P.O. Box 13207, Austin, Texas, 78711-3207 or by calling (512) 476-6431.

FUNDING POLICY

Under provisions in State law, plan members are required to contribute 6% of their annual covered salary, and the Department contributes an amount equal to 6.45% of the Department's covered payroll. The Department and the employees' contributions to the System for the years ending August 31, 2008, 2007, and 2006, were \$1,002,741, \$947,383, and \$874,775, respectively, equal to the required contributions for each year.

NOTE 12: SUBSEQUENT EVENTS

The recent credit and liquidity crisis precipitated by the failure of Wall Street investment bank Lehman Brothers among others began a cascading effect of rating downgrades. The current crisis affected counterparties which ultimately impacted the Department in various ways as listed below.

On September 8, 2008 the Federal Housing Finance Agency (FHFA) placed FNMA and FHLMC into conservatorship. In addition, the U.S. Department of the Treasury agreed to provide up to \$100 billion of capital as needed to FNMA and established a Preferred Stock Purchase Agreement with FHLMC to ensure they can continue to provide stability and liquidity to the U.S. mortgage market. As of August 31, 2008, the Department carried \$217,235,754 and \$13,768,065 in mortgage backed securities guaranteed by FNMA and FHLMC, respectively. Upon the conservatorship, these mortgage backed securities acquired the explicit guarantee of the U.S. Government.

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2008

NOTE 12: SUBSEQUENT EVENTS Cont'd.

On September 15, 2008, American Insurance Group, Inc. was downgraded by all credit rating agencies. Upon the downgrade, the Department decided to opt out of the investment agreements and on October 10, 2008 the standing agreements were terminated. As of August 31, 2008, the Department carried three investment agreements of \$3,323,523 for the 2001 A-E RMRB bond issue, \$1,220,015 for the 2003A RMRB bond issue and \$3,161,147 for the 2000 BCDE RMRB bond issue. Upon the termination, the Department will invest repayments into overnight repurchase agreement held by Texas Treasury Safekeeping Trust Company.

On September 29, 2008, DEPFA Bank was downgraded to a BBB rating by the rating agencies. DEPFA Bank is the liquidity provider for the 2006H Single Family and 2007A Single Family variable rate demand bonds. On October 2, 2008, these bonds were downgraded from A-1 to A-2 by Standard & Poor's rating agency due to DEPFA's downgrade. Upon the downgrade these bonds were no longer eligible investments in tax-exempt money market funds, therefore, the Department began to receive tender notices on these bonds. Once the remarketing of the bonds was unsuccessful, DEPFA Bank acquired temporary ownership of the "bank bonds" until the Department is able to get a new liquidity provider and subsequently have the bonds upgraded in rating.

On September 30, 2008, Dexia Credit Local was downgraded to a AA- rating by credit agencies. Dexia Credit Local is the liquidity provider for the 2004 Junior Lien, 2004B Single Family, 2005A Single Family, and the 2005C Single Family variable rate demand bonds. Upon the downgrade of Dexia Credit Local, but not the Department's bonds, the Department began to receive tender notices on some portion of these bonds. Once the remarketing of the bonds was unsuccessful, Dexia Credit Local acquired temporary ownership of the "bank bonds" until the bonds are successfully remarketed.

SUPPLEMENTARY

BOND SCHEDULES

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
 Supplementary Bond Schedules
 SCHEDULE 1-A
 MISCELLANEOUS BOND INFORMATION
 For the fiscal year ended August 31, 2008
 (Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range Of Interest Rates		Scheduled Mat.		First Call Date
				First Year	Last Year	
1995 Single Family Series A	\$ 85,760	4.15%	6.15%	1997	2027	09/01/2005
1995 Single Family Series C	71,760	6.44%	7.76%	2006	2017	09/01/2005
1996 Single Family Series A	15,000	4.50%	6.30%	2001	2028	09/01/2006
1996 Single Family Series D	70,760	5.45%	6.25%	2021	2028	09/01/2006
1996 Single Family Series E	98,730	3.90%	6.00%	1997	2017	09/01/2006
1997 Single Family Series A	44,465	5.25%	5.80%	2013	2029	09/01/2007
1997 Single Family Series B	9,510	5.45%	5.45%	2019	2019	09/01/2007
1997 Single Family Series D	44,795	5.65%	5.70%	2029	2029	09/01/2007
1997 Single Family Series F	20,000	6.77%	6.77%	2029	2029	09/01/2007
2002 Single Family Series A (Jr. Lien)	10,000	7.01%	7.01%	2025	2026	09/01/2012
2002 Single Family Series A	38,750	5.45%	5.55%	2023	2034	03/01/2012
2002 Single Family Series B	52,695	5.35%	5.55%	2033	2033	03/01/2012
2002 Single Family Series C	12,950	2.80%	5.20%	2004	2017	03/01/2012
2002 Single Family Series D	13,605	2.00%	4.50%	2003	2012	03/01/2012
2004 Single Family Series A	123,610	2.00%	4.70%	2006	2035	03/01/2013
2004 Single Family Series B	53,000	VAR - Weekly		2015	2034	03/01/2015 (f)
2004 Single Family Series A (Jr. Lien)	4,140	VAR - Weekly		2036	2036	09/01/2036 (f)
2004 Single Family Series C	41,245	4.30%	4.80%	2019	2036	09/01/2014
2004 Single Family Series D	35,000	VAR - Weekly		2035	2035	(g)
2004 Single Family Series E	10,825	2.45%	4.30%	2006	2013	09/01/2014
2005 Single Family Series A	100,000	VAR - Weekly		2007	2036	03/01/2006
2005 Single Family Series B	25,495	4.38%	4.38%	2006	2026	03/01/2006
2005 Single Family Series C	8,970	VAR - Weekly		2017	2017	03/01/2006
2005 Single Family Series D	3,730	5.00%	5.00%	2025	2035	03/01/2006
2006 Single Family Series A	59,555	5.00%	5.00%	2008	2037	09/01/2006
2006 Single Family Series B	70,485	5.00%	5.00%	2008	2034	09/02/2006
2006 Single Family Series C	105,410	5.13%	5.13%	2008	2037	09/03/2006
2006 Single Family Series D	29,685	4.50%	4.50%	2018	2028	09/04/2006
2006 Single Family Series E	17,295	4.06%	4.06%	2007	2017	09/05/2006
2006 Single Family Series F	81,195	4.65%	5.75%	2008	2038	03/01/2016
2006 Single Family Series G	15,000	3.75%	4.60%	2012	2019	03/01/2016
2006 Single Family Series H	36,000	VAR - Weekly		2016	2037	03/01/2016 (f)
2007 Single Family Series A	143,005	VAR - Weekly		2008	2038	03/01/2008 (f)
2007 Single Family Series B	157,060	3.90%	5.63%	2008	2039	03/01/2008
1998 RMRB Series A	102,055	4.05%	5.35%	2002	2031	01/01/2009
1998 RMRB Series B	14,300	5.30%	5.30%	2022	2022	01/01/2009
1999 RMRB Series A	25,615	4.80%	5.50%	2018	2021	01/01/2009
1999 RMRB Series B-1	52,260	6.32%	7.10%	2021	2032	07/01/2009
1999 RMRB Series C	12,150	5.05%	6.25%	2003	2024	07/01/2009
2000 RMRB Series A	50,000	5.10%	6.30%	2003	2031	07/01/2010
2000 RMRB Series B	82,975	5.70%	5.70%	2005	2033	07/01/2010
2000 RMRB Series C	13,675	5.82%	5.85%	2011	2025	07/01/2010
2000 RMRB Series D	18,265	4.55%	5.85%	2003	2020	07/01/2010
2001 RMRB Series A	52,715	3.15%	5.70%	2004	2033	07/01/2011
2001 RMRB Series B	15,585	5.00%	5.25%	2011	2022	07/01/2011
2001 RMRB Series C	32,225	2.55%	4.63%	2003	2015	07/01/2011
2001 RMRB Series D	300	5.35%	5.35%	2008	2033	07/01/2011
2002 RMRB Series A	42,310	2.25%	5.35%	2004	2034	07/01/2012
2003 RMRB Series A	73,630	1.70%	5.00%	2005	2034	01/01/2013
1992 Coll Home Mtg Rev Bonds, Series C	72,700	3.48%	10.27%	2024	2024	05/04/1995
1994 SF MRB CHMRB Series C	15,360	6.25%	6.25%	2026	2026	06/27/2005
TOTAL SINGLE FAMILY & RMRB BONDS	\$ 2,385,605					
1987 MF Series (South Texas Rental Housing)	\$ 1,400	9.50%	9.50%	1988	2012	02/01/1988
1993 MF Series A/B (RemHill/HighPt)	26,370	VAR - Weekly		2023	2023	02/01/2000
1996 MF Series A/B (Brighton's Mark)	10,174	6.13%	6.13%	2026	2026	01/01/2003
1996 MF Series A/B (Las Colinas)	15,469	5.65%	5.65%	2026	2026	01/01/2003

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-A (Continued)

MISCELLANEOUS BOND INFORMATION

For the fiscal year ended August 31, 2008

(Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range Of Interest Rates		Scheduled Mat.		First Call Date
				First Year	Last Year	
1996 MF Series A/B (Braxton's Mark)	\$ 14,867	5.81%	5.81%	2026	2026	01/01/2003
1998 MF Series A (Pebble Brook)	10,900	4.95%	5.60%	2001	2030	06/01/2001
1998 MF Series A-C (Residence Oaks)	8,200	5.98%	7.18%	2001	2030	05/01/2001
1998 MF Series A (Volente Project)	10,850	5.00%	5.63%	2001	2031	07/01/2001
1998 MF Series A (Dallas Oxford Refndg)	10,300	7.25%	7.25%	2018	2018	01/01/2004
1998 MF Series A/B (Greens of Hickory Trail)	13,500	5.20%	6.03%	2001	2030	09/01/2008
1999 MF Series A-C (Mayfield)	11,445	5.70%	7.25%	2001	2031	05/01/2002
1999 MF Series A (Woodglen Village)	10,660	7.38%	8.25%	2002	2039	12/01/2016
2000 MF Series A (Timber Point Apts)	8,100	VAR - Weekly		2003	2032	07/01/2000 (a)
2000 MF Series A/B (Oaks at Hampton)	10,060	7.20%	9.00%	2002	2040	03/01/2017 (a)
2000 MF Series A (Deerwood Apts)	6,435	5.25%	6.40%	2003	2032	06/01/2010
2000 MF Series A (Creek Point Apts)	7,200	VAR - Weekly		2004	2032	07/01/2000 (a)
2000 MF Series A/B (Parks @ Westmoreland)	9,990	7.20%	9.00%	2002	2040	07/01/2017 (a)
2000 MF Series A (Honeycreek)	20,485	7.63%	8.15%	2004	2035	06/30/2007
2000 MF Series A-C (Highland Meadow Apts)	13,500	6.75%	8.00%	2004	2033	05/01/2019
2000 MF Series A/B (Greenbridge)	20,085	7.40%	10.00%	2003	2040	03/01/2014
2000 MF Series A-C (Collingham Park)	13,500	6.72%	7.72%	2004	2033	05/01/2019
2000 MF Series A/B (Williams Run)	12,850	7.65%	9.25%	2002	2040	01/01/2011
2000 MF Series A/B (Red Hills Villas)	10,300	8.40%	9.50%	2003	2040	12/01/2017
2001 MF Series A (Bluffview Senior Apts)	10,700	7.65%	7.65%	2003	2041	05/01/2018
2001 MF Series A (Knollwood Villas Apts)	13,750	7.65%	7.65%	2003	2041	05/01/2018
2001 MF Series A (Skyway Villas)	13,250	6.00%	6.50%	2005	2034	12/01/2011
2001 MF Series A/B (Cobb Park)	7,785	6.77%	6.77%	2003	2041	07/01/2018
2001 MF Series A (Greens Road Apts.)	8,375	5.30%	5.40%	2004	2034	12/01/2011
2001 MF Series A/B (Meridian Apts.)	14,310	5.45%	6.85%	2004	2034	12/01/2011
2001 MF Series A/B (Wildwood Apts.)	14,365	5.45%	6.75%	2004	2034	12/01/2011
2001 MF Series A-C (Fallbrook Apts.)	14,700	6.06%	6.78%	2005	2034	01/01/2012
2001 MF Series A (Oak Hollow Apts.)	8,625	7.00%	7.90%	2003	2041	11/01/2018
2001 MF Series A/B (Hillside Apts.)	12,900	7.00%	9.25%	2003	2041	11/01/2018
2002 MF Series A (Millstone Apts.)	12,700	5.35%	5.86%	2005	2035	06/01/2012
2002 MF Series A (Sugar Creek Apts.)	11,950	6.00%	6.00%	2004	2042	01/01/2016
2002 MF Series A (West Oaks Apts.)	10,150	7.15%	7.50%	2004	2042	12/01/2018
2002 MF Series A (Park Meadows Apts)	4,600	6.53%	6.53%	2004	2034	05/01/2012
2002 MF Series A (Clarkridge Villas Apts)	14,600	7.00%	7.00%	2004	2042	08/01/2019
2002 MF Series A (Hickory Trace Apts)	11,920	7.00%	7.00%	2004	2042	12/01/2019
2002 MF Series A (Green Crest Apts)	12,500	7.00%	7.00%	2004	2042	11/01/2019
2002 MF Series A/B (Ironwood Crossing)	16,970	5.50%	8.75%	2005	2042	10/01/2027
2002 MF Series A (Woodway Village Apts)	9,100	4.95%	5.20%	2006	2023	01/01/2013
2003 MF Series A/B (Reading Road)	12,200	VAR-Weekly		2007	2036	01/01/2004 (a)
2003 MF Series A/B (North Vista Apts)	14,000	4.10%	5.41%	2006	2036	06/01/2013
2003 MF Series A/B (West Virginia Apts)	9,450	4.15%	5.41%	2006	2036	06/01/2013
2003 MF Series A/B (Sphinx @ Murdeaux)	15,085	3.55%	5.00%	2005	2042	06/20/2013
2003 MF Series A/B (Primrose Houston School)	16,900	5.50%	8.00%	2006	2036	07/01/2003 (a)
2003 MF Series A/B (Timber Onks Apts)	13,200	6.75%	8.75%	2005	2043	06/01/2020
2003 MF Series A/B (Ash Creek Apts)	16,375	5.60%	15.00%	2006	2036	10/01/2003 (a)
2003 MF Series A/B (Peninsula Apts)	12,400	4.25%	5.30%	2007	2024	10/01/2013
2003 MF Series A (Evergreen @ Mesquite)	11,000	6.60%	8.00%	2006	2043	09/01/2020
2003 MF Series A/B (Arlington Villas)	17,100	6.75%	8.00%	2007	2036	01/01/2007 (a)
2003 MF Series A/B (Parkview Twnhms)	16,600	6.60%	8.50%	2006	2043	12/01/2020
2003 MF Series A (NHP-Asmara) Refunding	31,500	VAR - Weekly		2007	2033	07/01/2007 (a)
2004 MF Series A/B (Timber Ridge)	7,500	5.75%	8.00%	2007	2037	03/01/2007 (a)
2004 MF Series A/B (Century Park)	13,000	5.75%	5.75%	2007	2037	05/01/2007 (a)
2004 MF Series A (Addison Park)	14,000	VAR - Weekly (e)		2007	2044	01/01/2007 (a)
2004 MF Series A/B (Veterans Memorial)	16,300	6.60%	8.50%	2006	2044	03/01/2006 (a)
2004 MF Series A (Rush Creek)	10,000	5.38%	6.70%	2006	2044	03/01/2021
2004 MF Series A (Humble Park)	11,700	6.60%	6.60%	2007	2041	07/01/2021

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-A (Continued)

MISCELLANEOUS BOND INFORMATION

For the fiscal year ended August 31, 2008

(Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range Of Interest Rates	Scheduled Mat.		First Call Date	
			First Year	Last Year		
2004 MF Series A (Chisholm Trail)	\$ 12,000	VAR - Weekly (b)	2006	2037	10/15/2006	(a)
2004 MF Series A (Evergreen @ Plano)	14,750	5.25% 6.55%	2007	2044	06/01/2021	
2004 MF Series A (Montgomery Pines)	12,300	VAR - Weekly	2006	2037	12/15/2006	(a)
2004 MF Series A (Bristol)	12,625	VAR - Weekly	2007	2037	06/15/2007	(a)
2004 MF Series A (Pinnacle)	14,500	VAR - Weekly (c)	2007	2044	09/01/2007	(a)
2004 MF Series A (Tranquility Bay)	14,350	VAR - Weekly (c)	2007	2044	06/01/2021	(e)
2004 MF Series A (Sphinx @ Delafield)	11,380	5.05% 5.35%	2006	2044	07/20/2014	
2004 MF Series A (Churchill @ Pinnacle)	10,750	5.25% 6.55%	2007	2044	09/01/2021	(e)
2004 MF Series A/B (Post Oak East)	13,600	VAR - Weekly	(d)	2037	(d)	
2004 MF Series A (Village Fair)	14,100	5.00% 6.50%	2007	2044	12/01/2021	
2005 MF Series A (Pecan Grove)	14,030	5.00% 6.50%	2007	2045	01/01/2022	
2005 MF Series A (Prairie Oaks)	11,050	4.75% 6.50%	2007	2045	01/01/2022	
2005 MF Series A (Port Royal)	12,200	5.00% 6.50%	2007	2045	02/01/2022	
2005 MF Series A (Del Rio)	11,490	5.00% 6.50%	2007	2045	02/01/2022	
2005 MF Series A (Atascocita Pines)	11,900	VAR - Weekly (c)	2007	2037	(f)	
2005 MF Series A (Tower Ridge)	15,000	VAR - Weekly (b)	2009	2038	(f)	
2005 MF Series A (Alta Cullen)	14,000	5.89% 6.60%	2007	2045	06/01/2022	
2005 MF Series A (Lafayette Village)	14,100	VAR - Weekly	2008	2038	n/a	
2005 MF Series A (Prairie Ranch)	12,200	4.85% 4.85%	2007	2045	12/20/2015	
2005 MF Series A (St Augustine)	7,650	VAR - Weekly	2009	2038	n/a	
2005 MF Series A (Park Manor)	10,400	5.00% 6.40%	2008	2045	09/01/2022	
2005 MF Series A (Mockingbird)	14,360	6.40% 6.40%	2007	2045	08/01/2022	
2005 MF Series A (Chase Oaks)	14,250	5.05% 5.05%	2007	2035	(h)	
2005 MF Series A/B (Canal Place)	16,100	3.45% 8.00%	2019	2039	(i)	
2005 MF Series A (Coral Hills)	5,320	5.05% 5.05%	2038	2038	08/01/2015	
2006 MF Series A (Harris Branch)	15,000	VAR - Weekly	2009	2039	(j)	
2006 MF Series A (Bella Vista)	6,800	6.15% 6.15%	2008	2046	04/01/2016	
2006 MF Series A (Village Park)	13,660	4.75% 5.13%	2009	2026	06/01/2021	
2006 MF Series A (Oakmoor)	14,635	5.50% 6.00%	2008	2046	03/01/2023	
2006 MF Series A (Sunset Pointe)	15,000	VAR - Weekly	2039	2039	(i)	
2006 MF Series A (Hillcrest)	12,435	5.25% 5.25%	2009	2039	04/01/2021	
2006 MF Series A (Pleasant Village)	6,000	6.00% 6.00%	2008	2023	(k)	
2006 MF Series A (Grove Village)	6,180	6.00% 6.00%	2008	2023	(k)	
2006 MF Series A (Red Hills Villas)	5,015	VAR - Weekly	2036	2036	(j)	
2006 MF Series A (Champion Crossing)	5,125	VAR - Weekly	2036	2036	(j)	
2006 MF Series A (Stonehaven)	11,300	5.80% 5.80%	2008	2026	(h)	
2006 MF Series A (Center Ridge)	8,325	5.00% 5.00%	2009	2039	05/01/2021	
2006 MF Series A (Meadowlands)	13,500	6.00% 6.00%	2009	2046	09/01/2023	
2006 MF Series A (East Tex Pines)	13,500	4.95% 4.95%	2010	2046	(l)	
2006 MF Series A (Villas at Henderson)	7,200	VAR - Weekly	2010	2039	(m)	
2006 MF Series A (Aspen Park Apts)	9,800	5.00% 5.00%	2010	2039	07/01/2021	
2006 MF Series A (Idlewilde Apts)	14,250	VAR - Weekly	2010	2040	(j)	
2007 MF Series A (Lancaster Apts)	14,250	VAR - Weekly	2010	2040	(j)	
2007 MF Series A (Park Place)	15,000	5.80% 5.80%	2010	2047	03/01/2024	
2007 MF Series A (Terrace at Cibolo)	8,000	VAR - Weekly	2010	2040	(m)	
2007 MF Series A (Santora Villas)	13,072	5.80% 5.80%	2010	2047	06/01/2024	
2007 MF Series A (Villas @ Mesquite Creek)	16,860	5.00% 5.81%	2010	2047	01/20/2017	
2007 MF Series A (Summit Point)	11,700	4.80% 5.25%	2009	2047	06/20/2017	
2007 MF Series A (Costa Rialto)	12,385	5.35% 5.35%	2010	2047	08/01/2025	
2007 MF Series A (Windshire)	14,000	VAR - Weekly	2010	2041	(j)	
2007 MF Series A (Residences @ Onion Creek)	15,000	VAR - Weekly	2011	2040	(j)	
2008 MF Series A (West Oaks)	13,125	VAR - Weekly	2011	2041	(n)	
2008 MF Series A (Costa Ibiza)	13,900	VAR - Weekly	2011	2041	(f)	
2008 MF Series A (Addison Park)	14,000	VAR - Weekly	2008	2044	(n)	
TOTAL MULTIFAMILY BONDS	\$ 1,411,622					
TOTAL BONDS ISSUED	\$ 3,797,227					

FOOTNOTES:

- (a) The taxable bonds shall be subject to redemption prior to maturity in whole or any part on any interest payment date after the completion date from the proceeds of an optional prepayment of the loan by the borrower.
- (b) Variable rate not to exceed the maximum rate permitted by applicable law.
- (c) Variable rate could change to fixed rate provided the conversion option is exercised.
- (d) No set amortization, per trustee, amortization will occur in \$100,000 denominations when the amount in the principal reserve fund exceeds 20% of the issue.
- (e) The bonds are subject to redemption, in whole, at the option of the Issuer acting at the direction of the Holders of a majority of the outstanding principal amount of the Bonds.
- (f) The Bonds shall be subject to redemption prior to maturity, after giving the required notice, as follows: During the variable interest rate period the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (g) The Series bonds are subject to redemption prior to maturity, after giving notice as provided in the Trust Indenture, as follows: During a daily interest rate period or weekly interest rate period for the Series bonds, the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (h) The bonds are subject to redemption at the option of the Issuer, at the direction of the Borrower, in whole or in part on the first day of any month, in the event and to the extent the trustee receives funds from the Borrower representing an optional prepayment of the principal of the note, at a redemption price equal to the principal thereof, plus accrued interest to the redemption date plus any premium remitted therewith as required by the note.
- (i) Bonds are subject to redemption if and to the extent the Borrower is entitled to make, or is required to make, a prepayment pursuant to the loan agreement.
- (j) The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower.
- (k) The Bonds are subject to optional redemption at the direction of the Borrower on any interest payment date, in whole or in part, at the redemption price (as calculated by the sole bondholder) calculated in accordance with the Exhibit H plus accrued and unpaid interest, if any, to the redemption date. Optional redemptions may be made only in denominations of \$100,000 plus integral multiples of \$5,000 or for the entire amount of the bonds outstanding.
- (l) The Bonds shall be subject to redemption prior to maturity in whole but not in part on any Bond Payment Date on or after fifteen years from Conversion Date, from the proceeds of an optional prepayment of the Loan by the Borrower at a redemption price equal to the principal amount plus accrued and unpaid interest to the date fixed for redemption.
- (m) The Bonds may be redeemed by the Trustee at the option of the Issuer, but only upon the written request of the Borrower pursuant of the Loan Agreement, and with the prior written consent of the Bank, in whole or in part, at a redemption price equal to the principal amount, without premium, plus accrued interest to the date of redemptions.
- (n) With the prior Written consent of the Credit Facility Provider, the Bonds are subject to optional redemption, in whole or in part, upon optional prepayments on the Bond Mortgage Loan in accordance with the prepayment restrictions set forth in the Bond Mortgage Note and Financing Agreement.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE J-B

MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS

For the fiscal year ended August 31, 2008

Description of Issue	Bonds Outstanding 09/01/07	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/08	Amounts Due Within One Year
2002 SERIES A (Jr Lien)	\$ 5,400,000	\$	\$	\$ 1,260,000	\$ 4,140,000	\$
2002 SERIES A	37,485,000			950,000	36,535,000	
2002 SERIES B	39,135,000			5,690,000	33,445,000	19,506
2002 SERIES C	11,180,000		500,000	265,000	10,415,000	497,192
2002 SERIES D	5,740,000		875,000	235,000	4,630,000	839,174
2004 SERIES A	116,865,000		3,320,000	9,515,000	104,030,000	3,831,898
2004 SERIES B	53,000,000				53,000,000	
2004 SERIES A (Jr Lien)	4,140,000			285,000	3,855,000	
2004 SERIES C	36,805,000		405,000	4,615,000	31,785,000	341,941
2004 SERIES D	35,000,000				35,000,000	
2004 SERIES E	9,195,000		1,070,000	200,000	7,925,000	1,038,970
2005 SERIES A	98,145,000		165,000	3,120,000	94,860,000	
2005 SERIES B	20,705,000		705,000	2,565,000	17,435,000	572,574
2005 SERIES C	8,010,000			795,000	7,215,000	
2005 SERIES D	3,225,000			185,000	3,040,000	
2006 SERIES A	59,105,000		230,000	1,045,000	57,830,000	516,712
2006 SERIES B	69,950,000		720,000	1,240,000	67,990,000	1,523,826
2006 SERIES C	104,610,000		750,000	1,850,000	102,010,000	1,790,938
2006 SERIES D	27,630,000			3,510,000	24,120,000	(65,284)
2006 SERIES E	16,560,000		1,240,000	45,000	15,275,000	1,181,463
2006 SERIES F	81,195,000			695,000	80,500,000	648,318
2006 SERIES G	15,000,000		570,000	165,000	14,265,000	1,110,000
2006 SERIES H	36,000,000				36,000,000	2,571,428
2007 SERIES A	143,005,000			1,935,000	141,070,000	10,014,130
2007 SERIES B		157,060,000		5,000	157,055,000	148,084
1998 SERIES A	40,105,000		1,155,000	2,660,000	36,290,000	1,115,000
1998 SERIES B	7,125,000			775,000	6,350,000	
1999 SERIES A	5,865,000			980,000	4,885,000	(11,429)
1999 SERIES B-1	22,415,000			1,590,000	20,825,000	14,141
1999 SERIES C	3,500,000			15,000	3,485,000	(1,048)
2000 SERIES A	16,330,000		245,000	780,000	15,305,000	237,067
2000 SERIES B	48,165,000			3,830,000	44,335,000	9,294
2000 SERIES C	8,530,000				8,530,000	
2000 SERIES D	6,695,000		555,000		6,140,000	595,000
2001 SERIES A	33,500,000		590,000	2,230,000	30,680,000	602,235
2001 SERIES B	12,300,000			120,000	12,180,000	
2001 SERIES C	9,690,000		1,095,000	850,000	7,745,000	975,544
2001 SERIES D	235,000		5,000		230,000	10,000
2002 SERIES A	31,470,000		520,000	1,785,000	29,165,000	535,712
2003 SERIES A	64,765,000		1,040,000	4,440,000	59,285,000	954,258
1992 SERIES A-C	12,400,000			2,000,000	10,400,000	7,607
Total Single Family Bonds	1,360,175,000	157,060,000	15,755,000	62,225,000	1,439,255,000	31,624,252
1996 SERIES A&B (BRIGHTON'S MARK)	\$ 8,075,000	\$	\$	\$	\$ 8,075,000	\$
1996 SERIES A&B (MARKS OF LAS COLINAS)	12,670,000			12,670,000		
1996 SERIES A&B (BRAXTON'S MARK)	14,273,700				14,273,700	
1987 SOUTH TEXAS RENTAL HOUSING	612,309		92,573		519,736	102,000
1998 SERIES (PEBBLE BROOK)	9,895,000		190,000	35,000	9,670,000	205,000
1998 SERIES A-C (RESIDENCE OAKS)	7,408,000		151,000		7,257,000	159,000
1998 SERIES (GREENS-HICKORY TRAIL)	12,325,000		240,000		12,085,000	250,000
1999 SERIES (MAYFIELD)	10,407,000		209,000		10,198,000	222,000
1999 SERIES (WOODGLEN VILLAGE)	10,505,283			10,505,283		
2000 SERIES (TIMBER POINT APTS)	7,670,000			100,000	7,570,000	
2000 SERIES A/B (OAKS at HAMPTON)	9,753,846		74,648		9,679,198	82,000
2000 SERIES (DEERWOOD APTS)	6,075,000		95,000		5,980,000	95,000
2000 SERIES (CREEK POINT APTS)	6,585,000			115,000	6,470,000	
2000 SERIES A/B (PARKS at WESTMORELAND)	9,704,453		73,173		9,631,280	80,000
2000 SERIES A-C (HIGHLAND MEADOW APTS)	8,565,000		121,000		8,444,000	130,000
2000 SERIES A/B (GREENBRIDGE @ BUCKINGHAM)	19,735,000		177,541		19,557,459	113,000
2000 SERIES A-C (COLLINGHAM PARK APTS)	12,943,000		182,000		12,761,000	208,000
2000 SERIES A/B (WILLIAMS RUN APTS)	12,566,068		148,779		12,417,289	204,000
2001 SERIES (BLUFF SENIOR APTS)	10,488,996		59,342		10,429,654	64,000
2001 SERIES (KNOLLWOOD VILLAS APTS)	13,478,850		76,257		13,402,593	82,000

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules
 SCHEDULE I-B (Continued)
 MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS (Continued)
 For the fiscal year ended August 31, 2008

Description of Issue	Bonds Outstanding 09/01/07	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2008	Amounts Due Within One Year
2001 SERIES A (SKYWAY VILLAS)	\$ 8,185,000	\$	\$ 125,000	\$ 620,000	\$ 7,440,000	\$ 120,000
2001 SERIES A/B (COBB PARK APTS)	7,649,012		42,112		7,606,900	46,000
2001 SERIES A (GREENS ROAD APTS)	8,060,000		120,000		7,940,000	130,000
2001 SERIES A/B (MERIDIAN APARTMENTS)	13,885,000		185,000		13,700,000	200,000
2001 SERIES A/B (WILDWOOD BRANCH)	13,940,000		190,000		13,750,000	205,000
2001 SERIES A-C (FALLBROOK APTS)	14,241,000		206,000		14,035,000	220,000
2001 SERIES (OAK HOLLOW APTS)	6,380,796		39,919		6,340,877	43,000
2001 SERIES A/B (HILLSIDE APTS)	12,599,075		43,277		12,555,798	47,000
2001 SERIES A (MILLSTONE APTS)	10,575,000		165,000		10,410,000	175,000
2002 SERIES (SUGARCREEK APTS)	11,750,000		115,000		11,635,000	75,657
2002 SERIES (WEST OAKS APTS)	9,572,873		57,361		9,515,512	62,000
2002 SERIES (PARK MEADOWS APTS)	4,335,000		60,000		4,275,000	70,000
2002 SERIES (CLARKRIDGE VILLAS APTS)	13,790,327		81,003		13,709,324	87,000
2002 SERIES A (HICKORY TRACE APTS)	11,400,985		66,548		11,334,436	71,000
2002 SERIES A (GREEN CREST APTS)	11,427,927		142,836		11,285,091	71,000
2002 SERIES A/B (IRON WOOD CROSSING)	16,851,886		72,841		16,779,045	79,000
2002 SERIES A (WOODWAY VILLAGE)	7,645,000		110,000		7,535,000	115,000
2003 SERIES A/B (READING ROAD)	12,180,000		20,000	200,000	11,960,000	20,000
2003 SERIES A/B (NORTH VISTA)	13,800,000		190,000	900,000	12,710,000	210,000
2003 SERIES A/B (WEST VIRGINIA)	9,315,000		145,000		9,170,000	150,000
2003 SERIES A/B (SPHINX @ MURDEAUX)	14,715,000		165,000		14,550,000	170,000
2003 SERIES A/B (PRIMROSE HOUSTON)	16,551,491		78,839		16,472,652	85,000
2003 SERIES A/B (TIMBER OAKS)	13,097,616		56,155		13,041,462	61,000
2003 SERIES A/B (ASH CREEK APTS)	16,278,361		79,621		16,198,740	86,000
2003 SERIES A/B (PENINSULA APTS)	12,130,000		160,000	5,000	11,965,000	160,000
2003 SERIES A (EVERGREEN @ MESQUITE)	10,856,023		109,755		10,746,268	117,000
2003 SERIES A/B (ARLINGTON VILLAS)	17,053,685		74,285		16,979,400	80,000
2003 SERIES A/B (PARKVIEW TWNHMS)	16,481,679		79,438		16,402,240	86,000
2003 SERIES (NHP-ASMARA)REFUNDING	21,290,000		360,000		20,930,000	370,517
2004 SERIES A/B (TIMBER RIDGE)	6,668,105		34,191		6,633,914	37,000
2004 SERIES A/B (CENTURY PARK)	12,920,000		165,000	300,000	12,455,000	170,000
2004 SERIES A (ADDISON PARK)	14,000,000			14,000,000		
2004 SERIES A/B (VETERANS MEMORIAL)	16,193,176		79,140		16,114,036	86,000
2004 SERIES (RUSH CREEK)	9,944,300		51,433	1,121,781	8,771,086	52,000
2004 SERIES (HUMBLE PARK)	11,610,000		100,000		11,510,000	110,000
2004 SERIES (CHISHOLM TRAIL)	12,000,000			100,000	11,900,000	
2004 SERIES (EVERGREEN @ PLANO)	14,737,224		79,644		14,657,580	85,000
2004 SERIES (MONTGOMERY PINES)	12,300,000				12,300,000	
2004 SERIES (BRISTOL)	12,625,000			325,000	12,300,000	
2004 SERIES (PINNACLE)	14,500,000			235,000	14,265,000	
2004 SERIES (TRANQUILITY BAY)	14,252,083		84,252		14,167,831	90,000
2004 SERIES (SPHINX @ DELAFIELD)	11,235,000		100,000		11,135,000	110,000
2004 SERIES (CHURCHILL @ PINNACLE)	10,094,601		67,132		10,027,469	72,000
2004 SERIES A/B (POST OAK EAST)	13,600,000				13,600,000	
2004 SERIES (VILLAGE FAIR)	14,049,658		79,712		13,969,946	85,000
2005 SERIES (PECAN GROVE)	13,986,289		78,889		13,907,399	84,000
2005 SERIES (PRAIRIE OAKS)	11,015,573		62,133		10,953,440	66,000
2005 SERIES (PORT ROYAL)	12,167,510		68,230		12,099,280	73,000
2005 SERIES (MISSION DEL RIO)	11,459,400		64,259		11,395,141	69,000
2005 SERIES (ATASCOCITA)	11,900,000				11,900,000	143,000
2005 SERIES (TOWER RIDGE)	15,000,000				15,000,000	100,000
2005 SERIES (ALTA CULLEN)	14,000,000				14,000,000	
2005 SERIES (PRAIRIE RANCH)	12,195,000		145,000		12,050,000	115,000
2005 SERIES (ST. AUGUSTINE)	7,650,000				7,650,000	47,000
2005 SERIES (PARK MANOR)	10,400,000				10,400,000	58,000
2005 SERIES (PROVIDENCE @ MOCKINGBIRD)	14,360,000		79,885		14,280,115	85,000
2005 SERIES (PLAZA CHASE OAKS)	14,250,000		137,731		14,112,269	215,000
2005 SERIES (CANAL PLACE)	16,100,000				16,100,000	
2006 SERIES (CORAL HILLS)	5,320,000			250,000	5,070,000	75,000
2006 SERIES (HARRIS BRANCH)	15,000,000				15,000,000	
2006 SERIES (BELLA VISTA)	6,800,000		15,000		6,785,000	45,000
2006 SERIES (VILLAGE PARK)	13,660,000				13,660,000	105,000
2006 SERIES (OAKMOOR)	14,635,000				14,635,000	75,000
2006 SERIES (SUNSET POINTE)	15,000,000				15,000,000	

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules
 SCHEDULE 1-B (Continued)
 MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS (Continued)
 For the fiscal year ended August 31, 2008

Description of Issue	Bonds Outstanding 09/01/07	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2008	Amounts Due Within One Year
2006 SERIES (HILLCREST)	\$ 12,435,000	\$	\$	\$	\$ 12,435,000	\$
2006 SERIES (PLEASANT VILLAGE)	6,000,000		28,768		5,971,232	74,000
2006 SERIES (GROVE VILLAGE)	6,180,000		29,631		6,150,369	77,000
2006 SERIES (RED HILLS)	5,015,000				5,015,000	
2006 SERIES (CHAMPION'S CROSSING)	5,125,000			100,000	5,025,000	
2006 SERIES (STONEHAVEN)	11,300,000				11,300,000	61,000
2006 SERIES (CENTER RIDGE)	8,325,000				8,325,000	
2006 SERIES (MEADOWLANDS)	13,500,000				13,500,000	1,780,000
2006 SERIES (EAST TEXAS PINES)	13,500,000				13,500,000	
2006 SERIES (VILLAS @ HENDERSON)	7,200,000				7,200,000	
2006 SERIES (ASPEN PARKS)	9,800,000				9,800,000	
2006 SERIES (IDLEWILDE)	14,250,000				14,250,000	
2007 SERIES (LANDCASTER)	14,250,000				14,250,000	
2007 SERIES (PARK PLACE AT LOYOLA)	15,000,000				15,000,000	
2007 SERIES (TERRACE AT CIBOLO)	8,000,000				8,000,000	
2007 SERIES (SANTORA VILLAS)	13,072,000				13,072,000	
2007 SERIES (A/B VILLAS @ MESQUITE)	16,860,000				16,860,000	
2007 SERIES (SUMMIT POINT)	11,700,000				11,700,000	
2007 SERIES (COSTA RIALTO)	12,385,000				12,385,000	
2007 SERIES (WINDSHIRE)	14,000,000				14,000,000	
2007 SERIES (RESIDENCES @ ONION CREEK)		15,000,000			15,000,000	
2008 SERIES (WEST OAKS APTS)		13,125,000			13,125,000	
2008 SERIES (COSTA IBIZA APTS)		13,900,000			13,900,000	
2008 SERIES (ADDISON PARKS APTS)		14,000,000			14,000,000	
Total Multifamily Bonds	\$ 1,213,299,159	\$ 56,025,000	\$ 6,780,333	\$ 41,582,064	\$ 1,220,961,762	\$ 9,652,174
	\$ 2,573,474,159	\$ 213,085,000	\$ 22,535,333	\$ 103,807,064	\$ 2,660,216,762	(a) \$ 41,276,426

FOOTNOTES:

(a) Bonds Outstanding balance at 8/31/08 does not include unamortized premium or discounts.

Bonds Outstanding per schedule	\$ 2,660,216,762
Unamortized (Discount)/Premium:	
Single Family	14,121,117
RMRB	1,423,356
CHMRB	212,543
Multi-Family	(526,746)
Unamortized Deferred Gain/(Loss) on Refunding:	
Single Family	(3,364,630)
RMRB	(992,248)
Deferred Amount on Refunding	-
Bonds Outstanding per Exhibit V	<u>\$ 2,671,090,154</u>

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2002 SINGLE FAMILY, SERIES A JUNIOR LIEN	Principal	\$	\$	\$	\$	\$
2002 SINGLE FAMILY, SERIES A JUNIOR LIEN	Interest	290	290	290	290	290
2002 SINGLE FAMILY, SERIES A	Principal					
2002 SINGLE FAMILY, SERIES A	Interest	2,011	2,011	2,011	2,011	2,011
2002 SINGLE FAMILY, SERIES B	Principal					
2002 SINGLE FAMILY, SERIES B	Interest	1,823	1,823	1,823	1,823	1,823
2002 SINGLE FAMILY, SERIES C	Principal	515	540	575	610	1,310
2002 SINGLE FAMILY, SERIES C	Interest	501	478	451	423	374
2002 SINGLE FAMILY, SERIES D	Principal	850	885	915	965	1,015
2002 SINGLE FAMILY, SERIES D	Interest	164	127	88	46	
2004 SINGLE FAMILY, SERIES A	Principal	3,735	3,190	3,220	3,350	3,615
2004 SINGLE FAMILY, SERIES A	Interest	4,580	4,470	4,350	4,218	4,072
2004 SINGLE FAMILY, SERIES B	Principal					
2004 SINGLE FAMILY, SERIES B	Interest	1,181	1,182	1,182	1,183	1,181
2004 SINGLE FAMILY, SERIES A (JUNIOR LIEN)	Principal					
2004 SINGLE FAMILY, SERIES A (JUNIOR LIEN)	Interest	103	103	103	103	103
2004 SINGLE FAMILY, SERIES C	Principal	315	335	350	370	390
2004 SINGLE FAMILY, SERIES C	Interest	1,494	1,478	1,461	1,442	1,423
2004 SINGLE FAMILY, SERIES D	Principal					
2004 SINGLE FAMILY, SERIES D	Interest	717	718	717	718	717
2004 SINGLE FAMILY, SERIES E	Principal	1,085	1,125	1,170	1,230	1,285
2004 SINGLE FAMILY, SERIES E	Interest	278	240	198	150	99
2005 SINGLE FAMILY, SERIES A	Principal		1,430	2,050	2,130	2,215
2005 SINGLE FAMILY, SERIES A	Interest	2,113	2,094	2,049	2,004	1,951
2005 SINGLE FAMILY, SERIES B	Principal	660	690	725	760	780
2005 SINGLE FAMILY, SERIES B	Interest	753	726	697	666	633
2005 SINGLE FAMILY, SERIES C	Principal					
2005 SINGLE FAMILY, SERIES C	Interest	209	209	209	209	209
2005 SINGLE FAMILY, SERIES D	Principal					
2005 SINGLE FAMILY, SERIES D	Interest	152	152	152	152	152
2006 SINGLE FAMILY, SERIES A	Principal	480	515	550	590	630
2006 SINGLE FAMILY, SERIES A	Interest	2,874	2,848	2,821	2,792	2,761
2006 SINGLE FAMILY, SERIES B	Principal	1,465	1,530	1,590	1,660	1,740
2006 SINGLE FAMILY, SERIES B	Interest	3,345	3,269	3,190	3,108	3,022
2006 SINGLE FAMILY, SERIES C	Principal	1,540	1,610	1,695	1,785	1,885
2006 SINGLE FAMILY, SERIES C	Interest	5,169	5,087	5,002	4,911	4,816
2006 SINGLE FAMILY, SERIES D	Principal					
2006 SINGLE FAMILY, SERIES D	Interest	1,090	1,090	1,090	1,090	1,090

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C (Continued)

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$ 1,450	\$ 1,450	\$ 4,140	\$	\$	\$	\$	\$ 4,140
		656					5,006
		15,985		15,835			36,535
10,055	4,715	5,353	4,395	199			39,983
		3,515	27,480	2,450			33,445
9,115	9,115	8,875	6,109				42,329
6,865							10,415
744							2,971
							4,630
							425
15,685	14,895	17,950	21,820	16,570			104,030
18,182	15,011	11,126	6,355	947			73,311
6,620	11,110	13,420	16,305	5,545			53,000
5,619	4,509	3,134	1,464	62			20,697
				3,855			3,855
515	515	515	515	307			2,882
3,925	6,280	6,770	7,955	5,095			31,785
6,649	5,454	3,861	2,144	276			25,682
4,870	7,730	8,130	9,615	4,655			35,000
3,368	2,669	1,827	943	74			12,468
1,890	140						7,925
110	1						1,076
12,475	15,165	18,445	22,420	18,530			94,860
8,961	7,410	5,524	3,230	638			35,974
4,435	5,565	3,820					17,435
2,608	1,465	223					7,771
7,215							7,215
838							1,883
		1,790	805	445			3,040
760	760	596	201	25			3,102
3,840	5,375	7,100	9,525	29,225			57,830
13,263	12,102	10,524	8,449	3,340			61,774
9,915	12,175	15,350	19,110	3,455			67,990
13,682	10,902	7,443	3,085	61			51,107
10,910	14,115	18,195	23,480	26,795			102,010
22,478	19,251	15,080	9,701	2,860			94,355
850	9,610	12,055	1,605				24,120
5,431	4,116	1,661					16,658

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE I-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2006 SINGLE FAMILY, SERIES E	Principal	\$ 1,280	\$ 1,315	\$ 1,370	\$ 1,420	\$ 1,480
2006 SINGLE FAMILY, SERIES E	Interest	576	525	472	416	356
2006 SINGLE FAMILY, SERIES F	Principal	510	560	595	630	670
2006 SINGLE FAMILY, SERIES F	Interest	4,228	4,196	4,162	4,127	4,089
2006 SINGLE FAMILY, SERIES G	Principal	1,110	1,235	1,300	1,375	1,465
2006 SINGLE FAMILY, SERIES G	Interest	572	526	475	421	361
2006 SINGLE FAMILY, SERIES H	Principal	2,571	5,143	5,143	5,143	5,143
2006 SINGLE FAMILY, SERIES H	Interest	365	653	548	444	339
2007 SINGLE FAMILY, SERIES A	Principal	10,076	20,153	20,153	20,153	20,153
2007 SINGLE FAMILY, SERIES A	Interest	1,432	2,557	2,148	1,739	1,330
2007 SINGLE FAMILY, SERIES B	Principal		1,465	2,305	2,410	2,525
2007 SINGLE FAMILY, SERIES B	Interest	8,223	8,164	8,060	7,951	7,835
Total Single Family Bonds		<u>70,435</u>	<u>86,737</u>	<u>87,455</u>	<u>87,018</u>	<u>87,338</u>
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	1,115	1,155			
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	1,884	1,830	1,798	1,798	1,798
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal					
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	337	337	337	337	337
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal					
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	257	257	257	257	257
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES B-	Principal					
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES B-	Interest	1,362	1,362	1,362	1,362	1,362
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Principal					
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Interest	218	218	218	218	218
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	245				
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	953	945	945	945	945
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal					
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	2,578	2,578	2,578	2,578	2,578
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Principal					
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Interest	498	498	498	498	498
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Principal	595	640	680	720	785
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Interest	318	287	253	217	177
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	570	580	110	115	135
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	1,640	1,612	1,594	1,587	1,580
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal			725	770	805
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	627	627	612	575	536
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Principal	1,025	1,080	1,120	1,175	1,255
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Interest	314	270	222	172	131
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Principal	10	10	10	5	10
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Interest	12	12	11	11	10

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C (Continued)

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

	2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$	8,410	\$	\$	\$	\$	\$	\$	\$ 15,275
	757							3,102
	4,000	10,380	15,540	20,815	26,800			80,500
	19,827	17,960	14,394	9,582	3,169			85,734
	6,565	1,215						14,265
	866	15						3,236
	12,857							36,000
	392							2,741
	50,382							141,070
	1,533							10,739
	15,680	19,035	24,685	32,130	41,905	14,915		157,055
	37,126	32,666	26,856	19,208	9,234	398		165,721
	<u>371,718</u>	<u>292,802</u>	<u>304,538</u>	<u>288,446</u>	<u>222,352</u>	<u>15,313</u>		<u>1,914,152</u>
	7,600			26,420				36,290
	8,923	6,995	6,995	2,713				34,734
		6,350						6,350
	1,685	1,175						4,545
	1,675	3,210						4,885
	1,272	411						2,968
		5,885		14,940				20,825
	6,810	5,904	4,720	3,622				27,866
			3,485					3,485
	1,090	1,090	179					3,449
		3,840		11,220				15,305
	4,725	3,642	3,535	2,002				18,637
			12,000	32,335				44,335
	12,890	12,890	10,680	7,656				57,006
		4,855	3,675					8,530
	2,490	1,591	283					6,854
	1,725	995						6,140
	395	77						1,724
	805	2,650	10,820	14,895				30,680
	7,770	7,473	5,585	2,199				31,040
	4,800	5,080						12,180
	2,008	577						5,562
	2,090							7,745
	86							1,195
	45	45	40	55				230
	44	31	21	8				160

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2002 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	\$ 500	\$ 510	\$ 540	\$ 560	\$ 610
2002 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	1,527	1,504	1,479	1,452	1,423
2003 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	945	960	1,000	1,030	1,055
2003 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	2,868	2,831	2,792	2,750	2,706
Total Residential Mtg Revenue Bonds:		<u>20,398</u>	<u>20,103</u>	<u>19,141</u>	<u>19,132</u>	<u>19,211</u>
1992 COLL HOME MTG REV BONDS, SERIES C	Principal					
1992 COLL HOME MTG REV BONDS, SERIES C	Interest	718	718	718	720	718
Total Coll Home Mtg Revenue Bond:		<u>718</u>	<u>718</u>	<u>718</u>	<u>720</u>	<u>718</u>
1987 MF SERIES (SOUTH TEXAS RENTAL HOUSING)	Principal	102	112	123	135	48
1987 MF SERIES (SOUTH TEXAS RENTAL HOUSING)	Interest	44	34	23	11	1
1996 MF SERIES A&B (BRIGHTON'S MARK)	Principal					
1996 MF SERIES A&B (BRIGHTON'S MARK)	Interest	495	495	495	495	495
1996 MF SERIES A&B (BRAXTON'S MARK)	Principal					
1996 MF SERIES A&B (BRAXTON'S MARK)	Interest	829	829	829	829	829
1998 MF SERIES (PEBBLE BROOK APARTMENTS)	Principal	205	215	225	245	255
1998 MF SERIES (PEBBLE BROOK APARTMENTS)	Interest	530	519	508	495	481
1998 MF SERIES A-C (RESIDENCE AT THE OAKS)	Principal	159	169	180	189	202
1998 MF SERIES A-C (RESIDENCE AT THE OAKS)	Interest	430	420	410	399	387
1998 MF SERIES A&B (GREENS OF HICKORY TRAIL)	Principal	250	270	290	310	335
1998 MF SERIES A&B (GREENS OF HICKORY TRAIL)	Interest	640	624	608	590	571
1999 MF SERIES A-C (MAYFIELD)	Principal	222	235	248	263	279
1999 MF SERIES A-C (MAYFIELD)	Interest	575	562	548	534	518
2000 MF SERIES (TIMBER POINT APTS)	Principal					
2000 MF SERIES (TIMBER POINT APTS)	Interest	152	152	152	152	152
2000 MF SERIES A&B (OAKS AT HAMPTON)	Principal	82	89	96	104	111
2000 MF SERIES A&B (OAKS AT HAMPTON)	Interest	696	689	681	674	667
2000 MF SERIES (DEERWOOD APTS)	Principal	95	105	115	120	
2000 MF SERIES (DEERWOOD APTS)	Interest	377	372	365	359	354
2000 MF SERIES (CREEK POINT APTS)	Principal					
2000 MF SERIES (CREEK POINT APTS)	Interest	130	130	130	130	130
2000 MF SERIES PARKS AT (WESTMORELAND)	Principal	80	87	94	101	108
2000 MF SERIES PARKS AT (WESTMORELAND)	Interest	816	809	801	793	784
2000 A/C MF SERIES (HIGHLAND MEADOWS)	Principal	130	139	149	159	170
2000 A/C MF SERIES (HIGHLAND MEADOWS)	Interest	565	556	546	536	524
2000 A&B MF SERIES (GREENBRIDGE)	Principal	113	137	148	159	171
2000 A&B MF SERIES (GREENBRIDGE)	Interest	2,105	1,432	1,421	1,410	1,397
2000 A/C MF SERIES (COLLINGHAM PARK)	Principal	208	230	244	259	274
2000 A/C MF SERIES (COLLINGHAM PARK)	Interest	850	905	888	869	850

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C (Continued)

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

	2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$	3,545	\$ 4,100	\$ 7,845	\$ 10,560	\$ 395	\$	\$	\$ 29,165
	6,593	5,582	4,145	1,531	3			25,239
	6,440	8,115	15,010	20,080	4,650			59,285
	12,712	10,975	8,261	3,859	136			49,890
	<u>98,218</u>	<u>103,538</u>	<u>97,279</u>	<u>154,095</u>	<u>5,184</u>			<u>556,299</u>
			10,400					10,400
	3,592	3,592	591					11,367
	<u>3,592</u>	<u>3,592</u>	<u>10,991</u>					<u>21,767</u>
								520
								113
			8,075					8,075
	2,475	2,475	1,485					8,910
			14,274					14,274
	4,145	4,145	2,495					14,930
	1,570	2,145	2,950	1,860				9,670
	2,166	1,659	956	134				7,448
				6,358				7,257
	1,905	1,905	1,905	859				8,620
	2,000	2,710	3,650	2,270				12,085
	2,565	1,964	1,148	178				8,888
	1,653	2,196	2,914	2,188				10,198
	2,325	1,782	1,058	194				8,096
				7,570				7,570
	760	760	760	612				3,652
	693	993	1,422	2,036	2,914	1,139		9,679
	3,196	2,897	2,468	1,854	974	67		14,863
		1,305		4,240				5,980
	1,770	1,521	1,355	1,223				7,696
				6,470				6,470
	650	650	650	532				3,132
	674	965	1,381	1,977	2,829	1,335		9,631
	3,761	3,419	2,926	2,222	1,215	113		17,659
	1,041	1,456	2,030	2,831	339			8,444
	2,426	2,006	1,419	602	4			9,184
	1,074	1,552	2,246	3,246	4,694	6,017		19,557
	6,768	6,287	5,589	4,582	3,125	725		34,841
	1,644	2,226	3,037	4,161	478			12,761
	3,913	3,214	2,262	959	5			14,715

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE I-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2000 A&B MF SERIES (WILLIAMS RUN)	Principal	\$ 204	\$ 98	\$ 106	\$ 115	\$ 124
2000 A&B MF SERIES (WILLIAMS RUN)	Interest	798	931	923	915	905
2001A MF SERIES (BLUFFVIEW SR. APTS.)	Principal	64	69	74	80	87
2001A MF SERIES (BLUFFVIEW SR. APTS.)	Interest	894	889	883	876	869
2001A MF SERIES (KNOLLWOOD VILLAS APTS)	Principal	82	89	96	103	111
2001A MF SERIES (KNOLLWOOD VILLAS APTS)	Interest	1,156	1,149	1,142	1,134	1,126
2001A MF SERIES (SKYWAY VILLAS)	Principal	120	130	135	145	150
2001A MF SERIES (SKYWAY VILLAS)	Interest	412	406	399	391	383
2001A MF SERIES (COBB PARK)	Principal	46	51	56	60	64
2001A MF SERIES (COBB PARK)	Interest	599	595	590	585	581
2001 MF SERIES (GREENS ROAD APTS.)	Principal	130	135	145	155	165
2001 MF SERIES (GREENS ROAD APTS.)	Interest	422	415	408	400	391
2001 MF SERIES (MERIDIAN APTS.)	Principal	200	215	230	245	260
2001 MF SERIES (MERIDIAN APTS.)	Interest	791	777	762	746	730
2001 MF SERIES (WILDWOOD APTS.)	Principal	205	220	235	250	270
2001 MF SERIES (WILDWOOD APTS.)	Interest	781	767	752	736	719
2001 A/C MF SERIES (FALLBROOK APTS.)	Principal	220	235	251	268	283
2001 A/C MF SERIES (FALLBROOK APTS.)	Interest	847	831	815	800	783
2001 MF SERIES (OAK HOLLOW APTS.)	Principal	43	46	49	53	57
2001 MF SERIES (OAK HOLLOW APTS.)	Interest	442	439	436	432	428
2001 A/B MF SERIES (HILLSIDE APTS.)	Principal	47	83	96	103	110
2001 A/B MF SERIES (HILLSIDE APTS.)	Interest	878	873	866	859	852
2002 MF SERIES (MILLSTONE APTS.)	Principal	175	185	195	215	215
2002 MF SERIES (MILLSTONE APTS.)	Interest	568	558	548	537	525
2002 MF SERIES (SUGAR CREEK APTS.)	Principal	85	90	100	105	110
2002 MF SERIES (SUGAR CREEK APTS.)	Interest	696	691	685	679	673
2002 MF SERIES (WEST OAKS APTS.)	Principal	62	66	71	76	82
2002 MF SERIES (WEST OAKS APTS.)	Interest	711	706	701	696	690
2002 MF SERIES (PARK MEADOWS APTS.)	Principal	70	65	80	80	85
2002 MF SERIES (PARK MEADOWS APTS.)	Interest	277	273	268	263	257
2002 SERIES (CLARKRIDGE VILLAS APTS)	Principal	87	93	100	107	115
2002 SERIES (CLARKRIDGE VILLAS APTS)	Interest	956	950	943	936	928
2002 SERIES A (HICKORY TRACE APTS)	Principal	71	77	82	88	94
2002 SERIES A (HICKORY TRACE APTS)	Interest	791	786	780	774	768
2002 SERIES A (GREEN CREST APTS)	Principal	71	76	82	88	94
2002 SERIES A (GREEN CREST APTS)	Interest	787	782	777	771	764
2002 SERIES A/B (IRON WOOD CROSSING)	Principal	79	87	95	103	113
2002 SERIES A/B (IRON WOOD CROSSING)	Interest	1,202	1,195	1,187	1,178	1,169

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C (Continued)

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

	2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$	781	\$ 1,145	\$ 1,676	\$ 2,454	\$ 3,592	\$ 2,122	\$	\$ 12,417
	4,364	4,002	3,470	2,692	1,553	194		20,747
	547	799	1,166	1,704	2,489	3,351		10,430
	4,216	3,930	3,513	2,905	2,018	589		21,582
	704	1,026	1,499	2,191	3,199	4,303		13,403
	5,475	5,134	4,640	3,916	2,857	895		28,624
	910	1,210	1,640	2,200	800			7,440
	1,775	1,482	1,085	549	35			6,917
	404	573	844	1,223	1,768	2,518		7,607
	2,815	2,622	2,345	1,939	1,355	422		14,448
	985	1,340	1,810	2,480	595			7,940
	1,810	1,505	1,087	512	16			6,966
	1,620	2,325	3,045	4,080	1,480			13,700
	3,353	2,720	1,977	997	59			12,912
	1,715	2,265	3,035	4,075	1,480			13,750
	3,290	2,700	1,973	995	61			12,774
	1,704	2,296	3,095	4,170	1,513			14,035
	3,624	3,026	2,213	1,120	70			14,129
	351	497	704	999	1,416	2,126		6,341
	2,074	1,928	1,718	1,421	1,002	347		10,667
	683	970	1,373	1,946	2,760	4,385		12,556
	4,126	3,840	3,433	2,856	2,036	727		21,346
	1,280	1,675	2,195	2,880	1,395			10,410
	2,428	2,027	1,498	800	76			9,565
	465					10,680		11,635
	3,257	3,205	3,205	3,205	3,205	2,136		21,637
	509	729	1,040	1,485	2,121	3,275		9,516
	3,342	3,113	2,784	2,313	1,642	584		17,282
	515	715	980	1,360	325			4,275
	1,192	993	718	339	11			4,591
	712	1,009	1,429	2,027	2,872	5,158		13,709
	4,503	4,204	3,782	3,180	2,329	1,018		23,729
	584	829	1,175	1,664	2,361	4,309		11,334
	3,725	3,480	3,130	2,638	1,939	872		19,683
	582	825	1,170	1,658	2,351	4,288		11,285
	3,708	3,465	3,118	2,626	1,930	869		19,597
	737	1,128	1,620	2,295	3,254	7,268		16,779
	5,668	5,274	4,781	4,100	3,135	1,592		30,481

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2002 SERIES A (WOODWAY VILLAGE)	Principal	\$ 115	\$ 120	\$ 130	\$ 135	\$ 145
2002 SERIES A (WOODWAY VILLAGE)	Interest	386	380	374	368	361
2003 SERIES A/B (READING ROAD)	Principal	20	30	30	30	30
2003 SERIES A/B (READING ROAD)	Interest	337	336	334	332	330
2003 SERIES A/B (NORTH VISTA)	Principal	210	210	230	240	250
2003 SERIES A/B (NORTH VISTA)	Interest	632	623	613	603	592
2003 SERIES A/B (WEST VIRGINIA)	Principal	150	155	165	165	180
2003 SERIES A/B (WEST VIRGINIA)	Interest	456	450	443	435	428
2003 SERIES A/B (SPHINX @ MURDEAUX)	Principal	170	180	185	195	205
2003 SERIES A/B (SPHINX @ MURDEAUX)	Interest	2,005	2,013	2,022	2,031	2,041
2003 SERIES A/B (PRIMROSE HOUSTON)	Principal	85	93	101	109	118
2003 SERIES A/B (PRIMROSE HOUSTON)	Interest	1,090	1,083	1,075	1,067	1,058
2003 SERIES A/B (TIMBER OAKS)	Principal	61	67	73	80	87
2003 SERIES A/B (TIMBER OAKS)	Interest	920	915	909	902	895
2003 SERIES A/B (ASH CREEK APTS)	Principal	86	94	101	110	119
2003 SERIES A/B (ASH CREEK APTS)	Interest	1,082	1,075	1,067	1,059	1,049
2003 SERIES A/B (PENINSULA APTS)	Principal	160	170	180	190	205
2003 SERIES A/B (PENINSULA APTS)	Interest	622	614	606	597	587
2003 SERIES (EVERGREEN @ MESQUITE)	Principal	117	125	133	142	151
2003 SERIES (EVERGREEN @ MESQUITE)	Interest	737	729	720	711	701
2003 SERIES A/B (ARLINGTON VILLAS)	Principal	80	87	95	102	111
2003 SERIES A/B (ARLINGTON VILLAS)	Interest	1,167	1,161	1,153	1,145	1,137
2003 SERIES A/B (PARKVIEW TWNHMS)	Principal	86	94	102	111	121
2003 SERIES A/B (PARKVIEW TWNHMS)	Interest	1,105	1,098	1,089	1,080	1,070
2003 SERIES (NHP-ASMARA)REFUNDING	Principal	380	400	430	450	480
2003 SERIES (NHP-ASMARA)REFUNDING	Interest	386	379	371	364	355
2004 SERIES A/B (TIMBER RIDGE)	Principal	37	39	42	45	48
2004 SERIES A/B (TIMBER RIDGE)	Interest	446	444	441	438	435
2004 SERIES A/B (CENTURY PARK)	Principal	170	185	190	200	210
2004 SERIES A/B (CENTURY PARK)	Interest	667	657	647	636	625
2004 SERIES A/B (VETERANS MEMORIAL)	Principal	86	94	102	111	121
2004 SERIES A/B (VETERANS MEMORIAL)	Interest	1,081	1,073	1,065	1,056	1,046
2004 SERIES (RUSH CREEK)	Principal	52	56	60	64	68
2004 SERIES (RUSH CREEK)	Interest	586	582	578	574	570
2004 SERIES (HUMBLE PARK)	Principal	110	110	120	130	135
2004 SERIES (HUMBLE PARK)	Interest	757	749	742	734	725
2004 SERIES (CHISHOLM TRAIL)	Principal					
2004 SERIES (CHISHOLM TRAIL)	Interest	247	248	248	248	247

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C (Continued)

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$ 855	\$ 6,035	\$	\$	\$	\$	\$	\$ 7,535
1,686	1,387						4,942
190	270	375	525	10,460			11,960
1,613	1,536	1,430	1,278	638			8,164
1,460	1,900	2,500	3,265	2,445			12,710
2,762	2,335	1,779	1,051	190			11,180
1,040	1,370	1,805	2,375	1,765			9,170
1,995	1,692	1,290	762	134			8,085
1,180	1,505	1,900	2,425	3,090	3,515		14,550
4,614	2,914	2,509	1,990	1,318	455		23,912
758	1,113	1,554	2,163	10,379			16,473
5,123	4,777	4,347	3,750	1,820			25,190
568	879	1,322	1,858	2,601	5,445		13,041
4,338	4,024	3,580	3,041	2,294	1,228		23,046
764	1,099	1,538	2,154	10,134			16,199
5,081	4,750	4,319	3,713	1,604			24,799
1,225	1,660	8,175					11,965
2,763	2,382	453					8,624
919	1,263	1,738	2,391	2,101	1,666		10,746
3,339	2,984	2,494	1,820	972	429		15,636
710	1,060	1,520	2,144	11,071			16,980
5,530	5,179	4,728	4,112	2,228			27,540
787	1,156	1,607	2,233	3,104	4,312	2,690	16,403
5,169	4,800	4,346	3,716	2,843	1,625	41	27,982
2,870	3,850	5,155	6,915				20,930
1,628	1,327	921	376				6,107
301	423	599	849	4,251			6,634
2,119	1,998	1,826	1,584	773			10,504
1,295	1,715	2,290	3,050	3,150			12,455
2,933	2,530	1,991	1,276	346			12,308
784	1,119	1,556	2,162	3,005	4,177	2,797	16,114
5,050	4,712	4,273	3,664	2,816	1,640	54	27,530
418	586	817	1,142	1,594	2,227	1,687	8,771
2,770	2,603	2,369	2,044	1,588	953	37	15,254
835	1,165	1,625	2,225	3,085	1,970		11,510
3,473	3,148	2,694	2,066	1,203	178		16,469
				11,900			11,900
1,239	1,239	1,239	1,238	891			7,084

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SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2004 SERIES (EVERGREEN @ PLANO)	Principal	\$ 85	\$ 91	\$ 97	\$ 103	\$ 110
2004 SERIES (EVERGREEN @ PLANO)	Interest	957	951	945	939	932
2004 SERIES (MONTGOMERY PINES)	Principal					
2004 SERIES (MONTGOMERY PINES)	Interest	256	256	256	256	256
2004 SERIES (BRISTOL)	Principal					
2004 SERIES (BRISTOL)	Interest	256	256	256	256	256
2004 SERIES (PINNACLE)	Principal					
2004 SERIES (PINNACLE)	Interest	296	297	297	297	296
2004 SERIES (TRANQUILITY BAY)	Principal	90	96	102	109	117
2004 SERIES (TRANQUILITY BAY)	Interest	918	912	905	898	891
2004 SERIES (SPHINX @ DELAFIELD)	Principal	110	110	120	125	135
2004 SERIES (SPHINX @ DELAFIELD)	Interest	583	577	572	566	559
2004 SERIES (CHURCHILL @ PINNACLE)	Principal	72	77	82	87	93
2004 SERIES (CHURCHILL @ PINNACLE)	Interest	654	649	644	639	633
2004 SERIES A/B (POST OAK EAST)	Principal					
2004 SERIES A/B (POST OAK EAST)	Interest	285	287	287	287	287
2004 SERIES (VILLAGE FAIR)	Principal	85	91	97	103	110
2004 SERIES (VILLAGE FAIR)	Interest	905	899	893	887	880
2005 SERIES (PECAN GROVE)	Principal	84	90	96	102	109
2005 SERIES (PECAN GROVE)	Interest	902	896	890	883	877
2005 SERIES (PRAIRIE OAKS)	Principal	66	71	75	81	86
2005 SERIES (PRAIRIE OAKS)	Interest	710	706	700	695	690
2005 SERIES (PORT ROYAL)	Principal	73	78	83	88	94
2005 SERIES (PORT ROYAL)	Interest	784	779	774	768	762
2005 SERIES (MISSION DEL RIO)	Principal	69	73	78	83	89
2005 SERIES (MISSION DEL RIO)	Interest	738	734	729	723	718
2005 SERIES (ATASCOCITA)	Principal	143	152	162	171	182
2005 SERIES (ATASCOCITA)	Interest	245	243	239	236	232
2005 SERIES (TOWER RIDGE)	Principal	100	100	100	100	100
2005 SERIES (TOWER RIDGE)	Interest	314	312	310	308	305
2005 SERIES (ALTA CULLEN)	Principal					
2005 SERIES (ALTA CULLEN)	Interest	924	924	924	924	924
2005 SERIES (PRAIRIE RANCH)	Principal	115	125	125	135	140
2005 SERIES (PRAIRIE RANCH)	Interest	582	576	570	564	557
2005 SERIES (ST. AUGUSTINE)	Principal	47	98	104	111	117
2005 SERIES (ST. AUGUSTINE)	Interest	159	157	155	152	150
2005 SERIES (PARK MANOR)	Principal	58	62	66	70	75
2005 SERIES (PARK MANOR)	Interest	664	660	656	651	647

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules
 SCHEDULE 1-C (Continued)
 DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)
 August 31, 2008
 (Amounts in Thousands)

2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$ 674	\$ 934	\$ 1,296	\$ 1,797	\$ 2,490	\$ 3,453	\$ 3,527	\$ 14,657
4,535	4,272	3,910	3,408	2,708	1,742	140	25,439
				12,300			12,300
1,280	1,280	1,280	1,280	964			7,364
				12,300			12,300
1,280	1,280	1,280	1,280	964			7,364
				14,265			14,265
1,484	1,484	1,484	1,483	1,123			8,541
711	983	1,360	1,879	2,598	3,594	2,529	14,168
4,326	4,052	3,674	3,153	2,429	1,429	107	23,694
790	1,035	1,360	1,775	2,295	2,940	340	11,135
2,684	2,459	2,159	1,755	1,225	541	12	13,692
568	789	1,093	1,516	2,099	2,909	643	10,028
3,061	2,841	2,533	2,109	1,521	705	16	16,005
				13,600			13,600
1,435	1,435	1,435	1,435	1,150			8,323
672	931	1,285	1,778	2,458	3,399	2,961	13,970
4,276	4,018	3,660	3,166	2,480	1,536	199	23,799
665	921	1,271	1,759	2,434	3,365	3,011	13,907
4,262	4,008	3,655	3,169	2,496	1,565	229	23,832
524	724	1,002	1,385	1,916	2,651	2,372	10,953
3,354	3,153	2,874	2,489	1,956	1,217	166	18,710
575	795	1,099	1,521	2,104	2,909	2,681	12,100
3,707	3,486	3,180	2,755	2,170	1,360	198	20,723
542	749	1,035	1,433	1,982	2,739	2,523	11,395
3,492	3,282	2,995	2,595	2,044	1,282	185	19,517
1,096	1,483	2,012	2,740	3,759			11,900
1,097	962	782	533	194			4,763
700	1,300	2,200	3,000	7,300			15,000
1,494	1,389	1,207	944	534			7,117
						14,000	14,000
4,620	4,620	4,620	4,620	4,620	4,620	1,386	33,726
830	1,070	1,400	1,760	2,220	2,810	1,320	12,050
2,672	2,445	2,146	1,764	1,285	682	69	13,912
703	944	1,268	1,703	2,288	267		7,650
709	623	507	351	138	1		3,102
454	625	861	1,183	1,627	2,239	3,080	10,400
3,152	2,981	2,744	2,420	1,972	1,357	301	18,205

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

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SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2005 SERIES (PROVIDENCE @ MOCKINGBIRD)	Principal	\$ 85	\$ 91	\$ 97	\$ 103	\$ 110
2005 SERIES (PROVIDENCE @ MOCKINGBIRD)	Interest	911	905	899	893	886
2005 SERIES (PLAZA CHASE OAKS)	Principal	215	227	238	251	264
2005 SERIES (PLAZA CHASE OAKS)	Interest	707	696	684	672	658
2005 SERIES (CANAL PLACE APTS))	Principal		56	81	88	95
2005 SERIES (CANAL PLACE APTS))	Interest	1,026	1,024	1,018	1,011	1,003
2005 SERIES (CORAL HILLS)	Principal	75	70	70	80	85
2005 SERIES (CORAL HILLS)	Interest	255	251	248	244	240
2006 SERIES (HARRIS BRANCH APTS)	Principal		200	200	200	300
2006 SERIES (HARRIS BRANCH APTS)	Interest	322	320	316	311	306
2006 SERIES (BELLA VISTA APTS)	Principal	45	45	45	50	55
2006 SERIES (BELLA VISTA APTS)	Interest	416	413	411	408	404
2006 SERIES (VILLAGE PARK)	Principal	105	190	190	200	215
2006 SERIES (VILLAGE PARK)	Interest	699	690	680	670	660
2006 SERIES (OAKMOOR)	Principal	75	95	101	107	114
2006 SERIES (OAKMOOR)	Interest	876	871	865	858	852
2006 SERIES (SUNSET POINTE)	Principal					
2006 SERIES (SUNSET POINTE)	Interest	315	315	315	315	315
2006 SERIES (HILLCREST)	Principal		175	160	170	180
2006 SERIES (HILLCREST)	Interest	653	647	638	629	620
2006 SERIES (PLEASANT VILLAGE)	Principal	74	79	84	88	95
2006 SERIES (PLEASANT VILLAGE)	Interest	361	356	351	347	340
2006 SERIES (GROVE VILLAGE)	Principal	77	81	86	91	98
2006 SERIES (GROVE VILLAGE)	Interest	372	367	362	357	351
2006 SERIES (RED HILLS VILLAS)	Principal					
2006 SERIES (RED HILLS VILLAS)	Interest	101	101	101	101	101
2006 SERIES (CHAMPIONS CROSSING)	Principal					
2006 SERIES (CHAMPIONS CROSSING)	Interest	101	102	102	102	101
2006 SERIES (STONEHAVEN)	Principal	61	77	82	87	92
2006 SERIES (STONEHAVEN)	Interest	654	649	645	640	635
2006 SERIES (CENTER RIDGE)	Principal		120	110	115	125
2006 SERIES (CENTER RIDGE)	Interest	416	413	407	401	395
2006 SERIES (MEADOWLANDS)	Principal	1,780	75	79	84	89
2006 SERIES (MEADOWLANDS)	Interest	757	701	696	691	686
2006 SERIES (EAST TEX PINES)	Principal			80	95	105
2006 SERIES (EAST TEX PINES)	Interest	668	668	665	660	655
2006 SERIES (VILLAS @ HENDERSON)	Principal		47	98	104	110
2006 SERIES (VILLAS @ HENDERSON)	Interest	125	124	123	121	119

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules
 SCHEDULE 1-C (Continued)
 DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)
 August 31, 2008
 (Amounts in Thousands)

	2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$	668	\$ 919	\$ 1,265	\$ 1,741	\$ 2,396	\$ 3,297	\$ 3,508	\$ 14,280
	4,312	4,058	3,712	3,234	2,575	1,670	330	24,385
	1,537	1,977	2,545	3,273	3,585			14,112
	3,072	2,631	2,062	1,330	397			12,909
	611	896	1,236	1,701	2,340	8,996		16,100
	4,882	4,607	4,275	3,819	3,191	364		26,220
	480	625	3,585					5,070
	1,129	994	497					3,858
	1,400	1,800	2,500	3,300	4,400	700		15,000
	1,449	1,275	1,045	735	321	2		6,402
	320	440	590	810	1,095	1,495	1,795	6,785
	1,968	1,852	1,695	1,483	1,194	802	217	11,263
	1,250	1,670	9,840					13,660
	3,116	2,746	1,528					10,789
	685	922	1,246	1,680	2,267	3,058	4,285	14,635
	4,144	3,903	3,579	3,143	2,554	1,759	497	23,901
						15,000		15,000
	1,575	1,575	1,575	1,575	1,575	273		9,723
	1,085	1,470	1,550			7,645		12,435
	2,940	2,605	2,162	2,005	2,005	236		15,140
	570	4,981						5,971
	1,605	1,273						4,633
	586	5,131						6,150
	1,654	1,309						4,772
		400	700	1,000	2,915			5,015
	505	485	429	335	149			2,408
	200	500	700	1,000	2,625			5,025
	503	457	400	305	126			2,299
	550	733	9,618					11,300
	3,084	2,897	1,670					10,874
	745	1,000	1,040			5,070		8,325
	1,872	1,653	1,372	1,270	1,270	165		9,634
	536	723	974	1,316	1,776	2,394	3,674	13,500
	3,341	3,152	2,898	2,557	2,094	1,472	500	19,545
	605	810	1,065	1,420	1,875	2,490	4,955	13,500
	3,188	3,009	2,774	2,461	2,046	1,497	575	18,866
	651	859	1,135	1,501	1,983	712		7,200
	564	500	415	300	152	10		2,553

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2008

(Amounts in Thousands)

DESCRIPTION		2009	2010	2011	2012	2013
2006 SERIES (ASPEN PARK)	Principal	\$	\$ 105	\$ 95	\$ 100	\$ 110
2006 SERIES (ASPEN PARK)	Interest	490	488	483	478	473
2006 SERIES (IDLEWILDE)	Principal		77	162	173	184
2006 SERIES (IDLEWILDE)	Interest	296	296	293	290	286
2007 SERIES (LANCASTER)	Principal					
2007 SERIES (LANCASTER)	Interest	296	296	296	297	296
2007 SERIES (PARK PLACE AT LOYOLA)	Principal			98	104	110
2007 SERIES (PARK PLACE AT LOYOLA)	Interest	870	870	867	861	855
2007 SERIES (TERRACES AT CIBOLO)	Principal					
2007 SERIES (TERRACES AT CIBOLO)	Interest	282	282	282	283	282
2007 SERIES (SANTORA VILLAS)	Principal			64	89	94
2007 SERIES (SANTORA VILLAS)	Interest	758	758	757	752	746
2007 SERIES (A/B VILLAS @ MESQUITE CREEK)	Principal		210	155	165	175
2007 SERIES (A/B VILLAS @ MESQUITE CREEK)	Interest	858	853	843	833	824
2007 SERIES (SUMMIT POINT)	Principal		165	100	105	120
2007 SERIES (SUMMIT POINT)	Interest	603	598	593	588	582
2007 SERIES (COSTA RIALTO)	Principal			91	96	101
2007 SERIES (COSTA RIALTO)	Interest	663	663	660	655	650
2007 SERIES (WINDSHIRE)	Principal					
2007 SERIES (WINDSHIRE)	Interest	291	291	291	291	291
2007 SERIES (RESIDENCE @ ONION CREEK)	Principal					
2007 SERIES (RESIDENCE @ ONION CREEK)	Interest	307	308	308	308	307
2008 SERIES (WEST OAKS APTS)	Principal					
2008 SERIES (WEST OAKS APTS)	Interest	268	269	269	269	269
2008 SERIES (COSTA IBIZA APTS)	Principal					
2008 SERIES (COSTA IBIZA APTS)	Interest	265	265	265	266	265
2008 SERIES (ADDISON PARK APTS)	Principal					
2008 SERIES (ADDISON PARK APTS)	Interest	740	763	763	764	762
Total Multifamily Bonds		\$ 75,476	\$ 74,540	\$ 74,877	\$ 74,964	\$ 74,909
Total		\$ 167,027	\$ 182,098	\$ 182,191	\$ 181,834	\$ 182,176
Less Interest		126,159	125,736	123,688	121,573	119,311
Total Principal		\$ 40,868	\$ 56,362	\$ 58,503	\$ 60,261	\$ 62,865

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules
 SCHEDULE 1-C (Continued)
 DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)
 August 31, 2008
 (Amounts in Thousands)

2014-18	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
\$ 630	\$ 845	\$ 875	\$ 1,760	\$ 1,760	\$ 7,040	\$ 9,800	\$ 9,800
2,274	2,092	1,854	1,760	1,760	295		12,447
1,119	1,539	2,114	2,903	3,990	1,989		14,250
1,366	1,230	1,041	783	429	41		6,351
					14,250		14,250
1,481	1,481	1,482	1,481	1,481	559		9,446
657	877	1,170	1,564	2,088	2,789	5,543	15,000
4,167	3,946	3,651	3,256	2,729	2,025	859	24,956
					8,000		8,000
1,411	1,411	1,412	1,411	1,411	475		8,942
563	754	1,005	1,344	1,793	2,395	4,971	13,072
3,641	3,450	3,196	2,856	2,404	1,800	820	21,938
1,045	1,370	1,755	2,245	2,880	3,680	3,180	16,860
3,949	3,623	3,236	2,743	2,109	1,298	310	21,479
665	865	1,115	1,470	1,935	2,550	2,610	11,700
2,821	2,634	2,388	2,062	1,624	1,041	290	15,824
596	779	1,017	1,328	1,735	2,264	4,378	12,385
3,158	2,975	2,736	2,422	2,015	1,483	676	18,756
					14,000		14,000
1,455	1,455	1,455	1,455	1,455	697		9,427
					15,000		15,000
1,539	1,539	1,539	1,538	1,539	696		9,928
					13,125		13,125
1,345	1,345	1,345	1,345	1,345	764		8,833
					13,900		13,900
1,326	1,326	1,327	1,326	1,326	781		8,738
						14,000	14,000
3,815	3,815	3,816	3,814	3,815	3,815	255	26,937
<u>\$ 368,720</u>	<u>\$ 384,264</u>	<u>\$ 406,958</u>	<u>\$ 362,847</u>	<u>\$ 392,247</u>	<u>\$ 330,415</u>	<u>\$ 107,529</u>	<u>\$ 2,727,746</u>
\$ 842,248	\$ 784,196	\$ 819,766	\$ 805,388	\$ 619,783	\$ 345,728	\$ 107,529	\$ 5,219,964
555,780	490,326	394,868	283,019	150,705	60,113	8,469	2,559,747
<u>\$ 286,468</u>	<u>\$ 293,870</u>	<u>\$ 424,898</u>	<u>\$ 522,369</u>	<u>\$ 469,078</u>	<u>\$ 285,615</u>	<u>\$ 99,060</u>	<u>\$ 2,660,217</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2008

(Amounts in thousands)

Pledged and Other Sources and Related Expenditures for FY 2008

Description of Issue	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2002 Single Family Series A	\$ 2,820	\$ 64	\$	\$ 2,026
2002 Single Family Series A (Jr. Lien)	1,365	9		316
2002 Single Family Series B	7,347	57		1,871
2002 Single Family Series C	775	17	500	546
2002 Single Family Series D	447	7	875	215
2004 Single Family Series A	14,677	289	3,320	4,724
2004 Single Family Series A (Jr. Lien)	292	19		146
2004 Single Family Series B	2,659	149		2,143
2004 Single Family Series C	6,187	99	405	1,526
2004 Single Family Series D	1,681	106		1,338
2004 Single Family Series E	602	25	1,070	363
2005 Single Family Series A	7,558	364	165	4,036
2005 Single Family Series B	3,500	96	705	905
2005 Single Family Series C	1,181	39		272
2005 Single Family Series D	348	17		154
2006 Single Family Series A	4,035	390	230	2,879
2006 Single Family Series B	4,638	443	720	3,380
2006 Single Family Series C	7,015	673	750	5,025
2006 Single Family Series D	4,733	159		1,196
2006 Single Family Series E	860	106	1,240	732
2006 Single Family Series F	4,686	793		4,122
2006 Single Family Series G	885	143	570	616
2006 Single Family Series H	1,832	364		1,433
2007 Single Family Series A	8,711	2,177		6,050
2007 Single Family Series B	7,415	90		7,649
Total Single Family Bonds	96,251	6,695	10,550	53,660
1998 RMRB Series A	5,167	34	1,155	2,018
1998 RMRB Series B	1,217	6		360
1999 RMRB Series A	1,466	12		294
1999 RMRB Series B-1	3,122	20		1,410
1999 RMRB Series C	264	3		219
2000 RMRB Series A	1,852	17	245	998
2000 RMRB Series B	6,788	82		2,682
2000 RMRB Series C	545	15		498
2000 RMRB Series D	389	11	555	346
2001 RMRB Series A	3,981	41	590	1,694
2001 RMRB Series B	820	16		629
2001 RMRB Series C	1,288	10	1,095	437
2001 RMRB Series D	29	1	5	13
2002 RMRB Series A	3,360	27	520	1,557
2003 RMRB Series A	7,475	93	1,040	3,010
Total Residential Mtg Revenue Bonds	37,764	388	5,205	16,165
1992 CHMRB Series C	2,909	11		787
Total 1992 CHMRB	2,909	11		787
1987 MF Series (South Texas Rental Housing)	80		92	53
1996 MF Series A/B (Brighton's Mark)	464	2		500
1996 MF Series A/B (Las Colinas)	13,396	4		683
1996 MF Series A/B (Braxton's Mark)	834	3		829
1998 MF Series A (Pebble Brook)	576		190	541
1998 MF Series A-C (Residence Oaks)	439		151	439
1998 MF Series A/B (Greens of Hickory Trail)	647		240	647
1999 MF Series A-C (Mayfield)	586		209	586
1999 MF Series A (Woodglen Village)	10,602			97
2000 MF Series A (Creek Point Apts)	288			173

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2008

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2008			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2000 MF Series A (Deerwood Apts)	\$ 381	\$	\$ 95	\$ 381
2000 MF Series A (Timber Point Apts)	303			203
2000 MF Series A/B (Greenbridge)	1,459		178	1,459
2000 MF Series A/B (Oaks at Hampton)	703		75	703
2000 MF Series A/B (Parks @ Westmoreland)	698		73	698
2000 MF Series A/B (Williams Run)	960		149	960
2000 MF Series A-C (Collingham Park)	864		182	864
2000 MF Series A-C (Highland Meadow Apts)	573		121	573
2001 MF Series A (Bluffview Senior Apts)	795		59	795
2001 MF Series A (Knollwood Villas Apts)	1,021		76	1,021
2001 MF Series A (Oak Hollow Apts.)	445		40	445
2001 MF Series A (Greens Road Apts.)	429		120	429
2001 MF Series A (Skyway Villas)	1,052		125	432
2001 MF Series A/B (Cobb Park)	567		42	567
2001 MF Series A/B (Hillside Apts.)	882		43	882
2001 MF Series A/B (Meridian Apts.)	803		185	803
2001 MF Series A/B (Wildwood Apts.)	794		190	794
2001 MF Series A-C (Fallbrook Apts.)	861		206	861
2002 MF Series A (Clarkridge Villas Apts)	962		81	962
2002 MF Series A (Park Meadows Apts)	281		60	281
2002 MF Series A (Sugar Creek Apts.)	710		115	701
2002 MF Series A (West Oaks Apts.)	682		57	682
2002 MF Series A (Green Crest Apts)	794		143	794
2002 MF Series A (Hickory Trace Apts)	796		67	796
2002 MF Series A (Millstone Apts.)	577		165	577
2002 MF Series A (Woodway Village Apts)	392		110	392
2002 MF Series A/B (Ironwood Crossing)	1,209		73	1,209
2003 MF Series A (NHP-Asmara) Refunding	827		360	578
2003 MF Series A (Evergreen @ Mesquite)	725		110	724
2003 MF Series A/B (Reading Road)	595		20	395
2003 MF Series A/B (Arlington Villas)	1,174		74	1,174
2003 MF Series A/B (Ash Creek Apts)	1,089		80	1,089
2003 MF Series A/B (North Vista Apts)	1,545		190	645
2003 MF Series A/B (Parkview Twnhms)	1,112		79	1,112
2003 MF Series A/B (Peninsula Apts)	634		160	629
2003 MF Series A/B (Primrose Houston School)	1,096		79	1,096
2003 MF Series A/B (Sphinx @ Murdeaux)	718		165	718
2003 MF Series A/B (Timber Oaks Apts)	925		56	925
2003 MF Series A/B (West Virginia Apts)	463		145	463
2004 MF Series A (Bristol)	648			323
2004 MF Series A (Chisholm Trail)	414			314
2004 MF Series A (Churchill @ Pinnacle)	659		67	659
2004 MF Series A (Evergreen @ Plano)	962		80	962
2004 MF Series A (Humble Park)	764		100	764
2004 MF Series A (Montgomery Pines)	323			323
2004 MF Series A (Pinnacle)	610			375
2004 MF Series A (Rush Creek)	1,736		51	614
2004 MF Series A (Sphinx @ Delafield)	587		100	587
2004 MF Series A (Tranquility Bay)	923		84	923
2004 MF Series A (Village Fair)	910		80	910
2004 MF Series A (Addison Park)	14,385			385
2004 MF Series A/B (Century Park)	986		165	686
2004 MF Series A/B (Post Oak East)	363			363
2004 MF Series A/B (Timber Ridge)	449		34	449
2004 MF Series A/B (Veterans Memorial)	1,088		79	1,088
2005 MF Series A (Alta Cullen)	924			924
2005 MF Series A (Atascocita Pines)	312			312
2005 MF Series A/B (Canal Place)	1,025			1,026

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2008

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2008			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2005 MF Series A (Del Rio)	\$ 743	\$	\$ 64	\$ 743
2005 MF Series A (Park Manor)	666			666
2005 MF Series A (Pecan Grove)	906		79	906
2005 MF Series A (Chase Oaks)	717		138	717
2005 MF Series A (Port Royal)	789		68	789
2005 MF Series A (Prairie Oaks)	714		62	714
2005 MF Series A (Prairie Ranch)	588		145	588
2005 MF Series A (Mockingbird)	916		80	916
2005 MF Series A (St Augustine)	201			201
2005 MF Series A (Tower Ridge)	413			413
2006 MF Series A (Aspen Park Apts)	490			490
2006 MF Series A (Bella Vista)	418		15	418
2006 MF Series A (Center Ridge)	416			416
2006 MF Series A (Champions Crossing)	238			138
2005 MF Series A (Coral Hills)	517			267
2006 MF Series A (East Tex Pines)	668			668
2006 MF Series A (Grove Village)	377		30	377
2006 MF Series A (Harris Branch)	402			402
2006 MF Series A (Hillcrest)	653			653
2006 MF Series A (Idlewilde Apts)	374			374
2006 MF Series A (Meadowlands)	810			810
2006 MF Series A (Oakmoor)	872			872
2006 MF Series A (Pleasant Village)	366		29	366
2006 MF Series A (Red Hills Villas)	136			136
2006 MF Series A (Stonehaven)	655			655
2006 MF Series A (Sunset Pointe)	413			413
2006 MF Series A (Village Park)	688			688
2006 MF Series A (Villas at Henderson)	191			191
2007 MF Series A (Villas @ Mesquite Creek)	858			858
2007 MF Series A (Costa Rialto)	663			663
2007 MF Series A (Lancaster Apts)	374			374
2007 MF Series A (Park Place @ Loyola)	870			870
2007 MF Series A (Santora Villas)	758			758
2007 MF Series A (Summit Point)	603			603
2007 MF Series A (Terraces at Cibolo)	210			210
2007 MF Series A (Windshire)	367			367
2007 MF Series A (Residences @ Onion Creek)	271			271
2008 MF Series A (West Oaks Apts)	35			35
2008 MF Series A (Costa Ibiza Apts)	17			17
2008 MF Series A (Addison Park)	7			7
Total Multifamily Bonds	107,246	9	6,780	65,369
Total	\$ 244,170	\$ 7,103	\$ 22,535	\$ 135,981

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Rick Perry, Governor,
and the Governing Board of
Texas Department of Housing and Community Affairs:

We have audited the basic financial statements of the Texas Department of Housing and Community Affairs (the "Department") as of and for the year ended August 31, 2008, and have issued our report thereon dated December 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, including the Public Funds Investment Act (§2256, Texas Government Code); regulations; contracts; and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department in a separate letter dated December 18, 2008.

This report is intended solely for the information and use of the Governing Board, management, and federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte & Touche LLP

December 18, 2008

Appendix D.

List of 2009 CSBG Eligible Entities

List of 2009 CSBG Eligible Entities

Eligible Entity	Address
1 Aspermont Small Business Development Center, Inc.	P.O. Box 188, Aspermont, Texas 79502
2 Austin, City of	P.O. Box 1088, Austin, Texas 78767
3 Bee Community Action Agency	P.O. Box 1540, Beeville, TX 78104-1540
4 Big Bend Community Action Committee, Inc.	P.O. Box 265, Marfa, Texas 79843
5 Brazos Valley Community Action Agency	504 E. 27th Street, Bryan, Texas 77803
6 Cameron and Willacy Counties Community Projects, Inc.	3302 Boca Chica, Ste. 209, Brownsville, Texas 78521-5705
7 Caprock Community Action Association, Inc.	224 S. Berkshire, Crosbyton, Texas 79322
8 Central Texas Opportunities	P.O. Box 820, Coleman, Texas 76834
9 Combined Community Action, Inc.	165 W. Austin, Giddings, Texas 78942
10 Community Action Committee of Victoria Texas	P.O. Box 3607, Victoria, Texas 77903-3607
11 Community Action Corporation of South Texas	204 E. 1st Street, Alice, Texas 78333-1820
12 Community Action Inc., of Hays, Caldwell and Blanco Counties	P.O. Box 748, San Marcos, Texas 78667-0748
13 Community Action Program, Inc.	P.O. Box 144, Abilene, Texas 79604-0144
14 Community Action Social Services & Education	P.O. Box 268, Eagle Pass, Texas 78852
15 Community Council of Reeves County	700 Daggett Street, Suite F, Pecos, Texas 79772-4524
16 Community Council of South Central Texas, Inc.	205-A E. Court Street, Seguin, Texas 78155-5705

List of 2009 CSBG Eligible Entities

Eligible Entity	Address
17 Community Council of Southwest Texas, Inc.	P.O. Drawer 1709, Uvalde, Texas 78802-1709
18 Community Services Agency of South Texas	P.O. Box 488, Carrizo Springs, Texas 78834
19 Community Services of Northeast Texas, Inc.	P.O. Box 427, Linden, Texas 75563
20 Community Services, Inc.	P.O. Box 612, Corsicana, Texas 75151-0612
21 Concho Valley Community Action Agency	P.O. Box 671, San Angelo, Texas 76902
22 Dallas Urban League	4315 South Lancaster, Dallas, Texas 75216
23 Economic Action Committee of the Gulf Coast	P.O. Box 1685, Bay city, Texas 77404-1685
24 Economic Opportunities Advancement Corporation of Planning Region XI	500 Franklin Avenue, Waco, Texas 76701-2111
25 El Paso Community Action Program, Project BRAVO, Inc.	P.O. Box 3445, El Paso, Texas 79923
26 Fort Worth, City of, Parks & Community Services Department	4200 South Freeway, Suite 2200, Ft. Worth, Texas 76115-1499
27 Galveston County Community Action Council, Inc.	P.O. Box 3206, Galveston, Texas 77552
28 Greater East Texas Community Action Program (GETCAP)	P.O. Box 631938, Nacogdoches, Texas 75963
29 Gulf Coast Community Services Association	5000 Gulf Freeway, Bldg #1, Houston, Texas 77023
30 Hidalgo County Community Services Agency	P.O. Box 204, Edinburg, Texas 78540
31 Hill Country Community Action Association, Inc.	P.O. Box 846, San Saba, Texas 76877
32 Institute of Rural Development, Inc.	915 S. 9 th Street, Kingsville, Texas 78363

List of 2009 CSBG Eligible Entities

Eligible Entity	Address
33 Lubbock, City of, Community Development Department	P.O. Box 2000, Lubbock, Texas 79457
34 Northeast Texas Opportunities, Inc.	P.O. Box 478, Mount Vernon, Texas 75457
35 Nueces County Community Action Agency	101 South Padre Island Drive, Corpus Christi, Texas 78405
36 Panhandle Community Services	P.O. Box 32150, Amarillo, Texas 79120-2150
37 Pecos County Community Action Agency	P.O. Box 940, Fort Stockton, Texas 79735
38 Rolling Plains Management Corporation	P.O. Box 490, Crowell, Texas 79227
39 San Antonio, City of, Department of Community Initiatives	P.O. Box 839966, San Antonio, Texas 78205
40 South Plains Community Action Association, Inc.	P.O. Box 610, Levelland, Texas 79336
41 South Texas Development Council	P.O. Box 2187, Laredo, Texas 78044-2187
42 Southeast Texas Regional Planning Commission	2210 EastTex Freeway, Beaumont, Texas 77703
43 Texas Neighborhood Services	522 Palo Pinto St., Weatherford, Texas 76086
44 Texoma Council of Governments	1117 Gallagher Drive, Ste. 300, Sherman, Texas 75090
45 Tri-County Community Action, Inc.	P.O. Drawer 1748, Center, Texas 75935
46 Webb County Community Action Agency	1110 Washington St., Ste. 203, Laredo, Texas 78040-4443
47 West Texas Opportunities, Inc.	P.O. Box 1308, Lamesa, Texas 79331
48 Williamson-Burnet County Opportunities, Inc.	P.O. Box 740, Georgetown, Texas 78627

Appendix E.

List of 2009 CSBG Program Service Areas

List of 2009 CSBG Program Service Areas

No.	Eligible Entity	CSBG Counties Served
1	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton
2	Austin, City of	Travis
3	Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, Refugio
4	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio
5	Brazos Valley Community Action Agency	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington
6	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy
7	Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley
8	Central Texas Opportunities	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels
9	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee
10	Community Action Committee of Victoria Texas	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria
11	Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio
12	Community Action Inc., of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays
13	Community Action Program, Inc.	Mitchell, Shackelford, Stephens, Taylor
14	Community Action Social Services & Education	Maverick

List of 2009 CSBG Program Service Areas

No.	Eligible Entity	CSBG Counties Served
15	Community Council of Reeves County	Loving, Reeves, Ward, Winkler
16	Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson
17	Community Council of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala
18	Community Services Agency of South Texas	Dimmit, La Salle
19	Community Services of Northeast Texas, Inc.	Bowie, Cass, Marion, Morris, Camp
20	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt
21	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green
22	Dallas Urban League	Dallas
23	Economic Action Committee of the Gulf Coast	Matagorda
24	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan
25	El Paso Community Action Program, Project BRAVO, Inc.	El Paso
26	Fort Worth, City of, Parks & Community Services Department	Tarrant
27	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton
28	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood

List of 2009 CSBG Program Service Areas

No.	Eligible Entity	CSBG Counties Served
29	Gulf Coast Community Services Association	Harris
30	Hidalgo County Community Services Agency	Hidalgo
31	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba
32	Institute of Rural Development, Inc.	Duval
33	Lubbock, City of, Community Development Department	Lubbock
34	Northeast Texas Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus
35	Nueces County Community Action Agency	Nueces
36	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler
37	Pecos County Community Action Agency	Crane, Pecos, Terrell
38	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young
39	San Antonio, City of, Department of Community Initiatives	Bexar
40	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum
41	South Texas Development Council	Jim Hogg, Starr, Zapata

List of 2009 CSBG Program Service Areas

No.	Eligible Entity	CSBG Counties Served
42	Southeast Texas Regional Planning Commission	Hardin, Jefferson, Orange
43	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise
44	Texoma Council of Governments	Cooke, Fannin, Grayson
45	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur
46	Webb County Community Action Agency	Webb
47	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Nolan, Scurry, Upton
48	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson

Appendix F.

State of Texas
FFY 2009 CSBG Allocations

FFY 2009 CSBG Funding Distribution (90%)		
	CSBG Eligible Entity Subrecipient	PY 2009 Allocation
1	Aspermont Small Business Development Center, Inc.	\$150,000
2	Austin, City of, Health and Human Services Department	\$830,118
3	Bee Community Action Agency	\$270,373
4	Big Bend Community Action Committee, Inc.	\$150,000
5	Brazos Valley Community Action Agency	\$890,579
6	Cameron and Willacy Counties Community Projects, Inc.	\$926,046
7	Caprock Community Action Association, Inc.	\$171,804
8	Central Texas Opportunities, Inc.	\$209,825
9	Combined Community Action, Inc.	\$191,612
10	Community Action Corporation of South Texas	\$238,104
11	Community Action Committee of Victoria Texas	\$278,784
12	Community Action Inc. of Hays, Caldwell and Blanco Counties	\$191,552
13	Community Action Program, Inc.	\$228,137
14	Community Action Social Services & Education	\$184,595
15	Community Council of Reeves County	\$203,650
16	Community Council of South Central Texas, Inc.	\$487,887
17	Community Council of Southwest Texas, Inc.	\$255,291
18	Community Services Agency of South Texas	\$150,000
19	Community Services of Northeast Texas	\$262,614
20	Community Services, Inc.	\$974,304
21	Concho Valley Community Action Agency	\$261,731
22	Dallas Urban League	\$2,443,156
23	Economic Action Committee of The Gulf Coast	\$150,000
24	Economic Opportunities Advancement Corp. of Planning Region XI	\$475,781
25	El Paso Community Action Program, Project BRAVO, Inc.	\$1,315,839
26	Fort Worth, City of, Parks & Community Services Department	\$1,273,262
27	Galveston County Community Action Council, Inc.	\$766,816
28	Greater East Texas Community Action Program (GETCAP)	\$874,145
29	Gulf Coast Community Services Association	\$4,094,975
30	Hidalgo County Community Services Agency	\$1,579,838
31	Hill Country Community Action Association, Inc.	\$441,362
32	Institute for Rural Development	\$150,000
33	Lubbock, City of, Community Services Department	\$375,713
34	Northeast Texas Opportunities, Inc.	\$245,122
35	Nueces County Community Action Agency	\$492,738
36	Panhandle Community Services	\$571,163
37	Pecos County Community Action Agency	\$150,000
38	Rolling Plains Management Corporation	\$304,179
39	San Antonio, City of, Community Action Division	\$1,786,968
40	South Plains Community Action Association, Inc.	\$187,822
41	South Texas Development Council	\$284,880
42	Southeast Texas Regional Planning Commission	\$504,521
43	Texas Neighborhood Services	\$354,814
44	Texoma Council of Governments	\$221,942
45	Tri-County Community Action, Inc.	\$366,586
46	Webb County Community Action Agency	\$513,231
47	West Texas Opportunities, Inc.	\$567,927
48	Williamson-Burnet County Opportunities, Inc.	\$180,994
	Total	\$28,180,780

Appendix G.

Audit Information for CSBG Eligible Entities

**Status Report on Submission of A-133 Single Audit by
State of Texas CSBG Eligible Entities as of August 2009**

	CSBG Eligible Entity	Date of the Last Audit Conducted	Period Covered by Audit
1	Aspermont Small Business Development Center, Inc.	6/5/08	3/1/07-2/28/08
2	Austin, City of	4/25/08	10/1/06-9/30/07
3	Bee Community Action Agency	4/20/08	10/01/06-9/30/07
4	Big Bend Community Action Committee, Inc.	7/02/08	1/01/07-12/31/07
5	Brazos Valley Community Action Agency	3/20/09	7/1/07-6/30/08
6	Cameron and Willacy Counties Community Projects, Inc.	8/14/08	4/01/07-3/31/08
7	Caprock Community Action Association, Inc.	10/19/08	5/01/07-4/30/08
8	Central Texas Opportunities	8/17/08	5/01/07-4/30/08
9	Combined Community Action, Inc.	8/01/08	1/01/07-12/31/07
10	Community Action Committee of Victoria Texas	9/10/08	2/01/07-1/31/08
11	Community Action Corporation of South Texas	10/23/08	2/01/07-1/31/08
12	Community Action Inc., of Hays, Caldwell and Blanco Counties	7/9/08	11/01/06-10/31/07
13	Community Action Program, Inc.	4/16/08	5/01/07-4/30/08
14	Community Action Social Services & Education	Single Audit not required	10/01/07-9/30/08
15	Community Council of Reeves County	6/5/08	3/01/07-2/28/08
16	Community Council of South Central Texas, Inc.	1/30/09	11/01/07-10/31/08
17	Community Council of Southwest Texas, Inc.	7/24/08	11/01/07-10/31/08
18	Community Services Agency of South Texas	5/21/08	12/01/06-11/30/07
19	Community Services of Northeast Texas, Inc.	4/28/08	10/01/06-9/30/07
20	Community Services, Inc.	6/13/08	11/01/06-10/31/07
21	Concho Valley Community Action Agency	9/26/08	1/1/07-12/31/07
22	Dallas Urban League	8/20/08	11/01/06-10/31/07
23	Economic Action Committee of the Gulf Coast	Single Audit not required	1/01/08-12/31/08
24	Economic Opportunities Advancement Corporation of Planning Region XI	7/10/08	5/01/07-4/30/08
25	El Paso Community Action Program, Project BRAVO, Inc.	7/21/08	1/1/07-12/31/07
26	Fort Worth, City of, Parks & Community Services Department	2/3/09	10/01/06-9/30/07
27	Galveston County Community Action Council, Inc.	8/24/08	12/01/06-11/30/07
28	Greater East Texas Community Action Program (GETCAP)	6/9/08	12/01/06-11/30/07
29	Gulf Coast Community Services Association	6/2/08	10/01/06-9/30/07
30	Hidalgo County Community Services Agency	6/26/08	1/1/07-12/31/07
31	Hill Country Community Action Association, Inc.	6/20/08	1/1/07-12/31/07
32	Institute of Rural Development, Inc.	New	
33	Lubbock, City of, Community Development Department	2/13/09	10/01/07-9/30/08
34	Northeast Texas Opportunities, Inc.	2/2/09	10/01/07-9/30/08
35	Nueces County Community Action Agency	10/31/08	9/01/07-8/31/08
36	Panhandle Community Services	7/10/08	1/1/07-12/31/07
37	Pecos County Community Action Agency	2/6/09	6/01/07-5/31/08
38	Rolling Plains Management Corporation	6/27/08	1/1/07-12/31/07
39	San Antonio, City of, Department of Community Initiatives	7/18/08	10/01/06-9/30/07
40	South Plains Community Action Association, Inc.	7/28/08	3/01/07-2/28/08
41	South Texas Development Council	New	
42	Southeast Texas Regional Planning Commission	6/13/08	10/01/06-9/30/07
43	Texas Neighborhood Services	10/31/08	5/01/07-4/30/08
44	Texoma Council of Governments	9/25/08	5/01/07-4/30/08
45	Tri-County Community Action, Inc.	11/6/08	5/01/07-4/30/08
46	Webb County Community Action Agency	3/27/09	10/01/07-9/30/08
47	West Texas Opportunities, Inc.	11/3/08	7/1/07-6/30/08
48	Williamson-Burnet County Opportunities, Inc.	8/25/08	12/01/06-11/30/07

Appendix H.

Texas Administrative Code
Title 10, Part 1, Chapter 5, Subchapter 5.

Texas Government Code
2306.092(11)
2306.097

TITLE 10. COMMUNITY DEVELOPMENT.
PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.
CHAPTER 5. COMMUNITY AFFAIRS PROGRAMS.
SUBCHAPTER B. COMMUNITY SERVICES BLOCK GRANT (CSBG).

- §5.201 Background
- §5.202 Purpose and Goals
- §5.203 Distribution of CSBG Funds
- §5.204 Use of Funds
- §5.205 Limitations on Use of Funds
- §5.206 Termination and Reduction of Funding
- §5.207 Subrecipient Performance
- §5.208 Designation and Re-designation of Eligible Entities in Unserved Areas
- §5.209 State Application and Plan
- §5.210 CSBG Needs Assessment and Community Action Plan
- §5.211 Subrecipient Reporting Requirements
- §5.212 CSBG Board of Directors Membership and Meeting Requirements for CSBG Eligible Entity's Tripartite Boards
- §5.213 Board Structure
- §5.214 Board Administrative Requirements
- §5.215 Board Size
- §5.216 Board Responsibility
- §5.217 Board Meeting Requirements

§5.201. Background.

(a) In addition to the following rules for the Community Services Block Grant (CSBG) program, the rules established in Subchapter A of this chapter also apply to the CSBG program, except those that relate to the suspension, reduction, withholding or termination of funding. The CSBG Act was amended by the "Community Services Block Grant Amendments of 1994" and the Coats Human Services Reauthorization Act of 1998. The Secretary is authorized to establish a community services block grant program and make grants available through the program to states to ameliorate the causes of poverty in communities within the states.

(b) The Texas Legislature designated the Department as the lead agency for the administration of the CSBG program pursuant to Texas Government Code, §2306.092. CSBG funds will be made available to eligible entities to carry out the purposes of the CSBG program.

§5.202. Purpose and Goals.

Community Services Block Grant (CSBG) funds provide assistance to states and local communities, working through a network of community action agencies and other neighborhood-based organizations for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become

fully self-sufficient (particularly families who are attempting to transition off a state program carried out under part A of title IV of the Social Security Act.)

§5.203. Distribution of CSBG Funds.

(a) The CSBG Act requires that no less than 90% of the state's allocation be allocated to eligible entities. The Department currently utilizes a multi-factor fund distribution formula to equitably provide CSBG funds throughout the state's 254 counties to the CSBG eligible entities. The formula incorporates the most current decennial U.S. Census figures at 125% of poverty; a \$50,000 base; a \$150,000 floor (the minimum funding level); a 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density.

- (1) Each eligible entity receives a base amount of \$50,000;
- (2) The weighted factors of poverty population and population density are applied to the funds remaining after the base award funds have been distributed to each eligible entity;
- (3) The Department then determines if any eligible entity is below the \$150,000 floor after the base amount and weighted factors (poverty population and population density) have been applied, then the minimum floor amount is reserved for those entities below \$150,000;
- (4) The remaining funds are distributed to the remaining eligible entities. As was done with the initial run of the formula, each of the remaining eligible entities receives the base amount of \$50,000 and then the weighted factors (poverty population and population density) are applied to determine the allocation amounts for eligible entities funded above the \$150,000.

(b) Five percent (5%) of the Department's annual allocation of CSBG funds and any funds not spent as identified in subsection (c) of this section, may be expended for activities as per 42 U.S.C. §9907(b)(A) - (H) and activities that may include:

- (1) the provision of training and technical assistance to CSBG eligible entities;
 - (2) services to low-income migrant seasonal farm worker and Native American populations;
 - (3) assisting CSBG eligible entities in responding to natural or man-made disasters;
 - (4) funding for innovative and demonstration projects that assist CSBG target population groups to overcome at least one of the barriers to attaining self-sufficiency; and
 - (5) other projects/initiatives, including state conference expenses. The Department may provide monetary awards to subrecipients for outstanding performance. To ensure consistent and comparable results, the process for monetary awards to CSBG subrecipients will be standardized.
- (c) Up to five percent (5%) of the Department's annual allocation of CSBG funds will be used for administrative purposes consistent with state and federal law.

§5.204. Use of Funds.

(a) CSBG funds distributed to eligible entities for a fiscal year may be available for obligation during that fiscal year and the succeeding fiscal year. Eligible entities may use the funds for administrative support and/or for direct services such as: education, employment, housing, health care, nutrition, transportation, linkages with other service providers, youth programs, emergency services, i.e., utilities, rent, mortgage, food, shelter, clothing etc. For additional requirements reference 42 U.S.C. §9908(b)(A)(i-vii) and Office of Management and Budget (OMB) Circulars A-122 and A-87.

(b) Utility and rent deposit refunds from vendors must be reimbursed to the subrecipient and not the client. Funds should be treated as program income.

§5.205. Limitations on Use of Funds.

Construction of Facilities. CSBG funds may not be used for the purchase, construction or improvement of land, or facilities as described in (42 U.S.C. §9918(a)).

§5.206. Termination and Reduction of Funding.

(a) If the Department determines, on the basis of a final decision in a review pursuant to the CSBG Act, that an eligible entity fails to comply with the terms of an agreement or the state plan, to provide services under the CSBG Act or to meet appropriate standards, goals, and other requirements established by the Department (including performance objectives), the Department shall:

(1) inform the entity of the deficiency to be corrected;

(2) require the entity to correct the deficiency;

(3) offer training and technical assistance, if appropriate, to help correct the deficiency, and, as appropriate, prepare and submit to the Secretary a report describing the training and technical assistance offered; or if the Department determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination and the reasons for proceeding with termination proceedings;

(4) At the discretion of the Department (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), the Department shall allow the entity to develop and implement, within sixty (60) days after being informed of the deficiency, a Quality Improvement Plan (QIP) to correct such deficiency within a reasonable period of time, as determined by the Department. No later than thirty (30) days after receiving from an eligible entity a proposed QIP, the Department shall either approve such proposed plan or specify the reasons why the proposed plan cannot be approved;

(5) If the Department does not accept the QIP, the Department, after providing adequate notice of impending termination proceedings and an opportunity for a hearing, may initiate proceedings to terminate or reduce the funding of a subrecipient; and

(6) If the Department has implemented sanctions against a subrecipient and the subrecipient has failed to comply with the QIP or a corrective action plan, the Department may request of the subrecipient's Board of Directors the voluntary relinquishment of the CSBG program and their designation as a CSBG eligible entity. If the subrecipient accepts to voluntarily relinquish the CSBG program, the Department will commence contract termination proceedings. If the subrecipient rejects voluntarily relinquishment of the CSBG program or the Department does not accept the subrecipient's QIP, the Department will initiate procedures for a hearing.

(A) Pursuant to the CSBG Act, the Department will provide notice and an opportunity for a hearing.

(B) The Department will select an Administrative Law Judge (ALJ) to oversee the proceedings of the hearing. The Department will coordinate establishing a date, time and hearing location with the ALJ and will provide adequate notice to the subrecipient. The ALJ will

determine whether there is cause, as defined by the CSBG Act, U.S.C. §9908(c), to terminate or reduce funding the subrecipient. The ALJ will issue a proposal for decision on the facts and a recommendation will be presented to the Department's Governing Board for final review.

(C) If the ALJ determines that there is cause to terminate or reduce funding, pursuant to 42 U.S.C. §9915, the Department will notify the subrecipient that it has the right under 42 U.S.C. §9915 to seek review of the decision by the USDHHS. If the USDHHS does not overturn the decision, or if the subrecipient does not seek USDHHS review, the Department will initiate proceedings to terminate and close-out the contract.

(b) Any right or remedy given to the Department by this chapter does not preclude the existence of any other right or remedy, nor shall any action or lack of action by the Department in the exercise of any right or remedy be deemed a waiver of any other right or remedy.

§5.207. Subrecipient Performance.

(a) Budgets. CSBG eligible entities and any other funded organizations shall submit a budget to facilitate the contract execution process. A certification of board approval of CSBG budget form issued by the Department must also be submitted with planned budgets.

(b) Unexpended Funds. The Department reserves the right to deobligate funds.

(1) The U.S. Department of Health and Human Services Administration for Children and Families issues terms and conditions for receipt of funds under the CSBG. Subrecipients of CSBG funds will comply with the requirements of the terms and conditions of the CSBG award. Services must be provided on or before September 30th of the subsequent year and funds must be fully expended.

(2) The Coats Human Services Reauthorization Act of 1998, allows states to recapture unexpended CSBG funds in excess of 20% of the CSBG funds obligated to an eligible entity. This may be superseded by Congressional action in the appropriation process or by the terms and conditions issued by U.S. Department of Health and Human Services in the CSBG award letter.

§5.208. Designation and Re-designation of Eligible Entities in Unserved Areas.

If any geographic area of the state ceases to be served by an eligible entity, the requirements of 42 U.S.C. §9909 will be followed.

§5.209. State Application and Plan.

(a) The Department submits to the Secretary every two years a state plan and a CSBG application. The Department holds public hearings in different areas of the state to solicit public comment on the intended use of CSBG funds. The Department will provide notice of the public hearings regarding the state plan no later than the 15th day before the date of the hearing and publish the draft state plan on the Department's web site at least ten (10) days before the first public hearing.

(b) Every two (2) years in conjunction with the development of the state plan, the Department submits the CSBG budget to the Texas State Legislature for review during the legislative hearings, as part of the Legislative Appropriations Request (LAR) process.

§5.210. CSBG Needs Assessment and Community Action Plan.

(a) In accordance with the CSBG Act and §676 of the Act, the Department is required to secure a Community Action Plan on an annual basis from each CSBG eligible entity due on October 31st.

(b) Every five years, the CSBG Community Action Plan will include a community needs assessment from every CSBG Eligible Entity.

(c) The Community Action Plan shall at a minimum include a description of the delivery of services for the case management system and in accordance with the National Performance Indicators.

(d) Intake Form. To fulfill the requirements of 42 U.S.C. §9917, CSBG subrecipients must complete an intake form which includes the demographic and household characteristic data required for the monthly performance and expenditure report, referenced in Subchapter A of this chapter, for all households receiving a community action service. A new CSBG intake form or a centralized intake form must be completed on an annual basis to coincide with the CSBG program year of January 1st through December 31st.

(e) Case Management.

(1) In keeping with the regulations issued under Title II, §676(b) State Application and Plan, the Department requires CSBG subrecipients to incorporate integrated case management systems in the administration of their CSBG program (Title II, §676(b)). Incorporating case management in the service delivery system and providing assistance that has a long-term impact on the client, such as enabling the client to move from poverty to self-sufficiency, to maintain stable families, and to revitalize the community, supports the requirements of §676(b). An integrated case management system, improves the overall provision of assistance and improves each subrecipient's ability to transition persons from poverty to self-sufficiency.

(2) Subrecipients must have in operation a case management program that has the following components:

(A) Intake Form;

(B) Pre-assessment to determine service needs, to determine the need for case management, and to determine which individuals/families to consider enrolling in case management program;

(C) Integrated assessment of individual/family service needs of those accepted into case management program;

(D) Development of case management service plan to meet goals and become self-sufficient;

(E) Provision of services and coordination of services to meet needs and achieve self-sufficiency;

(F) Monitoring and follow-up of participant's progress;

(G) Case closure, once individual has become self-sufficient; and

(H) Evaluation process to determine effectiveness of case management system.

(f) Organizations receiving state discretionary funds under §5.203(b) of this subchapter are not required to submit a Community Action Plan. All CSBG subrecipients must develop a performance statement which identifies the services, programs, and activities to be administered by the organization.

§5.211. Subrecipient Reporting Requirements.

(a) Monthly Performance and Expenditure Report. CSBG subrecipients must submit a monthly performance and expenditure report. Subrecipients shall submit the Monthly Expenditure Report and Monthly Performance Report no later than the twentieth (20th) day of the month after each month of the contract period. Even if a fund reimbursement is not being requested, an Expenditure Report must be submitted electronically on or before the twentieth (20th) day of each month of the grant period. A final Expenditure Report must be submitted within sixty (60) days after the CSBG contract ends. The "Community Affairs Contract User Guide System" may be accessed through the TDHCA website, www.tdhca.state.tx.us.

(b) Reporting. Federal requirements mandate all states to participate in the preparation of an annual performance measurement report (also referred to as the CSBG National Survey). To comply with the requirements of §678E of the CSBG Act, all CSBG eligible entities and other organizations receiving CSBG funds are required to participate.

§5.212. CSBG Board of Directors Membership and Meeting Requirements for CSBG Eligible Entity's Tripartite Boards.

(a) General Board Requirements:

(1) The Coats Human Services Reauthorization Act (Public Law 105-285) addresses the CSBG program and requires that eligible entities administer the CSBG program through a tripartite board. The Act requires that governing boards or a governing body be involved in the development, planning, implementation, and evaluation of the programs serving the low-income sector. Also, the Texas Legislature, through §551.001(3) of the Texas Government Code, addresses specific requirements regarding meetings, meeting notices, and open meeting records through the Open Meetings Act (Texas Government Code, §§551.001, et seq.) and the Public Information Act (Texas Government Code, §§552, et seq.). State legislation has also defined as a governmental body, nonprofit corporation boards that are eligible to receive funds under the federal CSBG program and that are authorized by the state to serve a geographic area of the state.

(2) Federal requirements for establishing a tripartite board require board oversight responsibilities for public entities, which differ from requirements for private organizations. Where differences occur between private and public organizations, requirements for each entity have been noted in related sections of the rule.

(b) Each CSBG eligible entity shall comply with the provisions of this rule and if necessary, the eligible entity's by-laws shall be amended to reflect compliance with these requirements.

§5.213. Board Structure.

(a) Private nonprofit entities, shall administer the CSBG program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities. Some of the members of the board shall be selected by the

private nonprofit entity and others through a democratic process; the board shall be composed so as to assure that the requirements of §676B(a)(2) of the CSBG Act are followed and are composed as follows:

(1) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. In the event that there are not enough elected public officials reasonably available and willing to serve on the board, the entity may select appointive public officials to serve on the board. The entity may allow governing officials of the political jurisdiction to select and/or recommend an elected or appointive official to serve on the board. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board. Appointive public officials or their representatives or alternates may be counted in meeting the 1/3 requirement. Refer to subsection (d)(1)(B) of this section entitled "Permanent Representatives and Alternates" for related information;

(2) not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and each representative of low-income individuals and families selected to represent a specific neighborhood within a community under subsection (b)(1)(B) of this section, resides in the neighborhood represented by the member;

(3) the remainder are members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

(b) For public organizations to be considered to be an eligible entity for purposes of the CSBG Act, §676B(b), the entity shall administer the CSBG grant through tripartite boards as follows:

(1) A tripartite board, which shall have members selected by the organization and shall be composed so as to assure that not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members:

(A) are representative of low-income individuals and families in the neighborhood served;

(B) reside in the neighborhood served; and

(C) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under this chapter; or

(D) If conditions in subparagraphs (A) - (C) of this paragraph are not utilized, then another mechanism specified by the state which meets the tripartite requirements may be used. Public organizations that choose to utilize another mechanism must submit to the Department, for review and approval, a description of the mechanism to be utilized to select low-income representatives. The mechanism must assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs funded under this chapter.

(2) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. In the event that there are not enough elected public officials reasonably available and willing to serve on the board, the entity may select appointive public officials to serve on the board. The entity may allow governing officials of the political jurisdiction to select and/or recommend an elected or appointive official to serve on the board. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board. Refer to subsection (d)(1)(B) of this section, entitled "Permanent Representatives and Alternates" for related information.

(3) The remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

(c) Eligible entities administering the Head Start Program must comply with the Head Start Act (42 U.S.C. §9837) that requires the governing body membership to comply with the requirements of §642(c)(1) of the Head Start Act. Exceptions shall be made to the requirements of clauses (i) - (iv) of §642(c)(1) of the Head Start Act for members of a governing body when those members oversee a public entity and are selected to their positions with the public entity by public election or political appointment.

(d) Selection. As per §676B of the CSBG Act, Private nonprofit entities and public organizations have the responsibility for selection and composition of the board.

(1) Public Officials:

(A) Elected public officials or appointed public officials, selected to serve on the board, shall have either general governmental responsibilities or responsibilities which require them to deal with poverty-related issues. They may not be officials with only limited, specialized, or administrative responsibilities; and

(B) Permanent Representatives and Alternates. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board.

(i) Permanent Representatives. The public officials selected by a private nonprofit entity or public organization to serve on the board may each choose one permanent representative to serve on the board in a full-time capacity. The public officials of the public organization may choose a representative to serve on the board or other governmental body. The representative need not be a public official but shall have full authority to act for the public official at meetings of the board. Permanent representatives may hold an officer position on the board. If a permanent representative is not chosen, then an alternate may be designated by the public official selected to serve on the board. Alternates may not hold an officer position on the board.

(ii) Alternate Representatives. If the private nonprofit entity or public organization board chooses to allow alternates, the alternates for low-income representatives shall be elected at the same time and in the same manner as the board representative is elected to serve on the board. Alternates for representatives of private sector organizations may be designated to serve on the board and should be selected at the same time the board representative is selected. In the event that the board member or alternate ceases to be a member of the organization represented, he/she shall no longer be eligible to serve on the board. Alternates may not hold an officer position on the board.

(2) Low-Income Representatives:

(A) An essential objective of community action is participation by low-income individuals in the programs which affect their lives; therefore, the CSBG Act and its amendments require representation of low-income individuals on boards or state-specified governing bodies. The CSBG statute requires that not fewer than one-third of the members shall be representatives of low-income individuals and families and that they shall be chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhoods served; and that each representative of low-income individuals and families selected to represent a specific neighborhood within a community resides in the neighborhood represented by the member; or

(B) Board members representing low-income individuals and families must be selected in accordance with a democratic procedure. This procedure, as detailed in subparagraph (D) of this paragraph, may be either directly through election, public forum, or, if not possible, through a similar democratic process such as election to a position of responsibility in another significant service or community organization such as a school PTA, a faith-based organization leadership group; or an advisory board/governing council to another low-income service provider;

(C) Every effort should be made by the nonprofit entity or public organization to assure that low-income representatives are truly representative of current residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community. "Current" should be defined by the recent or annual demographic changes as documented in the needs/community assessment. This does not preclude extended service of low-income community representatives on boards, but it does suggest that continued board participation of longer term members be revalidated and kept current through some form of democratic process; and

(D) The procedure used to select the low-income representative must be documented to demonstrate that a democratic selection process was used. Among the selection processes that may be utilized, either alone or in combination, are:

(i) Selection and elections, either within neighborhoods or within the community as a whole; at a meeting or conference, to which all neighborhood residents, and especially those who are poor, are openly invited;

(ii) Selection of representatives to a community-wide board by members of neighborhood or sub-area boards who are themselves selected by neighborhood or area residents;

(iii) Selection, on a small area basis (such as a city block); or

(iv) Selection of representatives by existing organizations whose membership is predominately composed of poor persons.

(3) Representatives of Private Groups and Interests:

(A) The private nonprofit entity or public organization shall select the remainder of persons to represent the private sector on the board or it may select private sector organizations from which representatives of the private sector organization would be chosen to serve on the board; and

(B) The individuals and/or organizations representing the private sector shall be selected in such a manner as to assure that the board will benefit from broad community involvement. The board composition for the private sector shall draw from officials or members of business, industry, labor, religious, law enforcement, education, school districts, representatives of education districts and other major groups and interests in the community served.

§5.214. Board Administrative Requirements.

(a) Powers of the Board for Private Nonprofit Entities. The board is responsible for abiding by the terms of contracts and shall determine the policies of the agency to assure accountability for public funding. The board shall function as the organization's governing body with the same legal powers and responsibilities as the board of directors of any nonprofit corporation.

(b) Powers of the Board for Public Organizations. The powers, duties, and responsibilities of the board shall be determined by the governing officials of the public organization. The governing officials may establish:

(1) an advisory board, in which case the authority given to the advisory board depends on the powers delegated to it by the governing officials of the political subdivision; or

(2) a governing board, empowering the board of directors with substantive decision-making authority and delegating the powers, duties, and responsibilities to carry out its CSBG-supported contract and functions.

(c) Compensation. Board members are not entitled to compensation for their service on the board. Reimbursement of reasonable and necessary expenses incurred by a board member in carrying out his/her duties is allowed.

(d) Conflict of Interest. No board member may participate in the selection, award, or administration of a subcontract supported by CSBG funds if:

(1) the board member;

(2) any member of his/her immediate family (as defined in the CSBG contract);

(3) the board member's partner; or

(4) any organization which employs or is about to employ any of the above, has a financial interest in the firm or person selected to perform a subcontract. No employee of the local CSBG subrecipient or of the Texas Department of Housing and Community Affairs may serve on the board.

§5.215. Board Size.

(a) Board Service Limitations for Private Nonprofit Entities and Public Organizations
Subrecipients boards may establish bylaws which allow for term limits and/or procedures for the removal of board members.

(b) Vacancies/Removal of Board Members.

(1) Vacancies. In no event shall the board allow 25% or more of either the public, private, or poverty sector board positions to remain vacant for more than ninety (90) days. CSBG subrecipients shall report the number of board vacancies by sector in their monthly performance reports. Compliance with the CSBG Act requirements for board membership is a condition for eligible entities to receive CSBG funding. There is no provision in the Act for a waiver or exception to these requirements.

(2) Removal of Board Members/Private Nonprofit Entities. Public officials or their representatives, may be removed from the board either by the board or by the entity that appointed them to serve on the board. Other members of the board may be removed by the board or pursuant to any procedure provided in the private nonprofit's by-laws.

(3) Removal of Board Members/Public Organizations. Board members may be removed from the board by the public organization or by the board if the board is so empowered by the public organization. The board may petition the public organization to remove a board member or the public organization may delegate the power of removal to the board.

§5.216. Board Responsibility.

(a) Tripartite boards have a fiduciary responsibility for the overall operation of the private nonprofit entity. Members are expected to carry out their duties as any reasonably prudent person would do.

(b) At a minimum, board members are expected to:

- (1) Maintain regular attendance of board and committee meetings;
- (2) Develop thorough familiarity with core agency information, such as the agency's bylaws, as appropriate, articles of incorporation, sources of funding, agency goals and programs, federal and state CSBG statutes;
- (3) Exercise careful review of materials provided to the board;
- (4) Make decisions based on sufficient information;
- (5) Ensure that proper fiscal systems and controls, as well as a legal compliance system, are in place; and
- (6) Maintain knowledge of all major actions taken by the agency.

(c) Individuals that agree to participate on a tripartite governing board, accept the responsibility to assure that the agency they represent continues to: assess and respond to the causes and conditions of poverty in their community, achieve anticipated family and community outcomes, and remains administratively and fiscally sound. Excessive absenteeism of board members compromises the mission and intent of the program.

(d) Residence Requirement:

(1) All board members shall reside within the subrecipient's CSBG service area designated by the CSBG contract. Board members should be selected so as to provide representation for all geographic areas within the designated service area; however, greater representation may be given on the board to areas with greater poverty population. Low-income representatives must reside in the area that they represent; and

(2) Subrecipients may request a waiver of the residency requirement to the Director of the Community Affairs Division for review for consideration and/or approval.

(e) Improperly Constituted Board. If the Department determines that a board of an eligible entity is improperly constituted, the Department shall prescribe the necessary remedial action, a timeline for implementation and possible sanctions which may include: cost reimbursement method of payment; withholding of funds; contract suspension; and termination of funding.

§5.217. Board Meeting Requirements.

(a) The Board must follow the Texas Open Meetings Act, meet at least once per calendar quarter and at a minimum five (5) times per year and, must give each member a notice of meeting five (5) days in advance of the meeting.

(b) Open Meetings Training.

(1) Effective January 1, 2006, the 79th Texas Legislature established a state law §551.005 of the Texas Government Code requiring elected and appointed officials to receive training in Texas Open Government laws. The state law is in accordance to Texas Government Code, Title 5, §551.005 and §552.012. This mandate applies to the board of directors for CSBG eligible entities and requires that training is received within ninety (90) days of becoming a board member. As part of this requirement, the Office of the Attorney General has established and made available formal training to ensure government officials have a good command of open records and open meeting laws. To fulfill this requirement, the Office of the Attorney General offers free training videos which may be requested by accessing their website at www.oag.state.tx.us/opinopen/og_training.shtml or by calling 1-800-252-8011.

(2) Legislation requires open meetings training for public sector local officials; however, the Department recommends this training for all board members. Boards shall ensure that all members serving on the Board of Directors shall receive this training according to the deadlines described in this subsection.

(3) The organization shall maintain a copy of the board training certificate issued to participants upon completion of the training.

database that contains all project compliance information developed under this chapter, including project compliance information provided to the department by the Texas State Affordable Housing Corporation.

(e) The department shall allow the Texas State Affordable Housing Corporation timely access to the information in the database.

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 1.09, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 332, Sec. 7, eff. Sept. 1, 2003.

Sec. 2306.082. NEGOTIATED RULEMAKING; ALTERNATIVE DISPUTE RESOLUTION. (a) The department shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008 for the adoption of department rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the department's jurisdiction.

(b) The department's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The department shall designate a trained person to:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures, as implemented by the department.

Added by Acts 2003, 78th Leg., ch. 330, Sec. 7, eff. Sept. 1, 2003.

Sec. 2306.083. REPORT TO SECRETARY OF STATE. (a) In this section, "colonia" means a geographic area that:

(1) is an economically distressed area as defined by Section 17.921, Water Code; and

(2) is located in a county any part of which is within 62 miles of an international border.

(b) To assist the secretary of state in preparing the report required under Section 405.021, the board on a quarterly basis shall provide a report to the secretary of state detailing any projects funded by the department that provide assistance to colonias.

(c) The report must include:

(1) a description of any relevant projects;

(2) the location of each project;

(3) the number of colonia residents served by each project;

(4) the cost or anticipated cost of each project;

(5) a statement of whether each project is completed and, if not, the expected completion date of the project; and

(6) any other information, as determined appropriate by the secretary of state.

Added by Acts 2005, 79th Leg., ch. 828, Sec. 4, eff. Sept. 1, 2005.

SUBCHAPTER E. COMMUNITY AFFAIRS AND COMMUNITY DEVELOPMENT PROGRAMS

Sec. 2306.092. DUTIES REGARDING CERTAIN PROGRAMS CREATED UNDER FEDERAL LAW. The department shall administer, as appropriate:

(1) state responsibilities for programs created under the federal Economic Opportunity Act of 1964 (42 U.S.C. Section 2701 et seq.);

(2) programs assigned to the department under the Omnibus Budget Reconciliation Act of 1981 (Pub.L. No. 97-35); and

(3) other federal acts creating economic opportunity programs assigned to the department.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.69(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 994, Sec. 4, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1367, Sec. 1.16, eff. Sept. 1, 2001.

Sec. 2306.093. HOUSING ASSISTANCE GOAL. By action of the board the community affairs division shall have a goal to apply a minimum of 25 percent of the division's total housing-related funds toward housing assistance for individuals and families of very low income.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2306.094. SERVICES FOR THE HOMELESS. The department shall administer the state's allocation of federal funds provided under the Emergency Shelter Grants Program (42 U.S.C. Section 11371 et seq.), as amended, or its successor program, and any other federal funds provided for the benefit of homeless individuals and families.

Added by Acts 1997, 75th Leg., ch. 980, Sec. 20, eff. Sept. 1, 1997.

Sec. 2306.097. ENERGY SERVICES PROGRAM FOR LOW-INCOME INDIVIDUALS. The Energy Services Program for Low-Income Individuals shall operate in conjunction with the community services block grant program and has jurisdiction and responsibility for administration of the following elements of the State Low-Income Energy Assistance Program, from whatever sources funded:

- (1) the Energy Crisis Intervention Program;
- (2) the weatherization program; and
- (3) the Low-Income Home Energy Assistance Program.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.72(a), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 980, Sec. 21, eff. Sept. 1, 1997.

Sec. 2306.0985. RECOVERY OF FUNDS FROM CERTAIN SUBDIVISIONS. (a) It is the intent of the legislature that a private developer not unduly benefit from the expenditure by the state of public funds on infrastructure for public benefit.

(b) This section applies only to property located in:

- (1) the unincorporated area of an affected county, as defined by Section 16.341, Water Code; and
- (2) an economically distressed area, as defined by Section 16.341, Water Code.

(c) As a condition for the receipt of state funds, and to the extent permitted by law, federal funds, the department may require a political entity with authority to tax and place a lien on property to place a lien or assessment on property that benefits from the expenditure of state or federal funds for water, wastewater, or drainage improvements affecting the property. The lien or assessment may not exceed an amount equal to the cost of making the improvements as those costs relate to the property. The lien or assessment expires 10 years after the date the improvements are completed.

(d) If property subject to a lien or assessment under Subsection (c) is sold, the seller must pay to the political entity from the proceeds of the sale an amount equal to the value of the lien or assessment. This subsection does not apply if:

- (1) the reason for the sale is:
 - (A) the disposition of the estate following the death of the owner of the property; or
 - (B) the owner because of physical condition must reside in a continuous care facility and no longer resides on the property; or
- (2) the owner of the property is a person of low or moderate income.

(e) If property subject to a lien or assessment under Subsection (c) is repossessed by the holder of a note or a contract for deed, the holder must pay to the political entity an amount equal to the value of the lien or assessment before taking possession of the property.

(f) Subject to rules adopted by the department, a political entity shall collect payments made under this section and remit the funds for deposit in the treasury to the credit of a special account in the general revenue fund that may be appropriated only to the department for use in administering a program under Section 2306.098.

(g) After public notice and comment, the department shall adopt rules to administer this section. The department may provide by rule for the reduction or waiver of a fee authorized by this section.

Added by Acts 1995, 74th Leg., ch. 979, Sec. 28, eff. June 16, 1995.

SUBCHAPTER F. HOUSING FINANCE DIVISION: GENERAL PROVISIONS

Sec. 2306.111. HOUSING FUNDS. (a) The department, through the housing finance division, shall administer all federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12704 et seq.) or any other affordable housing program.

(b) The housing finance division shall adopt a goal to apply

Attachment I.

Lead State Agency Designation Correspondence



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

August 27, 2001

The Honorable Tommy G. Thompson
~~Secretary of Health and Human Services~~
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Secretary:

In accordance with Texas Government Code, Section 2306.092(11), I hereby designate the Texas Department of Housing and Community Affairs as the lead agency for administration of the Community Services Block Grant (CSBG) program in the State of Texas. The executive director of said department is authorized to make assurances of certification which may be required as part of the annual GSBG application process.

In accordance with 42 U.S.C. 9909 (CSBG Act), the Office of the Governor retains authority to designate an eligible entity to serve any geographic area of the state that ceases to be served by an existing eligible entity.

This designation shall remain in full force and effect until modified or rescinded by Federal or State statute, or by the Chief Elected Official of this state.

Sincerely,

A large, stylized handwritten signature in black ink that reads "Rick Perry".

Rick Perry
Governor

RP:phk

Appendix J.

Certification Regarding Lobbying

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Michael G. Gerber
Executive Director
Texas Department of Housing and Community Affairs

Date

Appendix K.

Certification Regarding Drug-Free Workplace

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about –
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and

- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- (B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

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

Michael G. Gerber
Executive Director
Texas Department of Housing and Community Affairs

Date

Appendix L.

Certification
Regarding

Debarment, Suspension, and Other Responsibility Matters

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary
Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and

Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Michael G. Gerber
Executive Director
Texas Department of Housing and Community Affairs

Date

Appendix M.

Certification
Regarding
Pro-Children Act of 1994

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103227, Part C Environmental Tobacco Smoke

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity. By signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

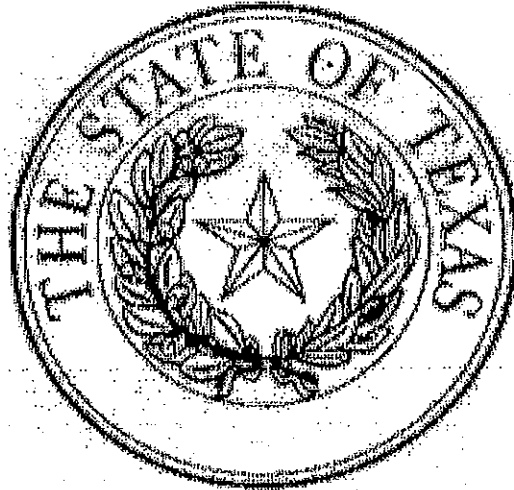
Michael G. Gerber
Executive Director
Texas Department of Housing and Community Affairs

Date

Appendix N.

Texas' FFY 2008 CSBG Annual Report

**TEXAS DEPARTMENT OF HOUSING
AND
COMMUNITY AFFAIRS**



**2008
COMMUNITY SERVICES BLOCK GRANT
ANNUAL REPORT**

2008
Texas Community Services Block Grant Annual Report

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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March 31, 2009

Yolanda J. Butler, Ph.D.
Acting Director
Office of Community Services
U. S. Department of Health and Human Services
370 L 'Enfant Promenade S.W., 5th Floor West
Washington, D.C. 20447

Re: 2008 Texas Community Services Block Grant (CSBG) Annual Report

Dear Dr. Butler:

Enclosed, in accordance with Information Memorandum No. 108, is the State of Texas 2008 Community Services Block Grant Program Annual Report. CSBG eligible entities provided services to 281,536 low-income individuals and reported assisting 2,660 persons to attain incomes above the 125% level of federal poverty guidelines.

The Texas Department of Housing and Community Affairs (the Department) is pleased with the State's accomplishments and attributes the success of the program to its dedicated group of subrecipients and partnering organizations. The Department appreciates the opportunity to administer the State's Community Services Block Grant Program through a working relationship with the U. S. Department of Health and Human Services, Office of Community Services.

If you have questions or need additional information for this document, please contact me at (512) 475-3864 or amy.ochler@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink that reads "Amy M. Ochler".

Amy M. Ochler
Director
Community Affairs Division

Enclosures

cc: Isaac Davis, Program Specialist

2008 Texas Community Services Block Grant (CSBG) Program

Background

The state agency designated to administer the Community Services Block Grant Program in Texas is the Texas Department of Housing and Community Affairs (the Department). Title 10, Chapter 5 of the Texas Administrative Code is the state rule to administer the Texas Community Services Block Grant. Section 2306.097 of the Texas Government Code requires energy services programs that serve low-income individuals, such as the Weatherization Assistance Program and the Low-income Home Energy Assistance Program (LIHEAP), to operate in conjunction with the Community Services Block Grant Program. Thus, the State's CSBG Office also administers the LIHEAP Block Grant's Comprehensive Energy Assistance Program as well as the Weatherization Assistance Program.

Among the benefits of having one state agency administer a series of statewide programs for low-income persons is that most local subrecipient organizations are able to contract with the Department to administer the same programs locally. When such has been the case, local subrecipient organizations have been able to promote case management techniques leading to client self-sufficiency with the benefit of services and assistance to clients from an array of Department contracted programs. A benefit to the Department includes the ability to schedule and conduct field monitoring of subrecipient organizations based on common risk assessment factors. Furthermore, the Department has the ability to conduct field monitoring of more than one program simultaneously with teams of program officers.

During 2008, the Texas network of CSBG eligible entities that serves all 254 counties of the State was comprised of 48 community based organizations, including community action agencies, units of local government, and regional councils of government. As a result of relinquishment of the CSBG program and loss of designation as a CSBG eligible entity in 2007 by the Community Action Council of South Texas, five (5) counties became unserved in late 2007, Duval, Jim Hogg, McMullen, Starr, and Zapata. The South Texas Development Council, a new CSBG eligible entity in 2008, now serves the Counties of Jim Hogg, Starr, and Zapata. The Institute for Rural Development, Inc., another new CSBG eligible entity in 2008, now serves the County of Duval. The Bee Community Action Agency, an existing CSBG eligible entity expanded its CSBG service area to include McMullen County.

Promoting Client Self-Sufficiency and Family Stability

In 2008, the CSBG eligible entities in Texas reported assisting 2,660 persons to attain incomes above the 125% level of federal poverty. When an individual or household has been transitioned to an income level above 125% of poverty and maintains the same for a period of three consecutive months, the CSBG subrecipients and the Department consider the client's accomplishment a major step toward *client self-sufficiency* and *family stability*. The majority of clients achieving a stabilized income usually become less dependent on CSBG services, and this enables CSBG entities to enroll new clients in case management.

2008 Measured Performance

A detailed account of Texas' CSBG subrecipient organizations' 2008 *measured performance* is included in the Texas' 2008 CSBG Information Systems (IS) Survey. The survey is being submitted to the National Association for State Community Services Programs (NASCSPP) by March 31, 2009. Enclosed, as appendices to this report, are Parts I & II of the IS Survey. Appendix A. is Part I: Section A of the CSBG IS Survey and contains summary information on Planned and Actual Uses of CSBG funds. Appendix B. is Part I: Section E. of the CSBG IS Survey and contains information on CSBG Expenditures by Service Category. Appendix C. is Part I: Section G. of the CSBG IS Survey and contains information on Number and Characteristics of 2008 CSBG Program Clients, including demographics on the types of individuals and families served. Appendix D., which is Part II: Outcomes of Efforts, FFY 2008 Goals & National Performance Indicators (NPI) of the CSBG IS Survey, contains information on performance utilizing the NPI measurement and reporting format.

The Texas network of CSBG eligible entities and other non-profit organizations provided services to 281,536 low-income individuals in program year 2008. Details specific to certain CSBG assistance initiatives and mobilization of resources on behalf of the low-income population are provided below.

- A total of 114,819 families received CSBG supported services.
- CSBG entities reported case management assistance to a total of 15,620 individuals to assist them to attain an income above 125% of the federal poverty income guidelines. Entities reported that 2,660 clients achieved incomes above 125% of the federal poverty income guidelines during 2008.
- The Texas Community Action Network administered programs supported with \$410,436,479 in non-CSBG federal resources, \$15,506,253 in state resources, \$88,413,070 in local public funding, and \$23,534,909 in private sector resources.
- The number of volunteer hours devoted to CSBG network program operations was 2,347,215. The value of the volunteer time contributed statewide was \$11,736,075.

Accounting of the FFY 2008 CSBG Funds/Expenditures

The FFY 2008 CSBG State of Texas allocation was \$31,311,981. The funds were allocated and expended in compliance with the CSBG Act, Section 675 C. Uses of Funds.

Ninety percent of the State's allocation (\$28,180,783) was obligated to the statewide network of 48 CSBG eligible entities for *local administration* and *direct delivery of local client services* and five percent (\$1,565,599) was utilized to fund special projects and demonstration projects plus disaster assistance activities. These discretionary funds were made available to support subrecipient organizations that serve low-income Migrant and Seasonal Farmworkers and Native-American population groups, to fund special demonstration projects, and to provide relief to low-income households affected by natural or man-made disasters. Pages 9 through 11 of the Report outline the use of the funds for low-income disaster victims. The remaining five percent (\$1,565,599) was to support the Department's *state administrative costs* related to the management of the grant, to monitor CSBG subrecipients, to provide training and technical assistance to CSBG network subrecipients, to support homeless programs, and to conduct other activities as required to ensure compliance with state and federal regulations applicable to the CSBG program. Additional information on the *Planned and Actual Uses* of CSBG funds is provided in Appendix A. Part I. Section A. State Use of CSBG Funds-Summary Information on Planned and Actual Uses of Funds.

The 90% funds were obligated in full to 48 CSBG eligible entities. The funds were used to support a statewide CSBG services delivery system to serve the low-income population in all 254 Texas counties. Distribution of the 90% funds to local CSBG eligible entities was based on a formula considering a standard base of \$50,000, a minimum floor of \$150,000, a poverty population factor weighted at 98%, and an inverse ratio of population density factor weighted at 2%. Although the 2008 CSBG allocations were obligated by the State for a period of 12 months (January 1, 2008 through December 31, 2008), the Department allowed subrecipient organizations to carry-over funds from one year to the next by extending the expenditure period for four (4) additional months. The Department anticipates full and timely expenditure of the 90% FFY 2008 CSBG funds within the 16-month period ending April 30, 2009. The State will ensure that funds are utilized within the FFY 2008 24-month federal grant period, October 1, 2007 through September 30, 2009. The State used \$1.2 million of its 5% state administration funds to augment the 90% funds for 2008 field operations by the CSBG eligible entities.

The 5% state discretionary funds for the State's Special Projects and Demonstration Fund were obligated as outlined below. A total of \$799,014 was obligated to nine (9) subrecipient organizations serving migrant and seasonal farmworkers. A total of \$176,617 was obligated to two (2) subrecipient organizations serving Native-Americans. Other obligations from the balance of these funds were utilized to fund special demonstration projects in response to unsolicited proposals and to provide assistance to victims of natural disasters through CSBG eligible entities. See project descriptions below for those initiatives operational in 2008 and supported in whole or in part with FFY 2008 CSBG funds.

2008 CSBG State Discretionary Funds Projects/Initiatives

Texas Association of Community Action Agencies, Inc. (TACAA)

\$150,000

Service Area: Statewide

Contract #: 61080000250

Contract Period: 01/01/2008 – 01/31/2009

The Texas Association of Community Action Agencies (TACAA) will accomplish the following activities.

1. a) Finalize, by April 30, 2008, the CSBG Entity Self-Assessment Instrument drafted and piloted in 2007.
b) Distribute the CSBG Entity Self-Assessment Instrument, no later than June 30, 2008, to the Texas CSBG network organizations.
c) Provide guidance to CSBG network organizations in the conducting the assessment.
d) Report, in summary form, the areas identified in CSBG Entity Self-Assessments as strengths and the areas in need of improvement.
2. Provide training and technical assistance to CSBG eligible entities at TACAA's Annual Spring Conference to be held May 2008 and at TACAA's Fall Board meeting in 2008. Training to be provided will be based on the needs identified through surveys and the overall results of the CSBG Entity Self-Assessments. Reported results will be utilized by TACAA to provide trainings in areas identified in the CSBG Entity Self-Assessments as needing improvement.
3. Support the CSBG network by: disseminating program information, responding to requests for information, provision of statistics and research findings relevant to services to the State's low-income population; and the monitoring and addressing issues specific to the CSBG network.
4. Plan and facilitate quarterly meetings of executive directors of CSBG subrecipients. Meetings will provide a forum to discuss current issues, to share information on best practices, to network, and to foster peer-to-peer assistance.
5. Create and distribute, to the CSBG network, a report containing a current profile on each of the State's CSBG eligible entities, a description of the programs and services offered, a description of the expertise of key staff (executive director, chief financial officer, and program directors), and a listing of peer training and or technical assistance capabilities of each eligible entity. The information contained in report will be based on information provided by the CSBG eligible entities.
6. Produce, for statewide distribution, a Texas specific summary of the 2007 CSBG network accomplishments from data reported by TDHCA to the National Association for State Community Services Programs' Information Systems Survey;
7. Maintain partnerships at the state, regional, and national level on issues related to the Texas CSBG network organizations and their respective services.
8. Maintain the TACAA website to include the following: 1) TACAA Calendar, 2) job postings, 3) public notices, 4) local TACAA contact information, 5) Share Our Surplus Program, 6) Hunters for the Hungry Program, 7) Food Stamp Education and Outreach Program, and, 8) Texas Hunger Relief Clearinghouse.
9. Facilitate the donation of 2,000,000 pounds of surplus food and produce from donor organizations to collection groups involved with distribution of food to local low-income individuals and families.

10. Facilitate the donation of 150,000 pounds of venison between participating meat processors and food pantries, food banks, and other organizations involved in the distribution of commodities for local low-income individuals and families.
11. Maintain a toll-free hotline and other methods of communication to respond to inquiries from the general public about hunger relief and related assistance.
12. Maintain a database of food assistance providers for facilitating the coordination and success of statewide anti-hunger programs and initiatives.
13. Submit a minimum of three (3) grant applications for funding to support TACAA's hunger relief programs and other related initiatives selected for the future direction of the Association.
14. Continue coordination with national, state, and local organizations on issues related to food and poverty, including leveraging nutrition related funds with the Texas Health and Human Services Commission.

Texas Homeless Network (THN)

\$100,000

Service Area: Statewide

Contract #: 61080000251

Contract Period: 01/01/2008 – 12/31/2008

- 1) Support for Local Coalitions and Local Service Providers: To utilize information, resources and technical assistance to support the development and the capacity of local coalitions across the state of Texas. We will be training communities on planning for HUD Continuum of Care application process and providing any ongoing technical assistance as they progress towards completing the application. In addition, THN will continue with Balance of State Continuum of Care planning in mostly rural areas of Texas.
- 2) Newsletter: To expand the scope and depth of a bimonthly publication, *Homeless Network News*, to include more information on resources, coalition building, legislation, etc. Our plan is to produce four issues each year that will go to over 3000 persons, both in print and electronically. THN will also publish 5-6 "mini" newsletters via email during the year.
- 3) Needed Resources: To continue to train service providers in the following areas: capacity building, funding and resources, best practices, and working collaboratively.
- 4) Technology: To increase the interactive nature of THN on-line to include an interactive training series as well as a searchable database of holdings in the Network Resource Center.
- 5) HMIS: THN will implement the Homeless Management Information System (Client Track) in 30 agencies that fall within the Balance of State Continuum of Care jurisdiction.
- 6) Conference: To coordinate & host the 20th Annual Texas Homeless Network Conference in Austin.

Community Action Program of Taylor County

\$25,000

Service Area: Taylor, Mitchell, Shackelford, and Stephens

Contract #: 61080000252

Contract Period: 02/01/2008 – 04/30/2009

Support will be provided to the Community Action Program of Taylor County (CAP Taylor) Individual Development Accounts (IDA) project which is a match-savings account initiative in which low-income

enrollees save funds for one of the following: 1) to purchase a home; 2) to start a small business; or 3) to offset educational expenses.

CAP Taylor will accomplish the following activities.

1. Continued support and coordination for concurrently operating IDA projects.
2. Recruitment of fifty or more enrollees for the next IDA project.
3. Oversight of the on-going IDA's Financial Literacy Education component.
4. Submit applications to raise matching funds for the IDA Projects. Continue applying for funds to the Dodge Jones Foundation, Shelton Families Foundation, and Diane Graves Owen Foundation.
5. Coordination with the Abilene Christian University for its involvement by Social Work Interns in the IDA projects.
6. Continued coordination with banking and other financial institutions holding the IDA matched savings accounts.

Mellora Partners, Inc.

\$10,104

Contract #61080000342

Contract Period: 10/01/2008 – 12/31/2008

Mellora Partners, Inc. shall:

1. Conduct a comprehensive assessment of the Community Council of Southwest Texas, Inc. (CCSWT). The assessment process shall include an on-site review of all aspects of the financial, administrative, and programmatic operations of the CCSWT; and,
2. Identify the current condition of all contractual operations and programs administered by the CCSWT as well as the training and technical assistance needed to address related deficiencies.

Performance and deliverables outlined in items 1. – 2. are to be completed at a cost of \$10,104.

- Within 30 days from the commencement of the contract's period of performance, Mellora Partners, Inc. will provide a preliminary report on the agency-wide assessment of CCSWT.
- Within 60 days of the termination of this contract, Mellora Partners, Inc. will provide the Department with a final report to include:
(A) a narrative report; and, (B) a final financial report with an attachment showing itemized expenditures.

2008 CSBG Disaster Assistance Relief Projects (10)

Panhandle Community Services, Inc. **\$30,000**

Service Area: Childress, Texas

Contract #: 61080000255

Contract Period: 07/01/2008 - 09/30/2008

The Panhandle Community Services will provide emergency assistance and services to low-income **tornado** victims of **Childress, Texas** in Childress County. Assistance and services will include temporary shelter, food, clothing, medication, blankets and bedding, essential appliances, diapers, hygiene items, cleaning supplies, wet vacuums, and other miscellaneous emergency items.

Cameron and Willacy Counties Community Projects, Inc. **\$300,000**

Service Area: Cameron and Willacy Counties

Contract #: 61080000256

Contract Period: 08/01/2008 - 12/31/2008

The Cameron and Willacy Counties Community Projects, Inc. will provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Dolly**. Assistance and services will include emergency shelter, essential appliances, food, replacement furnaces/air conditioner units, transportation support, utility reconnection fees, medical supplies, crisis payment support for residential utilities (electricity/natural, gas/butane), replacement of butane tanks, household cleaning supplies, hygiene items, wet/dry canister vacuum cleaners, and other miscellaneous emergency items.

Hidalgo County Community Services Agency **\$150,000**

Service Area: Hidalgo County

Contract #: 61080000257

Contract Period: 08/01/2008 - 12/31/2008

The Hidalgo County Community Services Agency, Inc. will provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Dolly**. Assistance and services will include food, household cleaning supplies and products, insect repellents, clothing, emergency shelter, replacement pharmaceuticals and medication, medical supplies, essential appliances, bedding, and other miscellaneous emergency items.

Brazos Valley Community Action Agency **\$20,000**

Service Area: Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, and Washington Counties

Contract #: 61080000327

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Ike**. Assistance and services will include food, gas card for emergency transportation, emergency shelter, essential appliances, household cleaning supplies, medical supplies, bedding items, hygiene items,

utility reconnection fees, crisis payment support - gas, electricity utilities, replacement of butane/propane gas tanks, wet/dry vacuum, diapers, and other miscellaneous emergency items.

Combined Community Action, Inc. **\$20,000**

Service Area: Austin, Bastrop, Colorado, Fayette, and Lee Counties

Contract #: 61080000328

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Ike**. Assistance and services will include emergency shelter, food, medical supplies, hygiene items, diapers, crisis payment utility support, gas, clothing, and other miscellaneous emergency items.

Economic Action Committee of the Gulf Coast **\$20,000**

Service Area: Matagorda County

Contract #: 61080000329

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Ike**. Assistance and services will include food, essential appliances, bedding items, household cleaning supplies, medical supplies, insect repellent, hygiene items, diapers, utility reconnection fees, crisis payment support for residential utilities, replacement of butane/propane gas tanks, and other miscellaneous emergency items.

Galveston County Community Action Council, Inc. **\$90,000**

Service Area: Brazoria, Fort Bend, Galveston, and Wharton Counties

Contract #: 61080000330

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Ike**. Assistance and services will include food, household cleaning supplies, insect repellents, emergency shelter, essential clothes, medical supplies, vouchers/gift cards for emergency needs, and other miscellaneous emergency items.

Gulf Coast Community Services Association **\$90,000**

Service Area: Harris County

Contract #: 61080000332

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Ike**. Assistance and services will include emergency shelter, food, essential appliances, bedding items, household cleaning supplies, medical supplies, insect repellents, hygiene items, diapers, utility reconnection fees, crisis payment support for residential utilities, and other miscellaneous emergency items.

Southeast Texas Regional Planning Commission

\$125,000

Service Area: Hardin, Jefferson, and Orange Counties

Contract #: 61080000333

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Gustav and Hurricane/Tropical Storm Ike**. Assistance and services will include food, clothing, essential appliances, bedding items, medical/pharmaceutical items, hygiene items, household cleaning supplies, crisis payment support for residential utilities, and other miscellaneous emergency items.

Tri-County Community Action, Inc.

\$40,000

Service Area: Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, and Upshur Counties

Contract # 61080000334

Contract Period: 09/07/2008-12/31/2008

To provide emergency assistance and services to low-income residents affected by **Hurricane/Tropical Storm Ike**. Assistance and services will include crisis utilities, food, fuel, medical supplies, bedding items, diapers, hygiene items, and other miscellaneous emergency items.

The Department executed a short-term state contract with each of the ten (10) subrecipient organizations listed above to provide CSBG state discretionary funds for addressing the emergency needs of low-income disaster victims. The Performance Statements included the following contract provisions:

- Maintain written documentation verifying residency in affected area(s) and on all services/assistance rendered in order to complete performance and expenditure reports and to respond to any desk or on-site monitoring by the Department.
- Submit an Expenditure and a Performance Report to the Department no later than the 20th following every month in the contract period documenting all allowable expenditures and performance. A Final Expenditure report shall be provided to the Department by no later than 60 days after the termination date of the contract.

Summary of 2008 Training and Technical Assistance Activities

The Community Services Section maintained a team of Program Officers in 2008 to conduct monitoring of local CSBG Program contract operations. Program Officers conducted field monitoring and provided guidance to subrecipient organizations to help ensure that CSBG-supported operations were administered in accordance with the State's CSBG contract and the program's rules and regulations. The state's Program Officers identified the needs for training and technical assistance for correcting organization deficiencies, and those needs were referred to the Department's Trainer. The Department's Community Services Section's Trainer and other management staff provided the customized training and technical assistance sessions based on the needs of the CSBG eligible entities and those organizations that served special low-income population groups such as Native Americans, migrant and seasonal farmworkers, and the homeless. Information relative to the 2008 training and technical assistance activities provided or arranged by the Department is provided below.

On January 31, 2008, the Department arranged and participated in staff development training relative to the use of national performance indicators on behalf of the Community Services Block Grant program staff of the Texas Neighborhood Services. This training was designed to facilitate proper reporting to the State on program performance serving the local low-income clientele in seven (7) counties of the State. The training was held in Weatherford, Texas.

Number of Attendees.....7

On February 19, 2008, the Department conducted training on behalf of the Board of Directors of the Community Services, Inc. in Corsicana, Texas. The training focused on responsibilities of the Board as well as relationships and expectations among the Board, management, and staff members in the administration of the Community Services Block Grant Program. The training was held in Corsicana, Texas, the headquarters of a ten-county CSBG service area.

Number of Attendees.....11

On April 4, 2008, the Department conducted training for CSBG program staff and the Board of Directors of the South Plains Community Action Association in Levelland, Texas. The training focused on the key provisions of the CSBG Act, the flow of CSBG federal funds as well as the roles and responsibilities of the Board, the Executive Director, the Comptroller, and key program management staff. The training was held in Levelland, Texas, headquarters for the South Plains CAA's eight-county CSBG service area.

Number of Attendees.....21

On April 7 and 8, 2008, Department representatives conducted orientation and training to the Executive Director and key staff members of the South Texas Development Council (STDC) on the Community Services Block Grant program and partnering low-income clientele programs administered by the Texas Department of Housing and Community Affairs. The STDC was one of two new CSBG eligible entities in 2008 designated to serve three of five unserved counties. The new programs commencing in 2008 for STDC were the Community Services Block Grant Program, the Weatherization Assistance Program, and the Comprehensive Energy Assistance Program. The counties comprising the STDC's CSBG service area included Jim Hogg, Starr, and Zapata. The orientation and training sessions were held in Laredo, Texas.

Number of Attendees.....9

On April 22, 2008, the Department conducted training for program staff directly involved with the Community Services Block Grant Program under contract with the County of Hidalgo Community Services

Agency. The training focused on the Community Services Block Grant program concept and the need to conduct proper case management intended to lead to client self-sufficiency. The training was conducted in Edinburg, Texas, the county seat of a very high populated county with extremes in poverty population.

Number of Attendees.....5

On May 8, 2008, the Department conducted orientation and training on behalf on current and new members of the Board of Directors of the Community Action Committee of Victoria. The training focused on roles and responsibilities of the Board as well as relationships and expectations among the Board, management, and staff members in the administration of the Community Services Block Grant program. The training was held in Victoria, Texas, headquarters of a seven-county CSBG service area.

Number of Attendees.....14

On May 21 and 22, 2008, the Department conducted intense follow-up training to key management staff of the newly-designated CSBG eligible entity--South Texas Development Council--to serve three counties previously unserved....Jim Hogg, Starr, and Zapata. The training focused on the proper methods to conduct a community needs assessment, client intake procedures, importance of key CSBG contract provisions, the CSBG budgeting process, and reporting program accomplishments based on the national performance indicators. The training also elaborated on how CSBG funds could provide administrative support for other low-income clientele programs, mainly the Weatherization Assistance Program and the Comprehensive Energy Assistance Program. The training was held in Austin, Texas.

Number of Attendees.....3

On June 24, 2008, the Department conducted training on the CSBG program concept and case management procedures for the executive director, program directors, and other key staff members of the Community Action Committee of Victoria. The training was designed to facilitate the local processes to transition individuals out of poverty. The training was conducted in Victoria, Texas, headquarters for a seven-county CSBG service area.

Number of Attendees.....6

On July 25, 2008, the Department conducted case management training to program staff, mainly caseworkers, employed by the City of San Antonio-Department of Community Initiatives. The training was designed to enhance the delivery of services to low-income clientele and to teach program staff best practices for enrolling clients into case management sessions having a long term impact on their lives. The training was conducted in San Antonio, Texas.

Number of Attendees.....21

On August 11-13, 2009, the Community Affairs Division sponsored its 15th Annual Community Affairs Training Conference in Austin, Texas. The conference training was designed for subrecipient organizations administering the Community Services Block Grant Program and partnering low-income service programs, including the Weatherization Assistance Program and Comprehensive Energy Assistance Program. In addition to having a Board Track for local board attendees, there were tracks for participants representing each low-income program administered by the Community Affairs Division as outlined above. Special guests included congressional members from Texas, U.S. Senator John Cornyn and Congresswoman Sheila Jackson-Lee. Both praised the Texas programs on behalf of low-income citizens and provided the latest in Washington, D.C. on domestic programs. The training was held in Austin, Texas.

Number of Attendees.....313

On September 4, 2008, the Department conducted an orientation/training session on programs for the homeless, including the Emergency Shelter Grants Program, at the state's annual Texas Homeless Conference. Interested attendees for the session were provided information on the statewide Community Services Block Grant program and detailed emphasis on how to apply for Emergency Shelter Grants Program funds to support services for the homeless and to prevent homelessness. The session was conducted in Austin, Texas.

Number of Attendees.....11

On October 18, 2008, the Department conducted training on the roles and responsibilities of tripartite board members in the oversight of the Community Services Block Grant program administered by the Tri-County Community Action, Inc. The training focused on the expectations among the board members, the organization's executive director, and key program/accounting staff members involved in the administration of service delivery on behalf of eligible low-income clients. The training was conducted in Center, Texas.

Number of Attendees.....20

On November 6, 2008, the Department conducted training on the roles and responsibilities of tripartite board members in the oversight of the Community Services Block Grant program administered by the Panhandle Community Services. The training focused on the expectations among board members, the organization's executive director, and key program/accounting staff members involved in the service delivery on behalf of eligible low-income clients. The training was held in Amarillo, Texas.

Number of Attendees.....12

On December 9 and 10, 2008, the Department conducted training on the Community Services Block Grant Program concept to four (4) current and new program staff involved with the management of the CSBG and other partnering low-income service programs being administered by the South Texas Development Council, a new CSBG eligible entity so designated in 2008. The training session for staff included elaboration on procedures to process contracts with the Department and monthly submission of program performance and expenditure reports. In addition to providing concept and procedures training for staff, the Department also provided an orientation/training session on board roles and responsibilities for eleven (11) representatives from Jim Hogg, Starr, and Zapata counties being considered for serving on the tripartite board in accordance with the CSBG Act. The training was conducted in Laredo, Texas.

Number of Attendees.....15

On December 12, 2008, the Department conducted orientation and training for the Executive Director of the Institute for Rural Development, Inc. (IRDI) on the Community Services Block Grant, best practices for the delivery of CSBG program services, and the procedures in use by the Department to electronically process the annual CSBG contract and related monthly performance/expenditure reports. The IRDI, headquartered in Kingsville, Texas, is the newest of CSBG eligible entities in 2008 and has been designated to serve Duval County. The training was held in Austin, Texas.

Number of Attendees.....1

On December 15 and 16, 2008, the Department sponsored round table discussions to involve representatives of the state's CSBG eligible entities network in providing input to the State's plans on future changes to the CSBG funding formula and the methods to justify performance awards for exemplary program accomplishments by CSBG eligible entities. Orientation and training was provided on current factors of the CSBG funds distribution formula, the potential impact of local funding resulting from formula factor changes

and population shifts, and methods to confirm the transitioning of persons out of poverty on an annual basis as part of an organization's exemplary performance. The sessions were held in Austin, Texas.

Number of Attendees.....30

In summary and in accordance with Section 675C.(b) and Section 678A., 499 local subrecipient staff, board members, and others representing the state's community action network serving low-income clientele were provided 16 training and technical assistance sessions in 2008.

The above referenced training and technical assistance was provided either on an entity request basis or at the discretion of the State. Most of the sessions were conducted by the Trainer employed by the Community Services Section of the Texas Department of Housing and Community Affairs.

In addition to the above referenced sessions, the Texas Department of Housing and Community Affairs provided updates on its programs to the Board of Directors of the Texas Association of community Action Agencies. These updates occurred on February 15, 2008 (Austin, Texas); May 14, 2008 (Corpus Christi, Texas); and, October 10, 2008 (Austin, Texas) and focused on the Community Services Block Grant Program, the Comprehensive Energy Assistance Program, and the Weatherization Assistance Program. In 2008, the Department also worked closely with the Texas Association of Community Action Agencies in supporting the development and test use of an organization self-assessment tool designed for use by CSBG eligible entities. Completion of the self-assessment tool not only served to provide the current programmatic and fiscal condition of an organization, it also identified the staff's training needs for tailoring future training sessions sponsored by the Department and the Texas Association of Community Action Agencies.

The Department made special provisions for an in-depth assessment of the Community Council of Southwest Texas (CCSWTx), due to continued operational problems in 2007 and 2008. In October 2008, the Department notified Ms. Josephine B. Robinson at the USDHHS that the Community Council of Southwest Texas was an "at-risk" organization. Through continuous monitoring, the Department confirmed a decline in the CCSWTx's programs' operations in 2008 and contracted with Meliora Partners, Inc. to conduct an in-depth assessment of CCSWTx.'s overall operations. The Department has continued its sanction to provide monthly CSBG funds to the entity on a cost reimbursement basis. More importantly, the Department required the CCSWTx. to submit a Quality Improvement Plan (QIP) based on the findings in previous monitoring reports and the assessment conducted by Meliora Partners, Inc. The Department is currently reviewing the QIP submitted by the CCSWTx.

APPENDIX A.

NASCSP
CSBG/IS SURVEY

Part I: Section A.
State Use of CSBG Funds

Summary Information
on
Planned
and
Actual
Uses of Funds

1. State Reporting Period (month/day/year)

State Reporting:

From: 1/1/2008 to: 12/31/2008 (366 days)

Texas

2. Total CSBG funds expended in FY 2008 for:

	Planned	Actual
a. Eligible Entities	\$35,173,640	\$27,949,013
b. State Administrative Costs	\$1,180,463	\$1,180,463
c. Discretionary Projects	\$1,197,343	\$1,167,285
d. Total Funds	\$37,551,446	\$30,286,761
	\$0	\$0

3. Of the total in 2d., how much represents carryover funding from the previous fiscal year?

3. \$6,239,467

4. Carry-forward of FY 2008 funds to FY 2009 programs

4. \$7,649,821

5. State CSBG funds if any (see instructions)

5. \$0

6. TOTAL Federal and State CSBG funds in FY 2008 (add Item 2d Actual + Item 5)

6. \$30,286,761

Part I: Section A



APPENDIX B.

NASCP
CSBG/IS SURVEY

Part I: Section E.

CSBG Funds
by
Service Category

Section E: CSBG Expenditures by Service Category

of Agencies reporting CSBG\$: 53

Table 1: Total amount of CSBG funds expended in FY 2008 by Service Category

Service Category	# of Agencies Reporting	CSBG Funds
Employment	41	\$2,685,199
Education	37	\$1,976,252
Income Management	40	\$5,066,747
Housing	17	\$630,852
Emergency Services	50	\$9,936,901
Nutrition	35	\$2,078,494
Linkages	39	\$2,981,770
Self-Sufficiency	25	\$921,862
Health	26	\$878,071
Other	1	\$12,347

Total \$27,166,495

Total of CSBG Funds for Administration: \$8,587,278

Table 2: Of the funding Listed in Table 1: Funds for Services by Demographic Category, FY 2008

Demographic Category	# of Agencies Reporting	CSBG Funds
Youth	25	\$915,767
Seniors	29	\$1,557,746

End of Part I: Section E

NASCSP CSBG/IS 2008 Page 9

Totals For Texas

Click Here to
EXIT SECTION E



APPENDIX C.

NASCSP
CSBG/IS SURVEY

Part I: Section G.

Number and Characteristics
of
2008 CSBG Program Clients

Part I: Section G: Participants Characteristics

NET WORTH	51	2007,000,711
NET WORTH		122,000,551
NET WORTH		507,000,000
NET WORTH		500,000
NET WORTH		214,534
NET WORTH		100,000
NET WORTH		112,000

a. Male	116,347
b. Female	165,189
TOTAL*	281,536

a. One	39,391
b. Two	22,058
c. Three	16,237
d. Four	14,032
e. Five	8,996
f. Six	4,293
g. Seven	1,709
h. Eight or more	1,155
TOTAL**	107,871

8. Age	NUMBER OF PERSONS*
a. 0-5	44,477
b. 6-11	43,151
c. 12-17	40,329
d. 18-23	18,378
e. 24-44	62,738
f. 45-54	27,042
g. 55-69	28,482
h. 70+	16,939
TOTAL	281,536

14. Source of Family Income	NUMBER OF FAMILIES
a. Unduplicated # of Families Reporting One or More Sources of Income**	86,415
b. Unduplicated # of Families Reporting No Income***	21,456
TOTAL***	107,871

9. Ethnicity/Race	NUMBER OF PERSONS*
I. Ethnicity	
a. Hispanic or Latino	155,840
b. Not Hispanic or Latino	125,696
TOTAL*	281,536

c. TANF	2,522
d. SSI	25,127
e. Social Security	31,396
f. Pension	2,031
g. General Assistance	1,715
h. Unemployment Insurance	1,921
i. Employment - Other sources	9,667
j. Employment only	29,579
k. Other	7,234

II. Race	
a. White	205,251
b. Black/African American	70,800
c. American Indian and Alaska Native	917
d. Asian	1,007
e. Native Hawaiian and Other Pacific Islander	0
f. Other	975
g. Multi-race (any 2 or more of the above)	2,586
TOTAL*	281,536

15. Level of Family Income (% of HHS Guidelines)	NUMBER OF FAMILIES**
a. Up to 50%	47,384
b. 51% to 75%	30,137
c. 76% to 100%	14,853
d. 101% to 125%	10,123
e. 126% to 150%	2,937
f. 151% and over	2,437
TOTAL***	107,871

10. Education level of adults	Number of Persons 24 and Older**
a. 0-8	37,267
b. 9-12/non-graduates	32,039
c. high school grad/GED	45,142
d. 12+ some post secondary	13,821
e. 2 or 4 yr. college graduates	6,832
TOTAL**	135,101

16. Housing	NUMBER OF FAMILIES***
a. Own	41,104
b. Rent	61,778
c. Homeless	1,790
d. Other	3,199
TOTAL***	107,871

11. Other Characteristics	NUMBER OF PERSONS*	
	# persons	# surveyed
a. No health insurance	165,295	281,536
b. Disabled	40,549	281,536

12. Family Type	NUMBER OF FAMILIES**
a. Single parent/female	32,640
b. Single parent/male	1,755
c. Two parent household	18,087
d. Single person	38,639
e. Two adults/no children	18,087
f. Other	5,611
TOTAL**	114,819

* The sum of this category should not exceed the value of Item 3.

** The sum of this category should not exceed the value of Items 8 & h.

*** The sum of this category should not exceed the value of Item 5.

End of Part I: Section G

NASCSP CSBG/IS 2008 Page 13

Totals For Texas

(no data entry)

Click Here to EXIT SECTION G



APPENDIX D.

NASCSP
CSBG/IS SURVEY

Part II: Outcomes of Efforts

FFY 2008
Goals
&
National Performance Indicators

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 1: Low-income people become more self sufficient.

National Performance Indicator 1.1

Employment

The number and percentage of low-income participants in community action employment initiatives who get a job or become self-employed as measured by one or more of the following:

	Eligible Entities Reporting (#)	Number of Participants Enrolled in Program(s) (#)	Number of Participants Expected to Achieve Outcome in Reporting period (Target) (#)	Number of Participants Achieving Outcome in Reporting Period (#)	Percentage Achieving Outcome in Reporting Period (%)
A. Unemployed and obtained a job	39	13393	5006	4230	84.5%
B. Employed and obtained an increase in employment income	26	1434	964	376	39.0%
C. Achieved "living wage" employment	20	1678	1825	1864	102.1%
In the rows below, please include any additional indicators that were not captured above.					
					0.0%
					0.0%
					0.0%

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas
 Goal 1: Low-income people become more self sufficient.

National Performance Indicator 1.2
 Employment Supports

The number of low-income participants for whom barriers to initial or continuous employment are reduced or eliminated through assistance from community action as measured by one or more of the following:

	Eligible Entities Reporting (#)	Number of Participants Enrolled in Program(s) (#)	Number of Participants Achieving Outcome in Reporting Period (#)
A. Obtained pre-employment skills/competencies required for employment and received training program certificate or diploma	18	871	448
B. Completed ABE/GED and received certificate or diploma	20	1288	596
C. Completed post-secondary education program and obtained certificate or diploma	16	824	187
D. Enrolled children in before or after school programs, in order to gain or maintain employment	11	2704	2508
E. Obtained care for child or other dependant in order to gain or maintain employment	16	3136	2052
F. Obtained access to reliable transportation and/or driver's license in order to gain or maintain employment	21	1292	594
G. Obtained health care services for themselves or a family member in support of family stability needed to gain or retain employment	14	1326	777
H. Obtained safe and affordable housing in support of family stability needed to gain or retain employment	13	334	298
I. Obtained food assistance in support of family stability needed to gain or retain employment	18	5437	2257
In the rows below, please include any additional indicators that were not captured above.			
J. Obtained school supplies, textbooks, tuition and other items in support of education or training programs; obtained tools, uniforms, or other items.	34	5778	6029
K. Completed college preparatory classes; completed ESL or citizenship classes.	12	1025	750
L. Received other assistance which removes barriers to employment.	14	1785	1597

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 1: Low-income people become more self sufficient.

National Performance Indicator 1.3

Economic Asset Enhancement and Utilization

The number and percentage of low-income households that achieve an increase in financial assets and/or financial skills as a result of community action assistance, and the aggregated amount of those assets and resources for all participants achieving the outcome, as measured by one or more of the following:

	Eligible Entities Reporting (#)	Number of Participants Enrolled in Program(s) (#)	Number of Participants Expected to Achieve Outcome in Reporting period (Target) (#)	Number of Participants Achieving Outcome in Reporting Period (#)	Aggregated Dollar Amounts (Payments, Credits or Savings)	Percentage Achieving Outcome in Reporting Period (%)
Enhancement 1. Number and percent of participants in tax preparation programs who identify any type of Federal or State tax credit and the aggregated dollar amount of credits	12	5077	4019	4155	\$6,791,538.00	103.4%
Enhancement 2. Number and percentage obtained court-ordered child support payments and the expected annual aggregated dollar amount of payments	5	286	145	8	\$230,581.00	5.5%
Enhancement 3. Number and percentage enrolled in telephone lifeline and/or energy discounts with the assistance of the agency and the expected aggregated dollar amount of savings	10	1875	1765	1663	\$49,670.00	94.2%
In the rows below, please include any additional indicators that were not captured above.						
Number and percentage enrolled in CEAP Copay; Number and percentage enrolled in CEAP heating and cooling; Number and percentage enrolled in CEAP education classes.	36	40524	23565	30617	\$2,544,862.00	129.9%
Number of clients receiving incentives for achieving goals; Number and percentage who received other assistance which resulted in an increase in financial assets.	11	3565	1196	608	\$7,022,952.00	50.8%

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 1: Low-income people become more self sufficient.

National Performance Indicator 1.3

Economic Asset Enhancement and Utilization

The number and percentage of low-income households that achieve an increase in financial assets and/or financial skills as a result of community action assistance, and the aggregated amount of those assets and resources for all participants achieving the outcome, as measured by one or more of the following:

	Eligible Entities Reporting (#)	Number of Participants Enrolled in Program(s) (#)	Number of Participants Expected to Achieve Outcome in Reporting period (Target) (#)	Number of Participants Achieving Outcome in Reporting Period (#)	Aggregated Dollar Amounts (Payments, Credits or Savings)	Percentage Achieving Outcome in Reporting Period (%)
Utilization 1. Number and percent demonstrating ability to complete and maintain a budget for over 90 days	23	3238	1592	961	\$108,817.00	60.4%
Utilization 2. Number and percent opening an Individual Development Account (IDA) or other savings account and increased savings, and the aggregated amount of savings	3	239	117	79	\$44,889.00	67.5%
Utilization 3a. Number and percent capitalizing a small business with accumulated savings	2	25	10	25	\$32,834.00	250.0%
Utilization 3b. Number and percent pursuing post-secondary education with savings	6	52	62	42	\$121,353.00	67.7%
Utilization 3c. Number and percent purchasing a home with accumulated savings	5	43	55	44	\$153,291.00	80.0%

In the rows below, please include any additional indicators that were not captured above.

Number and percent of participants with savings account who utilize savings for a retirement fund; who recvd assistance with enrollment in prescription assistance program; and to prevent loss of home.	10	1918	2804	1729	\$340,752.00	61.7%
Number and percent of participants who enrolled in homebuyer education class; in classes and workshops to increase financial skills; in other projects which resulted in an increase in financial skills	12	5870	4846	4273	\$60,918.00	88.2%

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 2: The conditions in which low-income people live are improved.

National Performance Indicator 2.1

Community Improvement and Revitalization

Increase in, or preservation of opportunities and community resources or services for low-income people in the community as a result of community action projects/initiatives or advocacy with other public and private agencies, as measured by one or more of the following:

	Eligible Entities Reporting (#)	Number of Projects or Initiatives (#)	Number of Opportunities and/or Community Resources Preserved or Increased (#)
A. Accessible "living wage" jobs created or saved from reduction or elimination in t	3	13	23
B. Safe and affordable housing units created in the community	8	81	232
C. Safe and affordable housing units in the community preserved or improved through construction, weatherization or rehabilitation achieved by community action activity or advocacy	27	1216	1422
D. Accessible and affordable health care services/facilities for low-income people created or saved from reduction or elimination	7	46	189
E. Accessible safe and affordable child care or child development placement opportunities for low-income families created or saved from reduction or elimination	1	53	52
F. Accessible before school and after school program placement opportunities for low-income families created or saved from reduction or elimination	5	101	1299
G. Accessible new or expanded transportation resources, or those that are saved from reduction or elimination, that are available to low-income people, including	6	165	155
H. Accessible or increased educational and training placement opportunities, or those that are saved from reduction or elimination, that are available for low-income people in the community, including vocational, literacy, and life skill	5	89	358
In the rows below, please include any additional indicators that were not captured above.			
Other community resources or services provided which resulted in community improvement and revitalization.	2	161	196

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 2: The conditions in which low-income people live are improved.

National Performance Indicator 2.2

Community Quality of Life and Assets

The quality of life and assets in low-income neighborhoods are improved by community action initiative or advocacy, as measured by one or more of the following:

	Eligible Entities Reporting (#)	Number of Program Initiatives or Advocacy Efforts (#)	Number of Community Assets, Services, or Facilities Preserved or Increased (#)
A. Increases in community assets as a result of a change in law, regulation or policy, which results in improvements in quality of life and assets	0	0	0
B. Increase in the availability or preservation of community facilities.	2	2	5
C. Increase in the availability or preservation of community services to improve public health and safety.	2	2	36
D. Increase in the availability or preservation of commercial services within low-income neighborhoods.	1	1	1
E. Increase or preservation of neighborhood quality-of-life resources.	2	3	59

In the rows below, please include any additional indicators that were not captured above.

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 3: Low-income people own a stake in their community.

National Performance Indicator 3.2

Community Empowerment Through Maximum Feasible Participation

The number of low-income people mobilized as a direct result of community action initiative to engage in activities that support and promote their own well-being and that of their community as measured by one or more of the following:

	Eligible Entities Reporting (#)	Total Number of Low-Income People (#)
A. Number of low-income people participating in formal community organizations, government, boards or councils that provide input to decision-making and policy setting through community action efforts.	20	2082
B. Number of low-income people acquiring businesses in their community as a result of community action assistance.	3	19
C. Number of low-income people purchasing their own homes in their community as a result of community action assistance.	8	40
D. Number of low-income people engaged in non-governance community activities or groups created or supported by community action.	13	8535
In the rows below, please include any additional indicators that were not captured above.		

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 4: Partnerships among supporters and providers of services to low-income people are achieved.

National Performance Indicator 4.1

Expanding Opportunities Through Community-Wide Partnerships

The number of organizations, both public and private, community action actively works with to expand resources and opportunities in order to achieve family and community outcomes.

Eligible Entities Reporting (#)

Number of Organizational Partnerships (#)

Number of These Partnerships That Were With Faith-Based Organizations (#)

Number of organizations community action agencies work with to promote family and community outcomes.

40

4316

460

In the rows below, please include any additional indicators that were not captured above.

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 6: Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive environments.

National Performance Indicator 6.1

Independent Living

The number of vulnerable individuals receiving services from community action that maintain an independent living situation as a result of those services:

	Eligible Entities Reporting (#)	Number of Vulnerable Individuals Living Independently (#)
A. Senior Citizens	37	47601
B. Individuals with Disabilities	34	29948
In the rows below, please include any additional indicators that were not captured above.		

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 6: Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive environments.

National Performance Indicator: 6.2

Emergency Assistance

The number of low-income individuals or families served by community action that sought emergency assistance and the percentage* of those households for which assistance was provided, including such services as:

	Eligible Entities Reporting (#)	Units of Measurement	Number Seeking Assistance (#)	Number Receiving Assistance (#)
A. Food --Indicate your state's unit of measurement, such as bags, packages, cartons, families, individuals, etc.	31	Households	12296	11082
B. Emergency Vendor Payments, including Fuel and Energy Bills and Rent/Mortgage Payments	51	Households	110702	97711
C. Temporary Shelter	14	Households	723	723
D. Emergency Medical Care	12	Households	2540	2269
E. Protection from Violence	7	Households	813	806
F. Legal Assistance	10	Households	590	491
G. Transportation	24	Households	4471	3825
H. Disaster Relief	3	Households	130	129
I. Clothing	16	Households	4488	4009

In the rows below, please include any additional indicators that were not captured above.

Other emergency assistance.	16	Households	15307	14117

Part II: Outcomes of Efforts, FY 2008

National Performance Indicators

State Name: Texas

Goal 6: Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive environments.

National Performance Indicator 6.3

Child and Family Development

The number and percentage* of all infants, children, youth, parents, and other adults participating in developmental or enrichment programs that achieve program goals, as measured by one or more of the following:

	Eligible Entitles Reporting (#)	Number of Participants Enrolled In Program(s) (#)	Number of Participants Expected to Achieve Outcome In Reporting period (Target) (#)	Number of Participants Achieving Outcome In Reporting Period (#)	Percentage Achieving Outcome In Reporting Period (%)
Infant and Child 1. Infants and children obtain age appropriate immunizations, medical and dental care.	24	23607	14852	16112	108.5%
Infant and Child 2. Infant and child health and physical development are improved as a result of adequate nutrition.	16	30813	20940	30227	144.4%
Infant and Child 3. Children participate in pre-school activities to develop school readiness skills.	19	18783	10287	16262	158.1%
Infant and Child 4. Children who participate in pre-school activities are developmentally ready to enter Kindergarten or 1st Grade.	17	9225	7016	6995	99.7%
Youth 1. Youth improve physical health and development.	4	769	664	765	115.2%
Youth 2. Youth improve social/emotional development.	4	128	245	113	46.1%
Youth 3. Youth avoid risk-taking behavior for a defined period of time.	3	79	99	64	64.6%
Youth 4. Youth have reduced involvement with criminal justice system.	3	45	32	42	131.3%
Youth 5. Youth increase academic, athletic or social skills for school success by participating in before or after school programs.	9	483	407	481	118.2%
Adult 1. Parents and other adults learn and exhibit improved parenting skills.	16	6522	3744	5912	157.9%
Adult 2. Parents and other adults learn and exhibit improved family functioning skills.	17	7249	4147	6506	156.9%
In the rows below, please include any additional indicators that were not captured above.					
Food; utility payments; shelter; medical care; clothing; holiday projects; other.	53	150433	110536	139989	126.6%
Transportation Assistance	23	7135	5907	6388	108.1%

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
June 25, 2009**

Action Item

Presentation, Discussion and Possible Approval to publish a draft of proposed rules for Disaster Recovery programs for comment in the *Texas Register*

Requested Action

Approve, deny, or modify proposed rules.

Background

The Texas Department of Housing and Community Affairs received funding from HUD federal appropriations to provide disaster assistance. Rules are necessary to effectively monitor the activities under disaster assistance, and to ensure program benchmarks are achieved and disaster funds spent timely. The contracts between the subrecipients and TDHCA will include benchmarks enforceable under the rules. Publishing the rules in the Texas Register opens the period for public comment. The Board will address the final rules after public comment is received.

Recommendation

Adopt or amend the proposed draft Disaster Recovery Program rules to publish in the *Texas Register*.

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

Part 1. Texas Department of Housing and Community Affairs

CHAPTER 54. Community Development Block Grant (CDBG) Disaster Recovery

§54.1. General Provisions.

(a) Unless otherwise changed by agreement of the parties in the Contract or the applicable NOFA, the terms found in the Contract shall be consistent with the following and performance under the Contract will be evaluated with the following benchmarks:

(1) CDBG Disaster Homeowner Assistance Program. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months, Pool of applicants identified, eligibility assessment begun including site specific environmental on a minimum of 25% of applicants;

(B) Eight (8) months, RFP and NOFAs complete with contractors used for rehabilitation and reconstruction identified and qualified, 10% of the households to be assisted environmentally cleared;

(C) Twelve (12) months, Eligibility determined on 100% of the households receiving assistance under Homeowner Assistance Programs, 50% of the funds committed to eligible households, and 10% of the project funds drawn;

(D) Eighteen (18) months, 100% of the funds must be committed to the households receiving assistance, 50% of the homes must be under construction or rehabilitation, and 25% of the project funds drawn;

(E) Twenty-two (22) months, 100% of the construction for all homes must be complete, 75% of the project funds drawn; and

(F) Twenty-four (24) months, 85% of funds are drawn, close out must be complete within sixty (60) days of end of contract.

(2) CDBG Rental Programs. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months, the RFP or NOFA must be published;

(B) Eight (8) months, Developments must be selected under rental programs and environmentally cleared;

(C) Twelve (12) months, Loan closing must be closed for any rental components and 10% of program funds drawn;

(D) Eighteen (18) months, 50% of program funds drawn;

(E) Twenty-two (22) months, 75% of the program funds drawn; and

(F) 24 months, 100% of construction complete, certificates of occupancy issued, 95% of funds drawn.

(3) CDBG Disaster Downpayment Homeownership Assistance. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months, Pool of applicants identified, eligibility assessment begun including site specific environmental on a minimum of 25% of applicants;

(B) Twelve (12) months, eligibility determination made on 100% of applicants, 25% of the program funds drawn;

(C) Eighteen (18) months, 50% of the applicants assisted, 45% of program funds drawn; and
(D) Twenty-four (24) months, 100% of the applicants assisted, 75% of funds drawn.

(b) The Executive Director of the TDHCA may grant one extension and revise benchmarks and/or lower percentages, due to good cause.

(1) Good cause is defined as verifiable events beyond the control of the TDHCA and the subrecipient such as delays due to inclement weather, funding delays, wide-spread shortage of labor or other significant resources.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

June 25, 2009

Action Items

Presentation, Discussion and Possible Action on the publication in the *Texas Register* for public comment of a notice of the proposed amendments to the Texas Bootstrap Loan Program Rules, Title 10, Part I, Chapter 2 of the Texas Administrative Code.

Required Action

Approve, reject or approve with modifications publication of the proposed amendments of Title 10, Texas Administrative Code, Part I, Chapter 2 governing the Texas Bootstrap Loan Program.

Background

The current and first-ever Texas Bootstrap Loan Program rules were adopted by the Texas Department of Housing and Community Affairs (TDHCA) Governing Board on February 1, 2007. These proposed amended program rules presented today include changes from Senate Bill 679, which was approved during the 81st Legislative Session.

Several sections were deleted to align processes with the current Reservation System that is currently being utilized in the Program. In addition, these proposed amended rules incorporate changes recommended by the Department's Internal Audit Division.

Upon approval by the Board, the proposed amendment to the current rules will be published in the *Texas Register* and released for public comment. The public comment period will be for at least 30 days. A final recommendation for the proposed rules will be presented to the Board in September 2009.

Summary of Significant Changes

§ 2.7--Distribution of Funds:

(c) The methods of expending funds has changed from a competitive application cycle to a reservation system (first-come, first-serve basis) and the number of reservations allowed at any given time may not exceed ten (10) per nonprofit organization in the two-third (2/3) set-aside and the number of reservations allowed at any give time may not exceed five (5) reservations per nonprofit organization at any given time under the balance of the state (1/3 set-aside);

§ 2.9-- Program Administration-

(a) The maximum loan amount from the Department has increased from \$30,000 to \$45,000 and total combined amortized repayable loans may not exceed \$90,000 per unit;

(c) The Department may only subordinate to a lien made by another funding source if the original principal amount of the loan made is equal to or greater than 55% of the total loan amount, excluding the amounts of deferred forgivable loans made by another funding source.

(d) The Department must be in a first lien position or co-first lien position to a loan made by another funding source only if the original principal amount of the loan made is equal to or greater than 50% and is less than 55% of the total loan amount, excluding the amounts of deferred forgivable loans made by another funding source.

(t)(9) Reduced the total debt-to-income ratio from 45% to 43%;

(t)(11)(a) Owner-Builder applicant's payment on any account may not be delinquent for more than 30 days on three or more occasions within the last 12 months prior to the date of application

(t)(11)(e) Owner-Builder applicant may not be late on three or more rent payments within the last 12 months prior to the date of application.

§ 2.10-Owner Builder Qualifications:

(4)-Sweat equity requirement increased from 60% to 65%.

§2.12-Property Guidelines:

(d)-Maximum loan-to-value ratio may not exceed 95%. The lien amounts of forgivable loans and/or grant will not be included in the loan-to-value calculations

Recommendation

Staff is recommending approval of the proposed amendments of Title 10, Texas Administrative Code, Part 1, Chapter 2 and publication in the *Texas Register* for public comment of the proposed draft rules governing the Texas Bootstrap Loan Program.

TITLE 10 COMMUNITY DEVELOPMENT
PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 2 TEXAS BOOTSTRAP LOAN PROGRAM

§2.1 Purpose

(a) This chapter clarifies the administration of the Texas Department of Housing and Community Affairs Texas Bootstrap Loan Program also known as the Owner-Builder Loan Program. The Texas Bootstrap Loan Program provides assistance to income-eligible individuals, families and households to purchase or refinance real property, on which to build new residential housing or improve existing residential housing. ~~finance, acquire, rehabilitate and develop decent, safe and sanitary housing.~~ The Program is administered in accordance with Subchapter FF, Chapter 2306 of the Texas Government Code.

(b) The Texas Bootstrap Loan Program is a self-help construction program that is designed to provide very low-income families an opportunity to help themselves attain homeownership or repair their existing homes through sweat equity. All ~~participants~~ Owner-Builder applicants under this ~~p~~Program are required to provide through personal labor at least 60-65 percent of labor that is necessary to construct-build or rehabilitate the home. All applicable building codes and housing standards are adhered to under this ~~p~~Program. In addition, nonprofit organizations can combine these funds with other sources of funds, such as private lending institutions, local governments, or any other sources for this purpose. ~~However, all combined repayable loans~~ The total amount of Amortized repayable loans made by the Department and other entities to an Owner-Builder may not exceed \$90,000~~60,000~~ per housing unit.

§2.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Activity--A form of assistance by which Texas Bootstrap Loan Program funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, new construction, reconstruction, and rehabilitation of residential housing.

(2) Amortized—A loan in which the principal as well as the interest, if applicable is payable monthly or other periodic installment over the term of the loan.

~~(2)~~ (3) Administrative Deficiencies--The absence of information or a document from the Owner-Builder Application as required by these rules and Program Manual.

(3) Applicant—An eligible entity which is preparing to submit or has submitted an Application for Texas Bootstrap Loan Program funds and is designated in the Application to assume contractual liability and legal responsibility to execute the written agreement with the Department.

(4) Application—A written request for Texas Bootstrap Loan Program funds in the format required by the Department.

~~(5) AMFI—HUD's Area Median Family Income.~~

(64) Board--The governing board of the Texas Department of Housing and Community Affairs.

(75) Colonia--A geographic area located in a county some part of which is within 150 miles of the international border of this state that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or

(B) has the physical and economic characteristics of a Colonia, as determined by the Department.

(6) Colonia Self-Help Center—As defined under Subchapter Z, Chapter 2306 of the Texas Government Code.

~~(78) Committed--Funds budgeted reserved to a household an Owner-Builder and approved by the Department.~~

~~(9) Competitive Application Cycle--A defined period during which applications may be submitted according to a published Notice of Funding Availability (NOFA). Applications will be reviewed in accordance with the rules for Application review published in the NOFA, and Application guidelines. The Department may release funds in a two-year funding cycle or less than two years.~~

~~(10) Contract--A written agreement, including all amendments thereto; executed by the Department and Technical Assistance Provider.~~

~~(118) Department--The Texas Department of Housing and Community Affairs.~~

~~(129) Development--Projects that have a construction component, either in the form of new construction or the rehabilitation of single family residential housing that meet the Texas Bootstrap Loan Program requirements.~~

~~(1310) Drawn--Funds approved by the Department and disbursed to the Technical Assistance Provider NOHP.~~

(11) Grant--Financial assistance that is awarded in the form of money to a housing sponsor for a specific purpose and that is not required to be repaid. For purposes of this chapter, a Grant includes a forgivable loan.

(12) Economically Distressed Area-- A county is only eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code, if: that 1) the county contains an area that meets the criteria for an economically distressed area under Section 17.92(1), Water Code; and 2) the county has adopted and enforces the model rules under Section 16.343, Water Code

~~(14) Household--One or more persons occupying a housing unit.~~

~~(1513) HUD--United States Department of Housing and Urban Development.~~

~~(16) Low Income Families--Owner Builders may not have an annual income that exceeds 60 percent, as determined by the Department, of the greater of the state or local median family income, when combined with the income of any person who resides with the Owner Builder.~~

(14) Life of Loan Flood Certification--Life of Loan Flood Certification tracks the flood zone of the property for the life of the loan.

(15) Loan Origination Agreement-- A written agreement, including all amendments thereto between the Department and the NOHP that authorizes the NOHP to originate certain loans under the Texas Bootstrap Loan Program.

~~(1716) New Construction--Any single-family structure not meeting the definition of Rehabilitation or Reconstruction.~~

~~(1817) NOFA--Notice of Funding Availability, published in the Texas Register.~~

~~(1918) NOHP--Nonprofit Owner-Builder Housing Program Provider or Colonia Self-Help Center.~~

~~(2019) Nonprofit Organization--A public or private organization that:~~

~~(A) is organized under state or local laws;~~

~~(B) has no part of its net earnings benefiting any member, founder, contributor, or individual;~~

~~(C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the Application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization nonprofit under §501(c)(3) of the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.~~

~~(D) A private nonprofit organization's pending application for §501(c)(3) status cannot be used to comply with the tax status requirement.~~

(2120) Open Application-Reservation Cycle--A defined period during which an NOHP may submit Owner-Builder applications may be submitted according to a published NOFA and which will be

reviewed on a first come-first served basis until all funds available are committed, or until the NOFA is closed. Owner-Builder Applications will be reviewed in accordance with Program rules and the Program Manual the rules for Application review published in the NOFA, and/or Application guidelines. The Department may release funds in a two year funding cycle or less than two years.

~~(2221) Owner-Builder—A person, other than a person who owns or operates a construction business and A person or household who owns or purchases a piece of real property through a warranty deed and deed of trust; or is purchasing a piece of real property under a contract for deed entered into before January 1, 1999; and who undertakes to make improvements to that property, and as further described in §2.16 of this chapter.~~

~~(22) Participant—An organization which submits an application to the Department to be certified as an NOHP.~~

~~(2323) Program--Texas Bootstrap Loan Program also know as the Owner-Builder Loan Program.~~

~~(24) Program Manual – A set of guidelines designed to be an implementation tool for the NOHP that has executed a Loan Origination Agreement and allows the NOHP to search for terms, statutes, regulations, forms and attachments. The Program Manual is developed by TDHCA and amended or supplemented from time to time.~~

~~(2425) Reconstruction--The rebuilding of a new single-family structure on the same lot where housing exists at the time of Owner-Builder loan application. Texas Bootstrap Loan Program funds may also be used to build a new foundation or repair an existing foundation.~~

~~(2526) Rehabilitation--Includes the alteration, improvement or modification of an existing single family structure. It may also include moving an existing single family structure to a foundation constructed with Texas Bootstrap Loan Program funds.~~

~~(2627) Related Party--As defined in §2306.6702 of the Texas Government Code.~~

~~(28) Reservation—An amount of funds set-aside for each individual Owner-Builder applicant registered into the Department's Texas Bootstrap Loan Program Registration website.~~

~~(2729) Self-Help Housing Construction--The self-help housing process enables Owner-Builders to rehabilitate, reconstruct or construct their own homes, usually working together in groups on other eligible Owner-Builder's houses at the same time. Owner-builders use their own "sweat equity" to reduce the cost of their homes.~~

~~(2830) Single family structure--A property designed and built to support the habitation of one person or one household.~~

~~(29) Technical Assistance Provider (TAP)—A successful Applicant that has been awarded funds and has entered into a contract with the Department to administer the Texas Bootstrap Loan Program.~~

~~(30) Unit—A single family structure.~~

~~(31) Very Low-Income Families--Owner-Builders may who do not have an annual income that exceeds 60 percent, as determined by the Department, of the greater of the state or local median family income, as determined by the Department, when combined with the income of any person who resides with the Owner-Builder.~~

§2.3 Allocation of Funds

(a) The Department administers all Texas Bootstrap Loan Program funds provided to the Department in accordance with Subchapter FF, Chapter 2306 of the Texas Government Code. The Department shall:

(1) solicit gifts and grants to make loans under this chapter.

(2) The Department may also make loans under this chapter from:

(A) available funds in the housing trust fund established under §2306.201, of the Texas Government Code; and

(B) federal block grants that may be used for the purposes of this chapter; and

(C) the Owner-Builder revolving loan fund established under §2306.7581, of the Texas Government Code.

~~(3) In a state fiscal year, the Department may use not more than 10 percent of the revenue available for purposes of this chapter to enhance the ability of tax-exempt organizations described by §2306.755(a) of the Texas Government Code to implement the purposes of this chapter.~~

~~(ba) The Department shall establish an Owner-Builder revolving loan fund for the sole purpose of funding loans under this chapter pursuant to §2306.7581 of the Texas Government Code.~~

~~(eb) The Department shall deposit money received in repayment of a loan under this chapter to the Owner-Builder revolving loan fund pursuant to §2306.7581 of the Texas Government Code.~~

~~(dc) Each state fiscal year the Department shall transfer at least \$3 million to the Texas Bootstrap Loan Program revolving fund from money received under the federal HOME Investment Partnerships program established under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §12701 et seq.) from money in the housing trust fund; or from money appropriated by the legislature to the Department pursuant to §2306.7581 of the Texas Government Code.~~

(ed) In a state fiscal year the Department may use not more than ten percent (10%) of the revenue available to enhance the ability of tax-exempt organization described by §2306.755(a) to implement the purposes of the chapter and to enhance the number of such organizations that are able to implement those purposes the Program. The Department shall use that available revenue to provide financial assistance, technical training and management support.

§2.4 Applicant-Participant Requirements

(a) Eligible ~~Applicant~~Participants. The following organizations or entities are eligible to ~~apply for~~participate in the Texas Bootstrap Loan Program:

(1) Colonia Self Help Centers established under §2306, Subchapter Z, Texas Government Code; or

(2) Nonprofit Owner-Builder Housing ~~Program-Provider~~ (NOHP) certified by the Department pursuant to §2306.755 of the Texas Government Code.

(b) Ineligible ~~Applicant~~Participants: The following violations may cause an Applicant Participant, and any Applications they have submitted, to be ineligible:

(1) Previously funded Applicant Participants(s) ~~whose funds~~who have been partially or fully deobligated due to failure to meet contractual obligations during ~~24~~12 month period prior to the ~~Application deadline~~NOFA published date;

(2) ~~Applicants Participants~~ -who have not satisfied all eligibility requirements described in the Program rules and NOFA, and application guidelines to which they are responding, and ~~for which Administrative Deficiencies were unresolved~~;

(3) ~~Applicants Participants~~ that have failed to make timely payment on fee commitments or on debt instruments held by the Department and for which the Department has initiated formal collection actions or ~~fee commitments due to the Department~~;

(4) ~~Applicants Participants~~ that have been debarred by HUD or the Department; or

(5) ~~Applicant~~Participants, or their staff, ~~violate~~ who violate the state's revolving door policy.

~~(e) Communication with Department Employees. Communication with Department employees by Applicants that submit an Application must follow the following requirements. During the period beginning on the date an Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet. Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.~~

~~(1) The communication must be restricted to technical or administrative matters directly affecting the Application;~~

(2) The communication must occur or be received on the premises of the Department during established business hours; and

(3) A record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication.

(dc) Noncompliance. Each Application Participant will be reviewed for its compliance history by the Department. Applications Participants found to be in Material Noncompliance, or otherwise violating the compliance rules of the Department, will be terminated.

(e) Eligibility requirements. An Applicant Participant must be certified as an NOHP or must be a Colonia Self-Help Center and must have entered into a Loan Origination Agreement with the Department satisfy the following requirements in order to be eligible to apply participate in for the Texas Bootstrap Loan Program Reservation system funding and as more fully described in the NOFA, and application guidelines, when applicable. The applicant Participant must have the capacity to administer and manage resources as evidence by previous experience of managing state and/or federal programs, based on each of the following preferred experience:

(1) Applicant must provide names and details, such as number of houses built, financing structure and construction timeliness of previous projects in order to show evidence of its ability to carry out the Texas Bootstrap Loan Program in the areas of property development (including processes related to surveying, platting and recording of property), home loan processing, financing, coordinating with private financial institutions, acquiring, rehabilitating, reconstruction or constructing affordable single-family housing, in managing self-help housing and volunteer labor projects;

(2) Applicant must provide copies of program guidelines used to qualify Owner Builders and homebuyer course curriculum in order to show evidence of its experience in qualifying potential Owner Builders; providing education classes, counseling and training;

(3) Applicant must submit any past due audit to the Department in a satisfactory format on or before the Application deadline;

(4) Applicants must have met all performance and expenditure benchmarks as outlined in any existing or prior contracts awarded by the Department;

(5) Applicant must provide copies of documentation from the Texas Secretary of State and Comptroller's Office demonstrating Applicant is in good standing;

(fe) If indicated by the Department, comply with all requirements to utilize the Department's website to provide necessary data to the Department.

§2.5 — Application Limitations

(a) The Department reserves the right to reduce the amount requested in an Application based on program or project feasibility, need to ensure dispersion of funds, underwriting analysis, or availability of funds:

(b) An award amount for the Texas Bootstrap Loan Program shall not exceed \$600,000 plus administrative fees not to exceed 6% of award amount, except as may be otherwise authorized by the Board or as otherwise stated in the NOFA.

(c) The contract term for the Texas Bootstrap Loan Program shall not exceed 24 months, except as may be otherwise authorized by the Board.

(d) Per household assistance from the Department for any Texas Bootstrap Loan Program Loans may not exceed \$30,000 per household pursuant to §2306.754(b) of the Texas Government Code. The Owner Builder must obtain the amount necessary that exceeds \$30,000 from one or more local governmental entities, nonprofit organizations, or private lenders. The total amount of repayable loans

made by the Department and other entities to an Owner-Builder under the Program may not exceed \$60,000 pursuant to §2306.754 (b) of the Texas Government Code.

~~(e) An award amount for Disaster Relief shall not exceed \$750,000 plus administrative fees not to exceed 6% of award amount per State declared disaster, or as may be otherwise authorized by the Board.~~

§2.62.5 Program Activities

All eligible ~~Applicants~~ Participants that satisfy the requirements of §2.4 of this chapter may reserve funds and apply submit a loan application on behalf of an Owner-Builder Applicant ~~for the Texas Bootstrap Loan Program.~~ funding

§2.72.6 Prohibited Activities

The following activities are prohibited in relation to the origination of a Texas Bootstrap Loan Program Loan, but may be charged as an allowable cost by a third party lender for the origination of all other loans originated in connection with a Texas Bootstrap Loan Program Loan.

(1) Payment of delinquent property taxes or related fees or charges on properties to be assisted with Texas Bootstrap Loan Program funds;

(2) Loan Origination Fees;

(3) Application fee;

(4) Discount fees;

(5) Underwriter fee;

(6) Loan Processing fees; and

(7) Other fees not approved by the Department.

§2.82.7 Distribution of Funds

(a) ~~Set-Asides:~~ In accordance with §2306.753(d) at least two-thirds of the dollar amount of loans made under this chapter in each fiscal year must be made to Owner-Builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code.

(b) ~~Balance of State:~~ The remaining one-third of the dollar amount of loans may be made to Owner-Builders in either a county under subsection (a) of this section or a county not eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code.

~~(c) Redistribution:~~ ~~In an effort to commit Texas Bootstrap Loan Program funds in a timely manner, the Department may reallocate funds set aside under subsection (a) of this section, at its own discretion, to other areas of the state if:~~

~~(1) The Department fails to receive a sufficient number of Applications by the application deadline date stated in the NOFA from the set-asides or balance of state;~~

~~(2) No Applications are submitted; or~~

~~(3) Applications from the Set-Aside under subsection (a) of this section that do not meet eligibility requirements or minimum threshold scores (when applicable), or are financially infeasible as applicable.~~

~~(4) The Department deobligated funds due to nonperformance from previous application cycles.~~

~~(d) Marginal Applications:~~ When the remainder of the allocation within the set-aside under subsection (a) of this section or the balance of state is insufficient to completely fund the next ranked Application in the set-aside, it is within the discretion of the Department to:

~~(1) Fund the next ranked Application for the partial amount, reducing the scope of the Application proportionally;~~

~~(2) Transfer the remaining funds to either the balance of state or set-aside.~~

(c) Reservation procedures. Reservation of funds are available to the NOHP on first-come, first-served basis. In all cases the NOHP must register each Owner-Builder applicant on the Texas Bootstrap Loan Program Reservation System via the Department's website. Maximum Reservations allowed for an NOHP at any given time may not exceed ten in the two-thirds set-aside as noted in §2306.753(d) of the Texas Government Code. The NOHP is allowed up to five Reservations at any given time under the Balance of the State set-aside.

(d) A Reservation of funds with respect to the Program may be subject to cancellation if all documents as required under the Program Manual are not submitted to the Department within ten business days of the date the registration was entered into the Reservation system and/or if the performance benchmarks outlined in these Program rules are not adhered to. Registration of an Owner-Builder applicant does not guarantee funding.

(e) Modification of loan Reservation. After a Reservation has been secured and the Owner-Builder applicant has been deemed eligible to participate in the Program, the NOHP must notify the Department of any changes to the Owner-Builder application, such as a cancellation, change in the sales price or change in the loan amount. The NOHP will not be permitted to change, exchange, replace or switch Owner-Builder applicants once the loan has been registered.

(f) Once a Reservation has been awarded, the Department may grant a one 45-day extension of required benchmarks due to extenuating circumstances that were beyond the Owner-Builder's and/or the NOHP's control. If the NOHP cannot meet the required benchmarks after the 45-day extension, the Reservation will be cancelled. In order to receive another Reservation on the same Owner-Builder applicant the NOHP must submit an updated application to ensure the Owner-Builder applicant still meets all guidelines and requirements under Texas Bootstrap Loan Program Rules and Program Manual.

§2.92.8 Application and Award Process Criteria for Funding

(a) All NOFAs will be presented to the Board for approval. The Department will publish a NOFA in the Texas Register and on the Department's website. The NOFA may will be published as either an Open or Competitive Application Reservation Cycle. The NOFA will establish and define the terms and conditions for the submission of applications Reservations, and may set a deadline for receiving applications under a Competitive Application Cycle. The NOFA will also indicate the approximate amount of available funds.

(b) An Applicant A nonprofit organization must have submit a completed been certified by the Department as an NOHP Application and must have executed a Loan Origination Agreement to be considered for funding eligible to submit a Reservation on behalf of an Owner-Builder applicant. A Reservation containing false information and/or not received by the deadline will be disqualified. The NOHP will be notified in writing of any Reservations cancelled. All Reservations must be received by the Department by 5:00 p.m. of the tenth business day within ten business days, regardless of method of delivery. Applications containing false information and Applications not received by the deadline will be disqualified. Disqualified Applicants are notified in writing. All Applications must be received by the Department by 5:00 p.m. on the date identified in the NOFA, and Application guidelines, regardless of method of delivery.

(c) Applications Reservations received by the Department in response to an Application Cycle a NOFA will be handled in the following manner:

(1) The Department will accept Applications Reservations until the Application deadline date on the all funds under the NOFA have been committed. All Applications must be received during business hours

- ~~(8:00 a.m. to 5:00 p.m.) on any business day. The Department may limit the eligibility of Applications Reservations in the NOFA, and application guidelines Program Manual.~~
- ~~(2) Each Application Reservation will be assigned a "received date" based on the date and time it is physically the Reservation was entered into the Texas Bootstrap Loan Program Reservation System, received by the Department. Then eEach Application Reservation will be evaluated against the criteria outlined in this rule, reviewed in accordance to with the Program rules, and Manual.~~
- ~~(3) The Department will ensure that the Application Reservation is reviewed for the completeness of submission of all materials required under the NOFA, and Application guidelines information requested in the Program Manual. Applications Reservations must comply with all applicable Texas Bootstrap Loan Program and Housing Trust Fund requirements or regulations established in these rules. Applications Reservations that do not comply with such requirements are disqualified. Disqualified Applicants Reservation are notified in writing.~~
- ~~(4) Administrative Deficiencies. If an Application Reservation contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the application Reservation, the Department staff may request clarification or correction of such Administrative Deficiencies including both threshold and/or scoring documentation. The Department staff may request clarification or correction in a deficiency notice in the form of an email, facsimile and/or a telephone call to the Applicant NOHP advising that such a request has been transmitted. An Applicant NOHP may not change or supplement an Application Reservation in any manner after the filing deadline submission, except in response to a direct request from the Department. Applicants NOHP must submit the requested information to the Department within five business days of notification of deficiency.~~
- ~~(5) Applicants will be notified of their score in writing no later than seven calendar days after all applications have been scored. If sufficient applications are not received in the set-aside area, any remaining funds will be redirected to the balance of the state. Applicants may also receive a partial recommendation for funding. A minimum award amount may be established to ensure feasibility.~~
- ~~(6) Upon completion of the applicable final review and scoring, Applications will be ranked based on set-aside or balance of state and presented to the Executive Awards Review and Advisory Committee (the Committee). The Committee will then recommend to the Board awards of funds to specific Applicants.~~
- ~~(7) The Department may decline to fund any Application Reservation if the proposed housing activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications Reservation which are received entered, and may decide it is in the Department's best interest to refrain from pursuing any selection process committing the funds.~~
- ~~(8) Subsequently, recommendations for funding will be made available on the Department's website at least seven calendar days prior to the Board meeting at which the awards may be approved.~~
- ~~(9) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.~~
- ~~(10) In the event of a tie between two or more Applicants Reservations, the Department reserves the right to determine which Application Reservation will receive a recommendation for funding. The Department will give priority to Reservations to Owner-Builders with an annual income of less than \$17,500 and Reservations to Owner-Builders who will reside in counties and municipalities that agree in writing to waive the capital recovery fees, building permit fee or other fees related to the building of the houses to be built with the loan proceeds. This decision will be based on housing need factors and feasibility of the proposed project identified in the Application. Tied Applicants Reservations may also receive a partial recommendation for funding.~~
- ~~(d) An Application received from an Applicant with Co-Applicants will be scored accordingly:~~

(1) Each Applicant and Co-Applicant from an organization must meet the General Threshold Criteria as outlined in §2.10 of this chapter and Selection Criteria outlined in §2.11 of this chapter. Each Applicant and Co-Applicant must achieve a minimum threshold score of 70 points based on the Department's review in order to be considered eligible to receive a funding recommendation. If an Applicant and/or Co-Applicant does not achieve the minimum threshold score that particular Applicant and/or Co-Applicant will be disqualified.

(2) The number of houses each Applicant and/or Co-Applicant plans to build or rehabilitate will be determined by Department Staff based on the data provided by the Applicant and Co-Applicant.

(3) The score determined for each Applicant and Co-Applicant will apply as a score to each house the Applicant and Co-Applicant plans to build or rehabilitate.

(4) The final score applied to the application will be the average of all scores weighted by the number of houses per Applicant and Co-Applicant.

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

§2.10—General Threshold Criteria

At a minimum, the following criteria must be satisfied in the Application for the Texas Bootstrap Loan Program fund. The applicable criteria are further delineated in the Application guidelines and NOFA, which are part of the application package.

(1) Needs Assessment Applicant must demonstrate whether the proposed project meets the demographic, economic and special need characteristics of the population residing in an underserved area (colonia or Economically Distressed County as defined within the NOFA or application).

(2) Operational Capability and Experience of Applicant Whether the Applicant has the capacity to administer and manage the proposed program/project, demonstrated through previous experience either by the Applicant, cooperating entity or key staff (including other contracted service providers); in program management, managing self-help housing, volunteer labor projects involving acquisition, rehabilitation, reconstruction, new construction, home buyer education classes, real estate finance counseling and training or other activities relevant to the proposed program.

(3) Financial Design. Applications for funding will be reviewed for written evidence of the capacity to maintain financial systems, including the responsibility of accounting staff. The Application must adequately describe the lead Applicants and co-Applicants financial standing for the last three years. The review will be based on the supporting financial data provided by Applicants and third party reports such as financial statements and audits submitted with the Application. Submission of "Independent Auditor's Report" dated within 12 months of application deadline date expressing an unqualified opinion. Report must show evidence of Applicant's capacity to maintain an effective financial system, and the extent to which Applicant has the capability to manage financial resources, as evidenced by previous experience, documentation of the Applicant or key staff, and existing financial control procedures.

(4) Leveraging of public and/or private resources. Does the applicant and/or co-applicant have private-sector support for the project from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government.

(5) Program Design. Applications for funding will be reviewed for written evidence of how the Owner-Builders will meet the 60% sweat equity requirement. Applicant must describe in detail how the program guidelines will be used to identify and prioritize families earning less than \$17,500. In addition Applicants must provide specific development plans, program schedules and performance benchmarks that will enable them to build units within a 24-month contract.

§2.11 Selection Criteria for Texas Bootstrap Loan Program

(a) Maximum points available is 100. Applications must achieve a minimum threshold score of 70 points based on the Department's review in order to be considered eligible to receive a funding recommendation.

(b) The following selection criteria point breakdown will be utilized when scoring Applications:

(1) Previous Award, Past Performance and First Time Applicants. (Maximum Points: 10) Applicants will receive 10 points for having received an award from the Bootstrap Program and performed in accordance with their contracts and Department rules. If performance benchmarks as outlined in contract have not been met or funds have been deobligated or if Applicant has been found in noncompliance on any prior award described in §2.12 of this chapter, a score of zero points will result. Unsatisfactory past performance on any contract will be forgiven for funding purposes if three years from the Application deadline date has elapsed and the Department, in its sole discretion, is satisfied that the conditions of such performance have been rectified. In an effort to encourage participation in the Texas Bootstrap Loan Program, first time Applicants will be awarded 10 points if the Applicant demonstrates at least three years of experience by providing details of previous projects and/or resumes of persons involved in self-help housing construction projects. Projects and resumes will be reviewed and verified by the Department staff.

(2) Letters of support. (Maximum Points: 10) Points will be awarded based on a review of the letters (up to five letters; 2 points per letter up to a maximum of 10 points.) submitted from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government who indicate support to the Texas Bootstrap Loan Program project. To be considered for scoring, the letters must include the company's name, contact person (full name), address, city, state, and zip code; signed and dated within twelve months of the application deadline.

(3) Readiness to Proceed. (Maximum Points: 10) Points will be awarded based on a review of the commitment letters provided to Owner Builders interested in participating in the Texas Bootstrap Loan Program. To be considered for scoring, the letters must be on applicant's letterhead, including: Owner-Builder's name, address, city, state, zip code and phone number. Letters must be signed by both Owner Builder and nonprofit organization and dated within twelve months of application deadline. 2 point per letter for a maximum of 10 points.

(4) Level of Homebuyer Counseling for Homebuyer Assistance. (Maximum Points: 4) Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Maximum of 4 points.

(A) Copy of curriculum meeting Department requirements as described in Application, 2 points; and
(B) Post purchase counseling to be provided, 2 points.

(5) Lien Position. (Maximum Points: 10) To encourage participation, the Department may subordinate its lien position if the leveraged loan is greater or equal than the Department's loan. However, liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loan, must be subordinated to the Department's loan. If the Department is in a first lien or in a parity lien position based on this standard, the Applicant will be awarded 10

points. If the Department subordinates its lien and the leveraged loan is greater than the Department's loan, the Applicant will be awarded 5 points.

(6) Operational Capability and Experience. (Maximum Points: 10) Points will be awarded based on the number of years of experience the Applicant demonstrates in managing self-help housing and volunteer labor projects, construction, real estate financing, counseling and other relevant activities. For each year of experience in managing self-help housing projects Applicant will be awarded 2 points (maximum of 10 points). Must demonstrate years of experience by providing details of previous projects and/or resumes of persons involved in the self-help project must be submitted with the Application. Project and resumes will be reviewed and verified by the Department staff.

(7) Program Design. (Maximum Points: 46) Points will be awarded based on the comprehensive and thorough program design. Points are awarded only to the extent the design is well planned and a sound proposal is submitted:

(A) Describe in detail by identifying what construction activities will be done by the Owner-Builder to meet the 60% sweat equity construction requirement will be met; (20 points)

(B) Provide the program guidelines that will be used select the Owner-Builders (8 points)

(C) Describe how families earning less than \$17,500 will be identified and prioritized (8 points)

(D) Describe the specific development plans, program/construction schedule and performance benchmarks that will enable the Applicant to select and qualify Owner-Builders and build or rehabilitate houses within a 24 month contract; (10 points)

§2.122.9 Program Administration

(a) Per household assistance from the Department for any Texas Bootstrap Loan Program loans may not exceed \$45,000 per-household pursuant to §2306.754(b) of the Texas Government Code. The Owner-Builder must obtain the amount necessary that exceeds \$45,000 from other sources of funds. The total amount of Amortized repayable loans made by the Department and other entities to an Owner-Builder under the Program may not exceed \$90,000 pursuant to §2306.754 (b) of the Texas Government Code. For purposes of these rules, a Grant includes a forgivable loan.

(b) A loan made by the Department shall be secured by a first lien on the real property if the Department's loan is the largest Amortized, repayable loan secured by the real property; or

(c) A lien securing a loan made by the Department may be subordinate to a lien that secures a loan made by another funding source only if the original principal amount of the non-Department loan made is equal to or more than 55-% percent of the total loan amount, excluding the amounts of any deferred forgivable loans or grants made by another funding source; or

(d) A lien securing a loan made by the Department may be secured by a first lien or co-first lien to a lien that secures a loan made by another funding source only if the original principal amount of the Department loan made is greater than or equal to or greater than 50%percent and is less than 55 %percent of the total loan amount, excluding the amount of any deferred forgivable loans or grants made by another funding source.

(e) The Department, through an NOHP, shall make loans for Owner-Builder applicants to enable them to:

(1) purchase or refinance real property on which to build new residential housing;

(2) build new residential housing; or

(3) improve existing residential housing

(f) The NOHP will be granted a six percent (6%) administration fee upon completion of the house and closing of each mortgage loan.

(g) Loan Origination Agreement. Upon approval by the Board Department, Applicants receiving Texas Bootstrap Loan Program funds the nonprofit organization certified as an NOHP or Colonia Self-Help Centers shall enter into, execute, and deliver to the Department the Loan Origination Agreement. all written agreements between the Department and Applicant NOHP.

(bh) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Program written agreement provided that:

(1) Time extensions. The Executive Director may collectively provide up to one six-month extension to the end date of any Loan Origination Agreement. Any additional time extension granted by the Executive Director shall include a statement by the Executive Director relating to unusual, non-foreseeable or extenuating circumstances. If the extension is longer than six months and the Executive Director determines that a statement related to unusual, non-foreseeable, or extenuating circumstances cannot be issued, it will be presented to the Governing Board for approval, approval with modifications, or denial of the requested extension; in the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; and

(2) ~~in~~ In the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award.

(3) ~~Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for consideration.~~

(ei) Sanctions/Deobligation. The Department will apply its Administration Rules, Title 10, Part 1, Chapter 1, Texas Administrative Code. The Department in accordance with its Administrative Rules may apply appropriate graduated sanctions leading up to, but not limited to deobligation of funds and future debarment from participation in the program in the following situations:

(1) ~~Technical Assistance Provider has any unresolved compliance issues on existing or prior contracts with the Department;~~

(2) ~~Technical Assistance Provider fails to set up programs/projects or expend funds as outlined in the program Contract;~~

(3) ~~Technical Assistance Provider defaults on any agreement by and between Technical Assistance Provider and the Department;~~

(4) ~~Technical Assistance Provider misrepresents any facts to the Department during the Program application process, award of contracts, or administration of any Department contract;~~

(5) ~~Technical Assistance Provider demonstrates the inability to provide adequate financial support to administer the Program contract or withdrawal of significant financial support;~~

(6) ~~Technical Assistance Provider fails to build or rehabilitate the number of houses under the contract.~~

(7) The Department may use all applicable contract provisions and/or any relevant rules to assure compliance with these rules or contract Loan Origination Agreement terms.

(dj) Waiver. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, of the Texas Government Code, or for good cause, as determined by the Board.

(ek) Additional Funds. In the event the Department has additional funds in the same funding cycle, the Department, with Board approval, may elect to will distribute funds to other Applicants in accordance to §2.7 (a) and (b).

(fl) The Department may terminate a ~~contract~~ the Loan Origination Agreement in whole or in part. If NOHP Technical Assistance Provider has not achieved performance benchmarks as outlined in contract Loan Origination Agreement, Program rules and Manual within six (6) months of the effective date of the contract, the contract may be terminated. The Department will track substantial progress during the initial six (6) month period and throughout the contract term. Performance benchmarks must be satisfactorily completed during the term of the contract as follows:

(1) If the Owner-Builder applicant qualifies for the Program, the Department will issue an applicant eligibility letter (pre-approval) which reserves the funds (up to \$45,000 per Reservation) for 12 months from the Reservation date.

In an effort to expedite expenditure of funds, the NOHP will be required to meet specific performance benchmarks on the home within 12 months of the Reservation. If the NOHP fails to meet the required benchmarks, the Reservation may be subject to cancellation in accordance with the Loan Origination Agreement. The Department may provide a one 45-day extension to benchmark deadlines due to extenuating circumstances that were beyond the Owner-Builder's and/or the NOHP's control. If the NOHP cannot meet the required benchmarks after the 45-day extension, the Reservation will be cancelled. In order to receive another Reservation on the same Owner-Builder applicant the NOHP will be instructed to submit an updated application if funds are available, to ensure the Owner-Builder applicant meets all Texas Bootstrap Loan Program Rules and guidelines.

Once an Owner-Builder has been deemed eligible and funds have been reserved, the NOHP must meet the following performance benchmarks depending on the type of loan being requested:

(a) Purchase Money Loan:

- Within 90 days of the respective Reservation date the NOHP must have initiated the preconstruction process, which includes the homeownership education and counseling programs of the organization.
- Within 180 days of the respective Reservation date construction must have started on the unit; and
- Within one year of the respective Reservation date the unit must be 100% complete and the purchase money loan must have closed with the Owner-Builder applicant.

(b) Interim and Residential Construction Loans:

- Within 90 days of the respective Reservation date, the loan must close and construction must have started on the unit;
- Within 180 days of the respective Reservation date, the unit must be at 40% completion;
- Within 270 days of the respective Reservation date, the unit must be at 80% completion; and
- Within one year of the respective Reservation date, the unit must be 100% complete and the purchase money loan must have closed with the Owner-Builder applicant.

~~(1) By the end of the second quarter from the effective date of the contract period, the Technical Assistance Provider must have submitted for approval a minimum of 50% of the eligible Owner-Builder applicants to the Department.~~

~~(2) By the end of the third quarter from the effective date of the contract period, the Technical Assistance Provider must have submitted for approval 100% of all eligible Owner-Builder applicants to the Department.~~

~~(3) By the end of the fourth quarter from the effective date of the contract period, the Technical Assistance Provider must ensure that 50% of the approved Owner-Builder applicants have completed all of the Department's loan closing documents as applicable and started construction on their home.~~

~~(4) By the end of the fifth quarter from the effective date of the contract period the Technical Assistance Provider must ensure that 100% of the approved Owner-Builder applicants have completed all of the Department's loan closing documents as applicable and have started construction on their home.~~

~~(5) By the end of the sixth quarter from the effective date of the contract period, Technical Assistance Provider must ensure that 50% of houses awarded under the contract are completed and meet all applicable codes and standards.~~

~~(6) By the end of the seventh quarter from the effective date of the contract period, Technical Assistance Provider must ensure that 100% of houses awarded under the contract are completed and meet all applicable codes and standards.~~

~~(7) The eighth quarter is reserved to complete and fund the remaining houses, project close-out and the Department monitoring functions.~~

~~(8) Loan closing will take place at a title company and the funds will be disbursed upon receipt of proper documentation from the title company selected by the Technical Assistance Provider or the Department. All other draws will be disbursed as described in the Program Documents.~~

~~(9) Quarterly reports are due by the Technical Assistance Provider~~NOHP to the Department on the 20th of the month following the end of each calendar quarter. All funding ~~will~~may be suspended until reports are received.

~~(g) Lower percentages may be allowed as approved by the Department due to an extenuating circumstance. An extenuating circumstance is an event or set of incidents beyond the control of the Technical Assistance Provider as determined by the Department.~~

~~(hm) Roles and responsibilities for administering the pProgram contract. NOHPs Technical Assistance Provider's (TAP) are required to:~~

~~(1) Qualify potential Owner-Builders for loans;~~

~~(2) Provide Owner-Builder homeownership education classes;~~

~~(3) Supervise and Assist Owner-Builders in building and/or rehabilitate housing;~~

~~(4) Facilitate loans made or purchased by the Department under the Program; and~~

~~(5) Implement and administer the Program on behalf of the Department~~

~~(in) Loan Origination/Loan Servicing. An NOHP Technical Assistance Provider who receives an award or a reservation of funds may request to~~must enter into a Loan Origination Agreement with the Department in order to participate in the Program. If the NOHP wishes to service the loans originated on behalf of the Department it must enter into a and/or Loan Servicing Agreement with the Department. The Department may grant the request upon reviewing the NOHP Technical Assistance Provider's capacity to implement those specific functions.

~~(jo) First Year Consultation Agreement. The NOHP Technical Assistance Provider agrees that if notified by the Department that Owner-Builder (Mortgagee) has failed to make a scheduled payment due under the Program Lloan, or other payments due under the Program Lloan documents issued under the ContractProgram, within the first twelve (12) months of funding, the NOHP Technical Assistance Provider will be required to meet with the Owner-Builder and provide counseling and assistance until the payments are made current. After consultation and in the event that the Department and NOHP Technical Assistance Provider are not able to reach a consensus about NOHP Technical Assistance Provider's effort to bring the Program Lloan current as required under this chapter, the Department in accordance with its Aadministrative Rrules may apply appropriate graduated sanctions leading up to, but not limited to deobligation of funds and future debarment from participation in the program.~~

~~(kp) Conflict of Interest. The NOHP Technical Assistance Provider shall ensure that no employee, officer, or agent of NOHP Technical Assistance Provider shall participate in the selection, or in the award or administration of a subcontract supported by funds provided under this program if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: the employee, officer, or agent; any member of his or her immediate family; his or her partner; or, any organization which employs, or is about to employ any of the above; has a financial or other interest in the firm or person selected to perform the subcontract. The NOHP Technical Assistance Provider may not accept an application from any of its officers or employees nor any spouse or person related within~~

the third degree of affinity (marriage) or consanguinity (blood) to any officer or employee of the ~~NOHP~~ Technical Assistance Provider.

~~(lq) Administrative Fee. The NOHP Technical Assistance Provider may request 50% of their administrative fee when 100% of all applicants have been approved by the Department. The remaining 50% may be requested on a unit basis when each home is 100% completed and funded. upon completion of the house and closing of each mortgage loan.~~

~~(mr) Blueprints. If NOHP's Technical Assistance Provider's activity is interim or residential construction, NOHP Technical Assistance Provider must provide an original copy of the proposed blue prints to be approved by the Department prior to accepting applications. Blue Prints must include the required construction requirements pursuant to §2306.514 of the Texas Government Code.~~

~~(ns) Work Write-up. The NOHP Technical Assistance Provider must establish submit written rehabilitation standards to apply to a work write-up for all rehabilitation projects. At a minimum, NOHP these standards must ensure that the home will meet Colonia Housing Standard or Housing Quality Standards. Work write-ups must be reviewed and approved by the Department, before rehabilitation is started. The NOHP Technical Assistance Provider must also adopt a set of general specifications that provide detailed guidance to Owner-Builders and contractors on how to complete specific items in a work write-up.~~

~~(ot) Loan program requirements. The Department may purchase or originate loans that conform to the lending parameters and the specific loan Program requirements as follows:~~

~~(1) Maximum Loan amount not to exceed \$30,000\$45,000. If it is not possible for the Owner-Builder to purchase necessary real property and build adequate housing for \$30,000\$45,000, the NOHP Technical Assistance Provider must obtain additional funding from one or more local governmental entities, nonprofit organization, or private lender other sources of funds;~~

~~(2) Minimum Loan amount is \$1,000;~~

~~(3) The total amount of all Amortized repayable loans under the Program may not exceed \$60,000\$90,000 (repayable amortized loans). Deferred forgivable loans are not included in these total loan calculations;~~

~~(4) May not exceed a term of 30 years;~~

~~(5) Minimum loan term of 5 years;~~

~~(6) 0% non-interest loans;~~

~~(7) The Department may subordinate to a lien that secures the amount above \$30,000 when necessary as further described in §2.15(3) of this chapter;~~

~~(8) When refinancing a contract for deed, the Department will not disburse any portion of the Department's loan until the Owner-Builder receives a deed to the property;~~

~~(9) Owner-builder(s) must have resided in this State for the preceding six months prior to the date of application;~~

~~(10) Total Debt-to-Income Ratio: Maximum of 45%43% (unless otherwise dictated by the mortgage insurer, if any);~~

~~(10) Credit Qualifications: Owner-Buidlder applicants must have a credit history that indicates reasonable ability and willingness to meet debt obligations. In order for the Department to make a reasonable determination, the Department will obtain a tri-merge credit report on all Owner-Builder applicants submitted to the Department for approval.~~

~~(11) Indicators of unacceptable credit include:~~

~~(a) Payments on any account which has been delinquent for more than 30 days on three or more occasions within the last 12 months prior to the date of application.~~

~~(b) A foreclosure which has been completed within the last 12 months prior to the date of application.~~

~~(c) An outstanding Internal Revenue Service tax lien or any other outstanding tax liens where Owner-Builder applicant has made no satisfactory payment arrangements.~~

(d) A court-created or court-affirmed obligation or judgment caused by nonpayment that is currently outstanding or has been outstanding within the last 12 months and Owner-Builder applicant has made no satisfactory payment arrangements.

(e) Three or more rent payments paid late within the last 12 months prior to the date of application.

(f) Any account that has been placed for collection or profit or loss within the last 12 months prior to the date of application.

(g) Any delinquency on any government debt.

(h) A bankruptcy that has been filed within the past 12 months prior to the date of application.

(12) The following will not be considered indicators of unacceptable credit:

(a) A bankruptcy in which debts were discharged more than 24 months prior to the date of application or where an applicant successfully completed a bankruptcy debt restructuring plan and has demonstrated a willingness to meet obligations when due for the 12 months prior to the date of application.

(b) A judgment satisfied more than 12 months before the date of application.

(c) Medical accounts that are delinquent or that have been placed for collection.

(1113) Liabilities: The Owner-Builder applicant's liabilities include all revolving charge accounts, real estate loans, alimony, child support, installment loans, and all other debts of a continuing nature with more than 10 monthly payments remaining. Debts for which the Owner-Builder applicant is a co-signer will be included in the total monthly obligations unless the other party to the note-debt provides evidence in the form of 12 months' canceled checks or bank statements showing that the Owner-Builder applicant has not been making payments on the co-signed loans for the previous 12 months. There may be no late payments within the past 12 months or the debt will be included. Payments on installment debts which are paid off prior to funding are not included for qualification purposes. Payments on all revolving debts (i.e. credit cards, payday loans, lines of credit, unsecured loans) and certain types of installment loans that appear to be recurring in nature will be included in debt ratio calculation, even if the Owner-Builder applicant intends to pay off the accounts, since the Owner-Builder applicant can reuse those credit sources, unless the account is paid off and closed. Any bankruptcy must have been discharged or dismissed in addition the Department will require that the Owner-Builder applicant to submit a letter of explanation regarding the circumstances that led to the bankruptcy. If an Owner-Builder has had a foreclosure within the past 24 months they may not be eligible to participate in the program.

(1214) Must be a detached single-family residence or property located within the State of Texas. Manufactured homes are not eligible. All property taxes must be current prior to closing.

(1315) The residence must be occupied as the principal residence of the Owner-Builder within thirty (30) days of the later of the end of the construction period or the closing of the loan. Any additional habitable structures must be removed from the property prior to closing. Portion of the former structure may be utilized as storage upon the Department's written approval prior to closing.

(1416) Escrow Account-- An account to which the borrower contributes monthly payments to cover the anticipated costs of real estate taxes, hazard and flood insurance premiums, and other related costs. Besides the loan payments, other costs associated with being a homeowner include real estate taxes, hazard insurance and flood insurance premiums, and related costs such as street or water assessments. The Department has an interest in making certain that these costs are paid in order to protect the property from tax sale or foreclosure, and to make certain that funds will be available to repair the property should it be damaged. The Department will require that up to two months of reserves for hazard and/or flood insurance and property taxes be collect at the time of closing and these funds must be deposited with the mortgage loan servicer. In addition, the Department will also require that the property taxes be prorated at the time of closing and those funds be deposited with the mortgage loan servicer. The Owner-Builders will be required to deposit monthly funds to an escrow account with the 1st lien holder mortgage loan servicer in order to pay the taxes and insurance statements. This will

ensure that funds are available to pay for the cost of real estate taxes, insurance premiums, and other assessments when they come due. These funds are included in the Owner-Builder's monthly payment to the mortgage loan servicer. If the Department is in a 1st lien position, the Department will establish and administer the escrow accounts in accordance with the Real Estate Settlement and Procedures Act of 1974 (RESPA).

(1517) Non-Purchasing Spouse—An Owner-Builder applicant's spouse who does not apply for the loan will be required to execute the information disclosure form, the deed of trust as a "non-purchasing" spouse and will not be required to execute the note. For credit underwriting purposes, the non-purchasing spouse's debts and obligations will be considered in the Owner-Builder total debt-to-income ratio. The Owner-Builder applicant's spouse will be qualified using obligations for which the Owner-Builder applicant and non-purchase spouse are personally or jointly liable. Only the income of the Owner-Builder applicant spouse will be counted used in determining the total debt to income ratio. For program eligibility purposes, the income of a non-applicant spouse must be included in the calculation of family income. Tax Returns, W2's and recent pay check stubs, or Verification of Employment must be submitted to document family household income.

(p) The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Texas Bootstrap Loan Program proposal or written agreement provided that:

(1) In the case of a modification or amendment to the dollar amount of the request or award, such modification or amendment does not increase the dollar amount by more than 25% of the original request or award, or \$50,000, whichever is greater;

(2) In the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award; and

(3) Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.

(u) Loan Assumption: A Program loan is assumable if the Department determines that the Owner-Builder applicant complies with all Program restrictions in effect at the time of the assumption.

§2.132.10 Owner-Builder Qualifications

The Owner-Builder must:

(1) Own and be refinancing or be purchasing a piece of real property through a warranty deed or Contract for Deed;

(2) Not have an annual household income that exceeds 60% of the greater of the state or local area median family income as determined by HUD income guidelines;

(3) Demonstrate the willingness and ability to repay the loan;

(4) Execute a Self-Help Agreement committing to provide through personal labor at least 60%65% of the labor necessary to build or rehabilitate the proposed housing working through a state-certified NOHP; or provide an amount of labor equivalent to 60%65% in connection with building or rehabilitating housing for others through a state certified NOHP; provide through the noncontract labor of friends, family, or volunteers and through personal labor at least 65% of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP or if due to a documented disability or other limiting circumstances the owner-builder cannot provide the amount of personal labor otherwise required, provide through the noncontract labor of friends, family or volunteers at least 65% of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP. For elderly or Owner-Builder with disabilities, 60% sweat equity may be documented in form of volunteers;

(5) Not have liquid assets in excess of \$25,000 (excluding retirement and/or 401K accounts);

- (6) Successfully complete an Owner-Builder homeownership education class prior to loan approval funding;
- (7) Be given priority for loans if the Owner-Builder has an income of less than \$17,500 annually;
- (8) Not be currently in delinquency or in default with child support and/or government loans;
- (9) Not have any outstanding judgments and/or liens on the property.

§2.142.11 Types of Funding Transactions

All mortgage loans will be evidenced by a promissory note and will be secured by a lien on the subject property. The following transaction types are permitted by the Department under the Program.

- (1) Purchase Money. In a purchase money transaction, all proceeds are used to finance the purchase of a single-family dwelling unit and/or a piece of real property which will be the Owner-Builders primary residence within 30 days of closing the loan. In this instance, a permanent loan is made and the Owner-Builder's repayment obligation begins immediately. In certain situations, eligible closing costs may be financed by the loan proceeds.
- (2) Residential Construction (One Time Closing with Owner Builder). An interim construction loan, also known as a residential construction loan, this transaction is treated as a purchase, because it is a one time closing with the Owner-Builder. Construction period is for 12 months at which time payments will begin on the 13th month after closing.
- (3) Interim Construction (Closing with ~~NOHP Technical Assistance Provider~~). Interim construction is a commercial transaction between the NOHP Technical Assistance Provider and the Department. The construction period is for 12 ~~months, months~~; once the construction of the home is completed the closing with the Owner-Builder will take place as a purchase money transaction.

§2.15 Leveraged Loans

~~When additional loans are utilized in addition the loan under this program, lenders are expected to charge reasonable and customary interest rates and fees. The Technical Assistance Provider may be able to help the applicant negotiate favorable terms.~~

- (1) ~~The leverage loan interest rate may be no more than 3.5% above the FHA rate at the time of closing. Also, the lender may not include "points" to buy down or pre-pay the interest.~~
- (2) ~~Loan fees must be minimized and all fees must be reasonable. "Underwriting fees" and similar add-ons are not permitted. The total fees paid to the lender may not exceed 3.5% of the lender's loan. (This limitation on the lender applies regardless of whether the buyer or seller pays the fees.) In general, the Technical Assistance Provider must assure loan fees are minimized. The 3.5% is a maximum, not a baseline.~~
- (3) ~~The Department may accept a parity or subordinate lien position if the leveraged loan is greater or equal than the Department's loan. However liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loans, must be subordinated to the Department's loan.~~

§2.162.12 Property guidelines and related issues

~~(a) At a minimum, properties located in a colonia financed by the Department must meet Colonia Housing Standards ("CHS") only if no additional financing options are available. Properties located in all other areas must meet at a minimum Section 8 Housing Quality Standards (HQS). The applicable "HQS" or "CHS" Inspection report must be completed for each subject property where Housing Trust Funds are being utilized for Interim or Residential construction.~~

- (ba) ~~If the NOHP Technical Assistance Provider is utilizing program funds to construct the home they must conform to §2306.514 of the Texas Government Code.~~
- (b) If the property is located within an incorporated area where certain building codes must be met, the Department will require a copy of the certificate of occupancy. If the no certificate of occupancy is

available the NOHP must obtain a document showing that the home has passed all required codes from the local governing entity must be submitted to the Department upon completion of construction. If the property is located outside an incorporated area at a minimum, inspections will be required. Inspections will be required for all housing rehabilitation (initial and final), reconstruction (initial and final) and new construction (final only) activities and must be inspected by a professional inspector licensed by the Texas Real Estate Commission, a professional engineer licensed by the Texas Board of Engineering, an architect registered with the Texas Board of Architectural Examiners, or a third-party inspector registered with the Texas Residential Construction Commission to perform home inspections.

- (1) The final inspections for housing rehabilitation must ensure that the construction on the house is complete, that the home is safe, sound and sanitary. A copy of the final inspection report must be given to the homeowner.
- (2) The final inspections for reconstruction and new construction must ensure that the construction on the home is complete, that the home is safe, and that it meets, at a minimum, International Residential Code (IRC). IRC is a comprehensive residential code which establishes minimum construction requirements with plumbing, mechanical, energy, and electrical provisions. A copy of the final inspection report must be given to the homeowner.
- (3) The Contractor must ensure and verify that each construction contractor performing activities in the amount of \$10,000.00 or more under the Contract is registered and maintains good standing with the Texas Residential Construction Commission
- (4) The Contractor must ensure and verify that each housing unit being rehabilitated in the amount of \$10,000.00 or more under the Contract is registered with the Texas Residential Construction Commission

All final inspections must ensure that the construction on the house is complete and that the home is safe. In both instances any deficiencies noted on the certificate of occupancy or the third party inspector's report must be corrected prior to closing. Cosmetic issues such as paint, wall texture, etc. will not be required to be corrected since this is a self-help construction Program.

~~(c) If the property is located within an incorporated area where certain building codes must be met a certificate of occupancy must be submitted to the Department upon completion of construction. If the property is located outside of an incorporated area, an inspection by a certified third party licensed inspector must be completed and submitted to the Department upon completion of construction. In both instances any deficiencies noted on the certificate of occupancy or the third party inspector's report must be corrected prior closing.~~

~~(dc) Appraisals will be required by the Department on each loan property prior to funding.~~

~~(d) Maximum loan to value ratio may not exceed 95%, the lien amounts of forgivable loans and/or grants will not be included in the loan-to-value calculation.~~

~~(de) Improvement Surveys are required. Lot and final surveys will be required to required on each property be submitted.~~

~~(ef) Insurance requirements:~~

~~(1) Title Insurance. The title insurance must be written by a title insurer licensed to do business in the jurisdiction where the mortgaged property is located.~~

~~(A) Title Commitment. A copy of the preliminary title report including complete legal description, and copies of covenants, conditions and restrictions, easements, and any supplements thereto is required.~~

~~The preliminary title report should not be more than ninety (90)thirty (30) days old at the time the submission package (Submission or Funding Package) is sent to the Department.~~

(B) Mortgagee's Policy. The Department requires a Mortgagee's policy of title insurance in the amount of the loan. ~~Loss Payee~~ The Mortgagee named shall be: "Texas Department of Housing and Community Affairs." Required endorsements include-T-36 Environmental Endorsement for all loans made by the Department.

(2) Property Insurance.

(A) Builder's Risk is required where construction of the residence is being financed by the Department. At the end of the construction period, the binder must be endorsed to remove the "pending disbursements" clause.

(B) Hazard Insurance. The Department requires property insurance for protection against loss or damage from the following perils: fire, windstorm, hail, explosion, riot, and civil commotion, damage by aircraft, vehicles or smoke. Homeowner's policies or package policies that provide property and liability coverage are acceptable. All risk policies are acceptable. The amount of hazard insurance coverage at the time the loan is funded must be no less than 100% of the current insurable value of improvements. The Department will require that the premium for a 12 month homeowner's policy and up to 2 months of reserve be collected at closing and name the Department as ~~mortgagee~~ loss payee.

(C) Flood insurance is required for all structures located in special flood hazard areas where the U.S. Federal Emergency Management Agency (FEMA) has mandated flood insurance coverage. In addition ~~The Department will require a Life of Loan Flood eCertification on all loans. The Department is not originating the loan, but rather purchasing the loan. The flood certification must be part of the Submission or Funding Package and must be transferred to the Department. Flood insurance is not required if the Technical Assistance Provider NOHP or Owner-Builder applicant obtains a Letter of Map Amendment from FEMA stating that the area is no longer classified as a special flood hazard area. The letter must include a map illustrating the amended flood hazard area. An Owner-Builder applicant may elect to obtain flood insurance even though flood insurance is not required. However, the Owner-Builder applicant may not be coerced into obtaining flood insurance unless it is required in accordance with this section. Evidence of insurance must be obtained prior to loan funding. Insurance premiums for at least 12 months and up to two months of reserves will be collected at closing must be paid in advance. The Department must be named as loss payee on or the policy must be endorsed to the Department.~~

§2.172.13 Nonprofit Owner-Builder Housing Program (NOHP) Certification

(a) Definitions and Terms. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--A private nonprofit organization that has submitted a request for certification as a NOHP to the Department. An Applicant for the Texas Bootstrap Loan Program must be a NOHP certified by the Department.

(2) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Secretary of State.

(3) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.

(4) Resolutions--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

(b) Application Procedures for Certification of NOHP. An Applicant requesting certification as a NOHP must submit an application for NOHP certification in a form prescribed by the Department. The NOHP application must be submitted prior to submitting an application for Texas Bootstrap Loan Program ~~funding~~ Reservation System, and ~~be~~ must be recertified every three years. The application must include documentation evidencing the requirements of this subsection.

(1) Applicant must have the following legal status at the time of application to apply for certification as a NOHP:

(A) The ~~a~~ Applicant must be organized as a private nonprofit organization under the Texas Nonprofit Corporation Act or other state not-for-profit/nonprofit statute as evidenced by Charter or Articles of Incorporation.

(B) The Applicant must be registered and in good standing with the Secretary of State, State Comptroller's Office and the Texas Residential Construction Commission to do business in the State of Texas.

(C) No part of the private nonprofit organization's net earnings may inure to the benefit of any member, founder, contributor, or individual, as evidenced by Charter or Articles of Incorporation.

(D) The Applicant must have the following tax status:

(i) A current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective while certified as a NOPH, or

(ii) Classification as a subordinate of a central organization non-profit under the Internal Revenue Code §501(c)(3), as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.

(iii) A private nonprofit organization's pending application for §501(c)(3) status cannot be used to comply with the tax status requirement under this subparagraph.

(E) The Applicant must have among its purposes the provision of decent housing that is affordable to low and moderate income people as evidenced by a statement in the organization's Charter, Articles of Incorporation, Resolutions or Bylaws:

(2) An Applicant must have the following capacity and experience listed in subparagraphs (A) - (C) of this paragraph.

(A) Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Management Systems" as evidenced by:

(i) notarized statement by the Executive Director or chief financial officer of the organization in a form prescribed by the Department; or

(ii) certification from a Certified Public Accountant.

(B) Has a demonstrated capacity of at least one year for carrying out mortgage loan origination and self-housing construction activities ~~assisted with Texas Bootstrap Loan Program funds~~, as evidenced by resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with Texas Bootstrap Loan Program funds; or contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with Texas Bootstrap Loan Program funds, to train appropriate key staff of the organization.

~~(C) Has a history of serving the community within which housing to be assisted with Texas Bootstrap Loan Program funds is to be located as evidenced by:~~

~~(i) statement that documents at least one year of experience in serving the community; or~~

~~(ii) for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.~~

~~(iii) The NOHP or its parent organization must be able to show one year of serving the community prior to the date the Department provides funds to the organization. In the statement, the organization~~

~~must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing and rehabilitating existing stock. The statement must be signed by the president or other official of the organization.~~

~~(3) An Applicant must have the following organizational structures~~ submit a current roster of all Board of Directors, including names and mailing addresses.:

~~(A) written provision or statement in the organizations By-laws, Charter or Articles of Incorporation;~~

~~(B) affidavit in a form prescribed by the Department signed by the organization's Executive Director and notarized; and~~

~~(C) current roster of all Board of Directors, including names and mailing addresses.~~

~~(D) A local or state government and/or public agency cannot qualify as a NOHP, but may sponsor the creation of a NOHP.~~

(45) Religious or Faith-based Organizations may sponsor a NOHP if the NOHP meets all the requirements of this section. While the governing board of a NOHP sponsored by a religious or a faith-based organization remains subject to all other requirements in this section, the faith-based organization may retain control over appointments to the board. If a NOHP is sponsored by a religious organization, the following restrictions also apply:

(A) Housing developed must be made available exclusively for the residential use of program beneficiaries and must be made available to all persons regardless of religious affiliations or beliefs;

(B) A religious organization that participates in the Texas Bootstrap Loan program may not use Texas Bootstrap Loan Program funds to support any inherently religious activities such as worship, religious instruction, or proselytizing;

(C) Texas Bootstrap Loan Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based NOHP uses as its principal place of worship are always ineligible.

(D) Compliance with subparagraphs (A) - (C) of this paragraph may be evidenced by the Organizations By-laws, Charter or Articles of Incorporation.

(c) Program Design. Organizations must provide written evidence on how the Owner-Builder will meet the 65% sweat equity requirement.

(d) Applicant must provide details, such as number of houses they are proposing to build, type of proposed financing structure and construction timeliness in order to show evidence of its ability to carry out the Texas Bootstrap Loan Program.

(e) Applicant must provide copies of program guidelines used to qualify Owner-Builders and homebuyer course curriculum in order to show evidence of its experience in qualifying potential Owner-Builders; providing education classes, counseling and training;

(f) Applicant must submit any past due audit to the Department in a satisfactory format on or before the Application deadline;

(g) Applicants must be in compliance in any existing or prior contracts awarded by the Department;

(eh) The Department may certify NOHP's meeting all of the above criteria operated by a tax-exempt organization listed under §501(c)(3), Internal Revenue Code of 1986 to:

(1) qualify potential Owner-Builders for loans under this chapter;

(2) provide Owner-Builder education classes;

(3) assist Owner-Builders in building or rehabilitating housing; and

(4) originate and/or service loans made under this ~~chapter~~.

BOARD ACTION REQUEST
Executive Division
June 25, 2009

Action Item

Presentation, consideration, and possible action to approve the lease of additional premises to support temporary increase in staffing.

Required Action

Approve or approve with changes the proposed action.

Summary

The Texas Department of Housing and Community Affairs (the "Department") has recently taken on a number of significant new and/or expanded programs:

- in Disaster Recovery and Emergency Housing, the administration of three significant CDBG programs (Rita I, Rita II, and Ike/Dolly), an alternative housing pilot project, and the procurement of emergency housing solutions;
- in Community Based Services, the administration of the exponentially expanded weatherization assistance program, the expanded CSBG program, the homelessness prevention and rapid re-housing program, the Neighborhood Stabilization Program (both round 1, under HERA, and round 2, under ARRA);
- in its Multifamily Division the tax credit assistance program, and the housing tax credit exchange program; and
- in Administration, the development of a program to monetize first-time homebuyer tax credits.

Many, not all, of these new and/or expanded programs provide for administrative funds and/or allowable fees to support increased activity required of the Department, and it is clear that in the near term additional staffing will be required. Because the Department's current space will not accommodate additional staffing, management has been working with the Texas Facilities Commission ("TFC") to identify a space solution. There is no adequate state-owned space solution. Therefore, it will be necessary to rent additional space. The TFC has identified acceptable space at a building called the Twin Towers, located east of I-35 just south of Highway 290.

Based on an assessment of the reasonably foreseeable range of short term additional staffing needs and an assessment of those operations best able to operate in a separate building, management has identified the Manufactured Housing Division, a portion of Information Services, Bond Finance, and Texas Home Ownership as the best candidates to operate from this additional site. Based on the terms offered (gross lease at \$17.20 per square foot), management has determined that on a *pro forma* basis this can be accomplished within the Department's appropriations and available funding.

Recommended Action

Approve proceeding with this lease.

OFFICE OF ARRA ACCOUNTABILITY AND OVERSIGHT

BOARD ACTION REQUEST

May 21, 2009

Action Item

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (ARRA).

Required Action

None required.

Background

This item provides an update since the previous Board meeting on the status of the Department's activity relating to overall ARRA activities as well as on each of the ARRA programs.

All ARRA Programs/Department Wide:

The legislature took several actions relating to ARRA programs. The General Appropriation Act, Article XII, relates specifically to the Recovery Act. Article XII:

- Appropriates TDHCA Recovery Act funds for the Weatherization Assistance Program, the Community Services Block Grant Program, the HOME Program (which are funds designated for the Tax Credit Assistance Program) and Homelessness Prevention. In total, through Article XII, the Department reflects appropriations of \$565,075,732 for FY 2010.
- Allows unexpended funds appropriated in FY 2010 to be re-appropriated in FY 2011 for the same purpose.
- Outlines reporting requirements that include: a report from TDHCA to the Legislative Budget Board and the Governor, due September 30, 2009, outlining any funds spent, allocated, or encumbered prior to August 31, 2009, as well as the intended use of funds. If the LBB and/or Governor do not issue a written disapproval within 15 business days of receiving the notification, the agency may expend the funds; and, quarterly reporting to the Governor, Legislative Budget Board, State Auditor's Office and Comptroller of Public Accounts (and posted to the TDHCA website).
- Emphasizes that funds are not to create obligations for the state of Texas beyond 2011 including discontinuation of positions
- Provides other guidance and requirements relating to reporting, accountability, audits, minority participation, etc.

HB4275, as passed, provides two important statutory changes relating to the Recovery Act. First, it specifies that the Department has the authority to create separate application procedures and deadlines for Recovery Act funds associated with the Housing Tax Credit Program, which allows the Department to have greater utilization, if it so desires, of the Tax Credit Exchange Program. Second, it allows the Department to secure state interests with bonds, ownership interests, land use covenants or liens to protect the state from any liability relating to repayment or possible recapture of funds.

Since the last Board update, the following internal tasks have occurred relating to the Recovery Act programs:

- Deadlines for applications have passed and staff is reviewing applications for NSP and HPRP.
- Completion of responses in preparation for GAO visit
- Brenda Hull has taken on the position of Project Manager for the Office of Recovery Act Accountability and Oversight. Other staffing steps are under way including postings and interviews.
- Extensive information gathering sessions are continuing between program areas and Information Systems to institute needed data systems.

ARRA Program Specific Updates are provided on the attached table.

Office of Recovery Act Accountability and Oversight
June 25, 2009 Status Report

Program / Amount	Status	Allocation of Funds	Obligations/ Expenditures	Perform. Measures	Contracts	Board Action	Applicant Next Steps
Homelessness Prevention (HPRP) \$41,472,772	The HUD Con Plan Amendment, as approved by the Board, was submitted to HUD on May 18. HUD approval is not anticipated until July. Applications for funds were due to TDHCA on May 29; 94 applications were submitted requesting a total of \$65,868,099. Applications are under review and award recommendations will be presented to the Board in July.	<ul style="list-style-type: none"> ▪ 5% for Administration (2 ½ for TDHCA and 2 ½ for recipients) ▪ 5% Set Aside for Statewide Pilot ▪ 5% for Data and Evaluation ▪ Balance of funds regionally allocated to 13 service regions based on poverty and unemployment data. 	Not yet applicable	Not yet applicable	Recipients will be required to expend all funds within a two year contract period.	July - Approval of awards.	Applicant deadline has passed. Awards will be presented to the Board in July.
Weatherization (WAP) \$326,975,732	The WAP Plan, as approved by the Board, was submitted to DOE on May 1. A NOFA has been released and workshops for applicants were held on June 3 and June 8. Applications are due to TDHCA on June 23 for existing network recipients and June 26 for non-network applicants. The Training Academy Request for Proposals is expected to be released no later than late June.	<ul style="list-style-type: none"> ▪ 5% for State Administration ▪ 6.5% for Training and Technical Assistance ▪ Balance of funds for Subrecipient administration (5%), direct services, and health and safety improvements (up to 10%). ▪ These numbers are estimates at the time of this report. Actual amount requested must be supported by detailed schedules, as required by DOE. ▪ Subrecipient Allocation (\$289,373,523) to be apportioned between the existing WAP network (approximately \$180 million), cities with populations exceeding 75,000 (approximately \$100 million; cities with allocations less than \$1 million will have their funds administered by the local weatherization provider), and small cities, nonprofits and units of local government (\$7,500,000). 	Not yet applicable	Not yet applicable	Recipients will be required to expend all funds within a two year contract period.	July - Approval of awards.	Applications are due to TDHCA on June 23 for existing network recipients and June 26 for non-network applicants.
Community Services Block Grant (CSBG) \$48,148,071	The CSBG Plan was released for public comment and submitted to HHS by May 29.	<p>The existing CSBG formula will be utilized and 99% of funds will be allocated to the existing Community Action Network. The remaining 1% of funds will be used for coordination activities to facilitate client enrollment for various benefit programs.</p> <p>Guidance confirms that there will be no administrative funds and no discretionary funds. Up to 1% will be allowed for benefits enrollment activity.</p>	Not yet applicable	Not yet applicable	Recipients will be required to expend all funds within a one year contract period.	No action needed. Will report on contract executions.	Contracts to be executed with current Community Action Network in June upon HHS Plan approval.

Disclaimer: Information on this report is based on an initial analysis of ARRA and does not necessarily take into account federal rules which may have a direct bearing on the amount of funds made available to TDHCA and Texas. The Department believes that adjustments will be made that will have either positive or negative impact on the final funding amounts. Information in this report is subject to greater detail in specific Board action items.

Program / Amount	Status	Allocation of Funds	Obligations/ Expenditures	Performance	Contracts	Board Action	Applicant Next Steps
Tax Credit Assistance Program (TCAP) \$148,354,769	On May 21 the Board approved a policy for the TCAP. A funding request was submitted to HUD on June 2. Administrative funds will not be available. The Department must commit 75% of funds by February 17, 2010.	Eligible for 2007, 2008 and 2009 Housing Tax Credits awards. Funds are to be allocated regionally as shown in the TCAP Policy Supplement. Within regions applications will compete using a Selection Criteria also noted in the Supplement. The Board gives priority to tax credit developments that are ready to proceed and that maximize the use of their prior awards and tax credit resources. Funds will be made available as loans.	Not yet applicable	Not yet applicable	Property owners must expend 75% of funds by Feb 17, 2011. Owners must expend 100% of funds by February 17, 2012. May correlate with placement in service.	Awards of TCAP for 2007 and 2008 tax credit awardees are anticipated in September; awards for 2009 tax credit awardees are anticipated in December.	Applications are due July 17 from 2007 and 2008 tax credit awardees and October 1, 2009 from 2009 tax credit awardees.
HTC Exchange (HTCEX) \$351,047,164*	Federal guidance was provided on May 4. Guidance indicates that the assistance must be in the form of a grant to the development. *The Board has not yet authorized any exchange but unallocated credits currently would provide this amount of exchange. Could increase based upon IRS guidance and additional returns of prior year credit later this year.	Legislative action was taken (pending Governor authorization) to enable tax credit exchange opportunities to be extended to applicants other than 2009 applicants, should the Board so choose. No administrative funds permitted. Allocation methodology to be determined.	Not yet applicable	Not yet applicable	To Be Determined. Unused funds to be returned by January 2011.	June / July Board action	June / July Board action
Homebuyer Tax Credit \$8,000 per household	The Board has created a program for down payment assistance in conjunction with the Department's MCC and bond programs that provides a tax credit advance loan for up to \$6,000; the Board has also created a statewide stand alone down payment assistance program that will provide up to \$7,000 per household. FHA Mortgagee letter and additional clarification received on June 4. Lender invitations mailed June 8. Program launch date scheduled for June 22.	Approximately \$2.5 million was designated for the first portion of this program scheduled to be released in June. \$5 million is available for the stand alone down payment program approved by the Board in May. Contracts are with participating lenders; the program is first come-first serve for households within that network of lenders. Loan repayments will be recycled for use to eligible households. Tax credit advance loan to MCC & MRB borrower's is interest free for the initial 120 days; thereafter, 5 years at 7% interest. For stand alone DPA program, 90 days interest free; thereafter, 5 years at 10% interest.	Not yet applicable	Not yet applicable	Not applicable	No further action needed. Will report on program utilization.	NA
Neighborhood Stabilization Program (NSP) I HERA \$102,000,000	Applications from Select Pool and Direct Pool applicants were due in April; the program is oversubscribed with applications requesting a total of \$148 million. Applications under review. Awards are expected to be made in June.	<ul style="list-style-type: none"> ▪ Direct Allocation (up to 25 counties): \$50,692,337 ▪ Select Pool (up to 76 counties): \$31,104,826 ▪ Land Banking: up to \$10,000,000 ▪ Administration: \$10,196,685 (a portion for state and a portion for subs) Amounts may vary based on funds requested and capacity.	Not yet applicable	Not yet applicable	Contracts will require all funds be obligated within 6-8 months	June Approval of awards.	Implementation Workshops will occur in late July.

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Program / Amount	Status	Allocation of Funds	Obligations/ Expenditures	Perform. Measures	Contracts	Board Action	Applicant Next Steps
<p>Neighborhood Stabilization Program (NSP2) ARRA</p> <p>Amount for Texas Not Known**</p>	<p>HUD has released a NOFA for ARRA NSP which has two components: a second round of NSP funds called NSP2 and a round of NSP TA. Applications to HUD for NSP2 are due to HUD by July 17. Applications for NSP2 will be competitive on a national basis. Selections will be made by HUD in December. Public comment will be required. This June agenda has an item requesting approval from staff to apply to HUD for NSP2 funds.</p> <p>A round table to get input on the structure of TDHCA's proposal to HUD was held on June 11.</p> <p>Applications for the NSP2-TA (\$50 million nationally) are due June 8, but appear to be focused on technical assistance providers.</p>	<p>For NSP2, \$1.93B is available nationally and is open to states, local governments and nonprofits (including consortia and nonprofit/for profit partnerships). The minimum request amount per submission is \$5 million and requests must have a minimum impact on 100 foreclosed or abandoned homes. Capacity must be evidenced by applicants through evidence of unit completion within the same activity type as proposed.</p> <p>No amounts are specified in the NOFA per state or entity however HUD has released two needs score criteria; the neighborhood or community proposed to be served must have at least a needs score of 18 or greater on one of the two criteria (on a scale of 1 to 20). They are foreclosure related – the first is a calculation of the number and percent of foreclosures in the tract and the second is a combination of the estimated foreclosure rate with the vacancy rate. The 18 point tracts are geographically dispersed. A round table to get input on the structure of TDHCA's proposal to HUD was held on June 11.</p>	Not yet applicable	Not yet applicable	Not yet determined.	June – Approval of application to HUD	Provide input at June round table on potential TDHCA application to HUD.

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LEGAL SERVICES DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Approval for publication in the Texas Register of Request for Proposals (RFP) for Bond Counsel.

Requested Action

Approve the RFP for Bond Counsel for publication in the Texas Register.

Background and Recommendations

TDHCA issues complex bonds transactions in both the single family and multi-family arenas. Because of the complexity of these issuances, it is both practical and necessary to receive outside legal counsel to complete the transactions. State law requires that professional contracts be bid to provide the state with the best value of representation and allows for a one year agreement, plus a one year extension. Current Outside Bond Counsel, Vinson and Elkins, L.L.P., will reach the end of their current contract on August 31, 2009. It is now time to post a new RFP in order to publish and process the awards prior to the termination of the current contract. Vinson and Elkins is eligible to be selected again as the best responder under the new RFP.

Staff proposes a similar RFP to the one used in 2007. In an attempt to encourage broad participation and multiple applicant proposals, the RFP allows flexibility in the qualifications. The Department will create a review committee made up of the General Counsel, The Director of Multi Family Finance Production, the Director of Bond Finance and others appointed by the Executive Director to review and rank proposals prior to submitting for award by the Board.

The Office of the Attorney General will need to approve the final selection of outside bond counsel.

Staff Recommendation: Staff recommends that the Board approve the RFP for Bond Counsel for publication in the Texas Register.

REQUEST FOR PROPOSALS
FOR
BOND COUNSEL

I. BACKGROUND ON THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

A. PURPOSE

The Texas Department of Housing and Community Affairs (“TDHCA”), is a public and official governmental agency of the state, pursuant to Chapter 2306, Texas Government Code (the “Act”). One purpose of TDHCA is to provide for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income. Pursuant to the Act, TDHCA may issue bonds, notes or other obligations to finance or refinance residential housing and multi-family developments and to refund bonds previously issued by the Texas Housing Agency, TDHCA, or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of TDHCA.

B. ORGANIZATION

TDHCA is governed by an executive director employed by a seven-member board. The members of the board are appointed by the Governor upon the advice and consent of the Texas Senate for staggered six-year terms, with the terms of two or three members expiring on January 31 of each odd-numbered year. The board is responsible for authorizing the allocation of bonds by TDHCA and all other acts in connection therewith specified in the Act. The executive director is responsible for the overall administration of TDHCA and its programs and for employing its staff.

C. BOND PROGRAMS.

Single Family Housing Bond Program. TDHCA has established a Single Family Mortgage Revenue Bond Program pursuant to the Act for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by eligible borrowers. The program offers interest rates below conventional market rates through the sale of tax-exempt mortgage revenue bonds. The guidelines adopted by TDHCA from time to time in connection with the program establish the eligibility of lenders to participate in the program, time limitations with respect to commitments for and originations of mortgage loans, the types of mortgage loans eligible for purchase by the servicer, the eligibility of mortgagors, the requirements for dwellings which secure mortgage loans, the fees which a mortgage lender may charge to originate a mortgage loan, the fees which a lending institution may charge for servicing a mortgage loan, as well as other aspects of the program.

Multi-Family Bond Program. The Multi-Family Bond Program finances below market loans to non-profit and for-profit developers of apartment projects serving moderate income persons and families that agree to set aside at least 20% of a project's unit for rental to very low and low income persons and families. In addition, at least 5% must be rented to persons with special needs. TDHCA funds the loans through the sale of tax-exempt and taxable mortgage revenue bonds.

II. SCOPE OF SERVICES.

A. NATURE OF SERVICES REQUIRED.

TDHCA anticipates the need for legal services in connection with the issuance of bonds at any time and from time to time during the term of the contract at the request of TDHCA. Bond Counsel is expected to assign those attorneys and professionals employed by the firm who are best suited to appropriately respond to such requests in connection with the issuance of bonds and with ongoing compliance of any/all trust indentures. The firm will provide any such services as Bond Counsel, unless otherwise instructed by TDHCA.

B. TERMS OF AGREEMENT

Subject to the approval of bond counsel by the governing board of the TDHCA, and negotiation of an acceptable contract by TDHCA and such outside counsel, TDHCA will execute an agreement with bond counsel for at least a one year term with an optional one year extension based on performance and on such other terms and conditions as may be acceptable to the parties subject to required approval of the Attorney General of Texas. Any such agreement shall provide that TDHCA will retain the right to terminate the contract for any reason and at any time upon the payment of fees and expenses then due and payable.

III. RFP INSTRUCTIONS

A. PROPOSAL FORM AND FORMAT

Five (5) copies of the proposal are requested and should be sent by registered mail or delivered in person to the attention of Mr. Kevin Hamby, General Counsel, Texas Department of Housing and Community Affairs, 211 East 11th Street, Austin, Texas 78701 or P.O. Box 13941, Austin, Texas 78711, no later than the deadline for submission of proposals specified below. The proposals must include each question or request for information, as specified herein, followed by the narrative answer in the standard format for interrogatories, limited to one side of a single 8 1/2" x 11" page. Supplemental information (such as firm brochure, annual reports or background material), if any, must be restricted to Appendices following the responses. The pages of the proposal should be numbered sequentially with the name of the firm on each page. The proposal should be submitted in a loose-leaf binder.

B. DEADLINE FOR SUBMISSION

The deadline for submission in response to the Request for Proposals is **4:00 p.m.**, Central Daylight Saving Time, on **Friday, July 24, 2009**. No proposal will be accepted after the deadline.

C. GENERAL INFORMATION

TDHCA reserves the right to accept or reject any (or all) proposals submitted. The information contained in this proposal request is intended to serve only as a general description of the services desired by TDHCA, and TDHCA intends to use responses as a basis for further negotiation of specific project details with offerors. This request does not commit TDHCA to pay for any costs incurred prior to the execution of a contract and is subject to availability of funds. Issuance of this request for proposal in no way obligates TDHCA to award a contract or to pay any costs incurred in the preparation of a response.

D. RELEASE OF INFORMATION

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

E. PROPRIETARY INFORMATION

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

IV. REQUESTED INFORMATION

Respondent must:

- A. Provide a general description of your law firm, including historical background, number and location of firm offices, number of attorneys and major areas of practice;
- B. Provide a general description of your firm's practice in the field of public finance, including the size and scope of the practice, the number of attorneys active in the practice and other resources of the firm relevant to the practice;

- C. Provide a complete list of bond issues for which the firm has acted as Bond Counsel during the past five years; indicate, for each of the five years, the number and aggregate dollar amount of bond issues for which the firm acted as Bond Counsel.
- D. Indicate subtotals for each of the following categories; state general obligation bonds, local general obligation bonds, state revenue bonds, and local revenue bonds; provide a description of the firm's practice in the field of housing finance, the number of attorneys active in the practice and other resources of the firm relevant to the practice; provide a listing of each single-family and multi-family housing bond issue handled by the firm as Bond Counsel during the past ten years. For each bond issue, indicate the name of the issuer, the size of the bond issue and provide a capsule description of the type of transaction (e.g., nature of credit enhancement, tender option provisions or other unusual features); describe five innovative finance transactions in which the firm played a significant role, including at least three housing transactions; identify the individuals who will be assigned to the TDHCA account if the firm is selected as Bond Counsel.
- E. Provide information regarding the background and experience of each individual, in particular their housing finance experience, if any, and designate the percentage of work for which each individual will be responsible; provide five public finance client references, preferably including at least two state agency clients; describe in detail the services that the firm normally provides as Bond Counsel for a transaction and other matters not directly related to bond transactions in which the firm anticipates its services may be necessary.
- F. Explain the reasons why and the extent to which additional involvement may be necessary; discuss briefly the firm's views as to the major problems to be faced by the TDHCA during the next three years; and discuss the role of Bond Counsel in helping to find solutions to those problems.
- G. Compensation. As required by the outside counsel contract provided by the Office of the Attorney General of Texas, your firm's proposed method of charging for legal services shall be submitted to the Agency on a monthly basis and shall provide a detailed accounting of the time charged and the respective charge for each increment of time and contain detail of specific expenses allowed by the Attorney General of Texas and set by the State of Texas Comptroller of Public Accounts. All proposals must include a statement that they are valid for the duration of the contract.

V. REVIEW.

- A. In accordance with law, TDHCA will make its selection based upon its perception of the need for Bond Counsel, the demonstrated competence, experience, knowledge, and qualifications, on the reasonableness of the proposed fee for the services to be performed. By this Request for Proposals, however, TDHCA has not committed itself to employ Bond Counsel for any or all of the above-described matters, nor does the suggested scope of services or term of agreement require that Bond Counsel be employed for any of those purposes. TDHCA reserves the right to make those decisions after receipt of responses, and TDHCA's decision on these matters is final.

- B. TDHCA reserves the right to negotiate all elements which comprise the proposal of the firm(s) to ensure that the best possible consideration be afforded to all concerned. TDHCA reserves the right to reject any and all proposals and to resolicit in such an event. TDHCA permits proposals utilizing joint ventures of any two or more firms, if appropriate.
- C. Conflict of Interest. TDHCA will not contract with any firm in which the provisions of conflict of interest, as set out in the FY 2010 Outside Counsel Contract provided by the Attorney General of Texas, are not met, as follows:

8.12 CONFLICT OF INTEREST. If the legal services to be performed by an attorney pursuant to this Agreement involve representation of Agency in a contested matter, Outside Counsel represents that Outside Counsel, and such attorney, does not, and shall not during the term hereof, represent a plaintiff in a proceeding seeking monetary damages from the State of Texas or any of its agencies.

Outside Counsel represents that it does not now represent, and has not for a six-month period preceding this Agreement represented, a client before Agency; furthermore, Outside Counsel represents that it will not for a six-month period following the termination of this Agreement represent a client before Agency.

VI. ADDITIONAL INFORMATION.

For additional information concerning the requirements of this request for proposals, please contact Mr. Kevin Hamby, General Counsel, at (512) 475-3948. Communication with any member of the Board of Directors, the Executive Director, or TDHCA staff other than Mr. Hamby, or his assistant, concerning any matter relating to this request for proposals is grounds for immediate disqualification.

Issued in Austin, Texas on July 10, 2009

Michael Gerber

Michael Gerber, Executive Director

LEGAL SERVICES DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Approval for publication in the Texas Register of Request for Proposals (RFP) for Tax Credit Counsel.

Requested Action

Approve the RFP for Tax Credit Counsel for publication in the Texas Register.

Background and Recommendations

The Department utilizes outside counsel to answer complex tax credit program questions based on the Internal Revenue Service code, letter rulings and other technical advisory opinions. Because of the complexity of these issuances, it is both practical and necessary to receive outside legal counsel. State law requires that professional contracts be bid to provide the state with the best value of representation and allows for a one year agreement, plus a one year extension. Current Outside Tax Credit Counsel, Holland and Knight LLP will reach the end of their current contract on August 31, 2009. It is now time to post a new RFP in order to publish and process the awards prior to the termination of the current contract. Holland and Knight is eligible to be selected again as the best responder under the new RFP.

Staff proposes a similar RFP to the one used in 2006. In an attempt to encourage broad participation and multiple applicant proposals, the RFP allows flexibility in the qualifications. The Department will create a review committee made up of the General Counsel, Director of Multifamily Finance Production, the Director of Real Estate Analysis and others appointed by the Executive Director to review and rank proposals prior to submitting for award by the Board.

The Office of the Attorney General will need to approve the final selection of outside tax credit counsel.

Staff Recommendation:

Staff recommends that the Board approve the RFP for Tax Credit Counsel for publication in the Texas Register.

REQUEST FOR PROPOSALS
FOR
LOW INCOME HOUSING TAX CREDIT COUNSEL

I. BACKGROUND ON THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

A. PURPOSE

The Texas Department of Housing and Community Affairs ("TDHCA"), is a public and official governmental agency of the state, pursuant to Chapter 2306, Texas Government Code (the "Act"). One of the purposes of TDHCA is to provide for the housing needs of individuals and families of low and very low income and families of moderate income. Pursuant to the Act, TDHCA may allocate low income housing tax credits in accordance with Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and the rules promulgated thereunder.

B. ORGANIZATION

TDHCA is governed by a seven-member board appointed by the Governor and managed by an Executive Director hired by the Board. The members of the board are appointed by the Governor upon the advice and consent of the Texas Senate for staggered six-year terms, with the terms of two or three members expiring on January 31 of each odd-numbered year. The board is responsible for authorizing the allocation of tax credits by TDHCA and all other acts in connection therewith specified in the Act. The executive director is responsible for the overall administration of TDHCA and its programs and for employing its staff.

C. LOW INCOME HOUSING TAX CREDIT PROGRAM

TDHCA is responsible for administering the low income housing tax credit program ("tax credit") of this State. The tax credit was created under federal law as a provision of the Internal Revenue Code of 1986, as amended. The tax credit is designed to provide tax incentives in the form of a nonrefundable federal income tax credit to the owner of a newly constructed or substantially rehabilitated qualified low income housing project.

II. SCOPE OF SERVICES

A. NATURE OF SERVICES REQUIRED

TDHCA anticipates the need for legal services in connection with the administration of the low income housing tax credit program at any time and from time to time during the term of the contract at the request of TDHCA. The specific functions for which the TDHCA is seeking tax credit counsel are as follows:

1. Provide advice to TDHCA on its administration of the tax credit allocation process, including but not limited to, counsel's analysis of TDHCA's application process and rules promulgated for such purpose;
2. Provide advice to TDHCA on its compliance and monitoring processes, including but not limited to, counsel's analysis of manuals promulgated for such purpose;
3. Provide TDHCA with information concerning programmatic changes along with interpretation of provisions of the federal tax code and related regulations and other matters pertaining to the tax credit program in a timely manner;
4. Advise TDHCA with regard to formal ruling requests to be made on behalf of TDHCA to the Internal Revenue Service (the "IRS") and to prepare and submit any such requests to the IRS;
5. Answer questions from specified TDHCA staff regarding the tax credit program and applicable law;
6. Handle any other service as may be required by TDHCA with regard to the tax credit program and relevant law.

B. SPECIAL REQUIREMENTS FOR TAX CREDIT COUNSEL

Due to the requirement that TDHCA be represented before the IRS, selected counsel must at all times during the term of the contract with TDHCA be qualified to appear before the IRS on behalf of TDHCA. Further, selected tax credit counsel is expected to assign those attorneys and professionals employed by the firm who are best suited to appropriately respond to such requests.

C. TERMS OF AGREEMENT

Subject to the approval of tax credit counsel by the governing board of TDHCA and the Executive Director, and negotiation of an acceptable contract by TDHCA and such outside counsel, TDHCA will execute an agreement with tax credit counsel for a one year term with optional extensions as required based on performance and on such other terms and conditions as may be acceptable to the parties subject to required approval of the Attorney General of Texas. Any such agreement shall provide that TDHCA will retain the right to terminate the contract for any reason and at any time upon the payment of fees and expenses then due and payable.

III. RFP INSTRUCTIONS

A. PROPOSAL FORM AND FORMAT

Five (5) copies of the proposal are requested and should be sent by registered mail or delivered in person to the attention of Mr. Kevin Hamby, General Counsel, Texas Department of Housing and Community Affairs, 211 East 11th Street, Austin, Texas 78701 or P.O. Box 13941, Austin, Texas 78711, no later than the deadline for submission of proposals specified below. The proposals must include each question or request for information, as specified herein, followed by the narrative answer in the standard format for interrogatories, limited to

one side of a single 8 1/2" x 11" page. Supplemental information (such as firm brochure, annual reports or background material), if any, must be restricted to Appendices following the responses. The pages of the proposal should be numbered sequentially with the name of the firm on each page. The proposal should be submitted in a loose-leaf binder.

B. DEADLINE FOR SUBMISSION

The deadline for submission in response to the Request for Proposals is **4:00 p.m.**, Central Daylight Savings Time, **Friday, July 24, 2009**. No proposal will be accepted after the deadline.

C. GENERAL INFORMATION

TDHCA reserves the right to accept or reject any (or all) proposals submitted. The information contained in this proposal request is intended to serve only as a general description of the services desired by TDHCA, and TDHCA intends to use responses as a basis for further negotiation of specific project details with offerors. This request does not commit TDHCA to pay for any costs incurred prior to the execution of a contract and is subject to availability of funds. Issuance of this request for proposal in no way obligates TDHCA to award a contract or to pay any costs incurred in the preparation of a response.

D. RELEASE OF INFORMATION

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

E. PROPRIETARY INFORMATION

If a firm does not desire proprietary information in the proposal to be disclosed under the Texas Public Information Act or otherwise, it is required to clearly identify (and segregate, if possible) all proprietary information in the proposal, which identification shall be submitted concurrently with the proposal. If such information is requested under the Texas Public Information Act, the firm will be notified and in accordance with the law, if appropriate, present their objection to the Attorney General who shall make the final determination. If the firm fails to clearly identify proprietary information, it agrees, by the submission of a proposal, that those sections shall be deemed non-proprietary and made available upon public request after the contract is awarded.

IV. REQUESTED INFORMATION

Respondent must:

- A. Provide a general description of your law firm, including historical background, number and location of firm offices, number of attorneys and major areas of practice;
- B. Provide a general description of your firm's practice in the field of tax credit law, including the size and scope of the practice, the number of attorneys active in the practice and other resources of the firm relevant to the practice;

- C. Provide information concerning your firm's experience in preparing and submitting ruling requests to the IRS in connection with the tax credit program and your firm's corresponding success rate;
- D. Provide a list of major clients your firm has served including any tax credit counsel relationships between your firm and any housing agencies or departments of any other state or local government;
- E. As required by the outside counsel contract provided by the Office of the Attorney General of Texas, your firm shall represent that it does not and shall not during the term of the proposed contract hereof, represent a plaintiff in a proceeding seeking monetary damages from the State of Texas or any of its agencies. Also, your firm shall conduct a conflicts analysis on any subcontractor and disclose any, actual or potential conflict to the Agency and the Attorney General. For these purposes, proceedings seeking money damages do not include actions for tax refunds or compensation for exercise of eminent domain authority or reimbursement of costs of litigation and attorneys' fees or for payments due for patient care or actions brought pro bono.
- F. Identify the individuals who will be assigned to the TDHCA account if your firm is selected as tax credit counsel. Provide information regarding the background and the experience of each individual, noting in particular his or her experience, if any, with other state or local government housing agencies or departments in advising them as to their tax credit program and designating the percentage of work for which each individual will be responsible, along with representative rate structures for each;
- G. Describe in detail the services that your firm normally provides as tax credit counsel for a transaction or client and other matters not directly related to tax credit transactions in which your firm anticipates its services may be necessary. Explain the reasons why and the extent to which additional involvement may be necessary;
- H. Discuss in detail your firm's views as to the major problems, including potential legislative changes, to be faced by TDHCA as a tax credit allocating agency during the next three years. Discuss the role of tax credit counsel in helping to find solutions to those problems;
- I. Additional consideration will be given to those respondent firms that employ individuals with knowledge of the legislative history of the tax credit program and involvement in its continued evolution; and
- J. Compensation. As required by the outside counsel contract provided by the Office of the Attorney General of Texas, your firm's proposed method of charging for legal services shall be submitted to the Agency on a monthly basis and shall provide a detailed accounting of the time charged and the respective charge for each increment of time and contain detail of specific expenses allowed by the Attorney General of Texas and set by the State of Texas Comptroller of Public Accounts. All proposals must include a statement that they are valid for the duration of the contract.

V. REVIEW

- A. In accordance with law, TDHCA will make its selection based upon its perception of the need for Tax Credit Counsel, the demonstrated competence, experience, knowledge, and qualifications, on the reasonableness of the proposed fee for the services to be performed. By this Request for Proposals, however, TDHCA has not committed itself to employ Tax Credit Counsel for any or all of the above-described matters, nor does the suggested scope of services or term of agreement require that Tax Credit Counsel be employed for any of those purposes. TDHCA reserves the right to make those decisions after receipt of responses, and TDHCA's decision on these matters is final.
- B. TDHCA reserves the right to negotiate all elements which comprise the proposal of the firm(s) to ensure that the best possible consideration be afforded to all concerned. TDHCA reserves the right to reject any and all proposals and to resolicit in such an event. TDHCA permits proposals utilizing joint ventures of any two or more firms, if appropriate.
- C. Conflict of Interest. TDHCA will not contract with any firm in which the provisions of conflict of interest, as set out in the FY 2010 Outside Counsel Contract provided by the Attorney General of Texas, are not met, as follows:

8.12 CONFLICT OF INTEREST. If the legal services to be performed by an attorney pursuant to this Agreement involve representation of Agency in a contested matter, Outside Counsel represents that Outside Counsel, and such attorney, does not, and shall not during the term hereof, represent a plaintiff in a proceeding seeking monetary damages from the State of Texas or any of its agencies.

Outside Counsel represents that it does not now represent, and has not for a six-month period preceding this Agreement represented, a client before Agency; furthermore, Outside Counsel represents that it will not for a six-month period following the termination of this Agreement represent a client before Agency.

IV. ADDITIONAL INFORMATION

For additional information concerning the requirements of this request for proposals, please contact Kevin Hamby, General Counsel, at 512.475.3948. Communication with any member of the board, the executive director, or TDHCA staff other than Mr. Hamby, concerning any matter related to this request for proposals is grounds for immediate disqualification.

Issued in Austin, Texas on July 10, 2009

Michael Gerber

Michael Gerber, Executive Director

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
June 25, 2009**

Action Item

Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Requested Action

Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Background

This Board Action Request summarizes the activities of the Disaster Recovery Division which has oversight responsibility for Community Development Block Grant (CDBG) Disaster Recovery Programs for Round I and Round II funding administered by TDHCA, as well as the FEMA Alternative Housing Pilot Program (AHPP).

Public Law 109-148 – 1st Supplemental (\$74.5 Million)

Under the **1st Supplemental CDBG Disaster Recovery Program (referred to as Round I)**, there are three Councils of Governments (COGs) responsible for administering housing contracts to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. Of the \$74.5 million, the total funding allocation administered by the COGs is \$40,259,276 broken down as follows:

- Deep East Texas Council Of Governments (DETCOG) - \$6,745,034
- Houston-Galveston Area Council (H-GAC) - \$7,015,70
- South East Texas Regional Planning Commission (SETRPC) - \$26,348,536
 - SETRPC - \$15,520,536
 - Beaumont - \$5,232,000
 - Port Arthur - \$5,596,000

As detailed below, the Deep East Texas Council of Governments completed their contract activities in April. The Houston-Galveston Area Council and the South East Texas Regional Planning Commission are contractually required to complete activities by the fall; however each has committed to completing activities by the end of the summer. H-GAC is completing assistance to five beneficiaries located in the floodplain that will be receiving assistance in the form of a loan, and SETRPC is processing at least twenty-five (25) additional homes as a result of cost savings from their bidding process. Cumulatively, the COGs have completed assistance to four hundred seventy-five (475) households, have another fourteen (14) homes under construction, and have twenty-four (24) more homes under contract pending the onset of construction activities. Cumulatively, there are five hundred twenty (520) homes either under bid award, under construction, or completed as of June 17, 2009 which represents one hundred twenty percent (120%) of the contracted number of households to be served. Program efficiencies have allowed for a greater number to be served than was originally anticipated.

The COGs have committed \$709,665 of HTF dollars to assist with gap financing needs, and \$515,277 of that has been drawn. More of these HTF dollars are anticipated to be obligated to address the gap financing needs of the additional homeowners being served under this program. The contracts will be extended through July 31, 2009, at

which time the Department will deobligate uncommitted funds to address gap funding needs in the HOME program.

Financial Summary

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Disbursed
DETCOG	\$6,745,034.00	\$672,868.01	\$5,891,191.49	\$6,497,759.47	97.32%
H-GAC	\$7,015,706.00	\$881,012.42	\$4,674,410.44	\$5,493,298.17	79.19%
SETRPC	\$26,314,105.00	\$2,420,795.70	\$16,495,771.28	\$17,285,598.44	71.89%
SETRPC	\$16,714,225.00	\$2,041,218.28	\$10,291,348.49	\$11,264,449.96	73.78%
Beaumont	\$4,199,680.00	\$327,806.71	\$3,113,659.72	\$3,279,008.43	81.95%
Port Arthur	\$5,400,200.00	\$51,770.71	\$3,090,763.07	\$2,742,140.05	58.19%
Totals	\$40,109,276.00	\$3,974,676.13	\$27,061,373.21	\$29,276,656.08	77.45%

Project Summary

	* No. to be Served per Contract	No. out for Bid	** Units Under Contract	No. Site-built Under Construction	Total Rehabilitated /Reconstructed	No. of MHUs Delivered	Total No. Constructed/ Delivered
DETCOG	96	0	0	0	13	115	128
H-GAC	103	1	4	3	23	72	95
SETRPC	229	0	20	11	199	53	252
SETRPC	127	0	8	6	105	53	158
Beaumont	56	0	6	1	48	0	48
Port Arthur	46	0	6	4	46	0	46
Total	430	1	24	14	235	240	475

* Based on the contractual number of households that the COGs are required to serve with the funding allocation

** Total of MHUs ordered but not yet delivered and construction contracts signed for site-built units

Public Law 109-234 – Round II (\$428 Million)

The **2nd Supplemental CDBG Disaster Recovery Funding (referred to Round II)** is the second of two awards in CDBG funding to help restore and rebuild in areas of the State most directly impacted by hurricane Rita, but it also addresses needs arising from hurricane Katrina evacuees. The total funding allocation is \$428,671,849, broken down as follows:

2nd Supplemental CDBG Disaster Recovery Activity	Available Funding	Amount Contracted per Activity	Cumulative Expenditures	% of Expenditures Disbursed	Balance Remaining
Rental Housing Stock Restoration Program (“Rental”)	\$82,866,984	\$82,779,333	\$34,869,339.68	42.12%	\$47,909,993.32
ORCA’s Restoration of Critical Infrastructure Program (Infrastructure)	\$42,000,000	\$42,000,000	\$13,845,217.55	32.96%	\$28,154,782.45
City of Houston and Harris County Public Service and CDP (“Houston/Harris”)	\$60,000,000	\$60,000,000	\$31,878,073.40	53.13%	\$28,121,926.60
Homeowner Assistance Program (“HAP”)	\$210,371,273	\$210,371,273	\$23,583,309.14	11.21%	\$186,787,963.86
Sabine Pass Restoration Program (“SPRP”)	\$12,000,000	\$12,000,000	\$3,399,027.76	28.33%	\$8,600,972.24
State Administration Funds (Used to Administer Funding)	\$21,433,592	\$21,433,592	\$7,005,449.56	32.68%	\$14,428,142.44
Total CDBG Round 2 Funding	\$428,671,849	\$426,952,198	\$114,580,417.09	26.73%	\$314,003,780.91

CDBG Round 2 City of Houston and Harris County Public Service and Community Development Program

City of Houston

Funding of \$20 million was allocated to the Houston Police Department for establishment of the Housing Safety Component, composed of civilian and officer personnel. Civilian personnel consist of administrative staff that supports the officer personnel and the entry of the overtime incurred by officers on behalf of the hurricane evacuee population. Funding of \$20 million was also allocated to carry out rehabilitation of existing multi-family housing stock through the existing Apartment to Standards Program. These funds will provide rehabilitation of multi-family housing to the evacuee population.

The City of Houston's Housing Safety Component has expended \$19,990,641.34 or 99.95% of the \$20,000,000 allocation while the Housing Safety and Apartment to Standards program expenditures remain at \$8,932,654.68 or 44.66% of the \$20,000,000 allocation.

There is an administrative allocation of \$2,000,000 of which \$49,944.56 has been expended to date. The City of Houston will be submitting approval for the re-allocation of approximately \$1,500,000 of administrative funds to the Housing Safety Program to extend overtime services provided by the Houston Police Department.

The Apartment to Standards program has executed contracts for two rehabilitation projects. Expenditures of \$8,932,654.68 represent 90.68% of the \$9,850,000 allocated to the Fondren Court project (July 2009 expected completion). The Regency/Sandpiper project was allocated \$10,150,000, with rehabilitation commencing in May 2009. There have been no expenditures submitted for reimbursement.

Harris County

Funding of \$20 million was allocated to provide services to the residents of Harris County among six different program components: Expanded Services to Hurricane Evacuees (Harris County Sheriff's Dept.), Evacuee Medical Services (Harris County Hospital District), Katrina Crisis Counseling Program (Mental Health and Mental Retardation Authority), Youth Offenders Services (Harris County Sheriff's Dept.), Disaster Housing Assistance Program Component (Harris County) and the Multi-Family Evacuee Housing Program.

Harris County has expended 17.43% of its \$21,000,000. Expenditures incurred among the different program categories equal \$2,986,842.14 or 14.93% of the \$20,000,000 allocation and incurred expenditures for the administrative category are \$437,575.24 or 43.76% of the \$1,000,000 allocation.

The multifamily component, which was added as a result of Amendment #7 to the State Action Plan, consists of a new construction project and a rehabilitation project. The Department is working closely with Harris County to expedite with the environmental clearance for these two sites.

CDBG Round 2 Multifamily Rental Housing Stock Restoration Program

On September 13, 2007, the TDHCA Board awarded \$81.1 million to repair or rebuild seven Golden Triangle-area affordable multifamily rental properties damaged or destroyed by Hurricane Rita. The construction work, once completed, will restore rental unit housing to 838 low-income individuals and families. Award-specific status is outlined in the table below:

Loan Number	Development Name	City	Total Units	Type of Activity	CDBG Loan Amount	Funds Drawn/ Expended	Loan Closing Date
7060007	Orange Navy Homes	Orange	140	Recon.	\$15,821,439	\$4,343,601.96	10/15/2008
7060010	Brittany Place II Single Family	Port Arthur	100	Recon.	\$13,077,366	\$1,473,016.60	12/04/08

7060006	Pointe North	Beaumont	158	Recon.	\$13,778,332	\$4,285,772.63	8/31/2008
7060011	Gulfbreeze Plaza I	Port Arthur	86	Recon.	\$9,067,577	\$1,254,653.38	12/17/2008
7060012	Gulfbreeze Plaza II	Port Arthur	148	Recon.	\$13,280,250	\$10,652,287.60	6/11/2008
7060008	Virginia Estates	Beaumont	110	Rehab	\$6,707,534	\$3,522,211.24	5/26/2008
7060009	Brittany Place I Multifamily	Port Arthur	96	Recon.	\$11,046,835	\$8,384,001.47	4/9/2008
Totals:			838		\$82,779,333	\$34,869,339.68	

CDBG Round 2 Homeowner Assistance Program and Sabine Pass Restoration Program Update from ACS State & Local Solutions, Inc.

As can be seen in the chart below, the last thirty days have seen key metrics climb, particularly in the areas of closing and construction starts. Changes in the total of key metrics from those reported in the May Board Meeting include:

- Completed applications increased by 266, from 2,596 to 2,862
- An additional 165 applicants have been declared eligible
- Completed inspections now total 1,669, an increase of 151 over the last reporting period
- A total of 1,038 homes have been assigned to contractors, an increase of 142
- The total number of Benefit selection meetings held also increased by 142
- Closings have increased by 200 to a total of 569
- Constructions starts have gone from 231 to 428, an increase of 197

AS OF 6/15/09	HAP	SPRP	Total
Completed Applications	2,758	104	2,862
Eligibility Determined	1,774	106	1,880
Inspections Complete	1,562	107	1,669
Projects Assigned to Contractors	970	68	1,038
Benefit Selection Meetings Held	970	68	1,038
Closings	514	55	569
Construction Starts	385	43	428

We continue to accelerate the rate of production on our way to achieving the goal of 500 home starts and 100 home completions by July 4th. Over the past two months (April and May) the program completed 333 closings, 274 starts and finished 44 homes.

The first relocation transaction under the Sabine Pass Restoration Program was completed on June 10th.

Last month saw the initiation of the Workmanship Review Program, an initiative designed to increase quality and contractor production. Part of this effort will increase the frequency and scope of inspection. In addition, we are implementing a Contractor Score Card which will track and display key production and quality metrics. We have also hired three additional Construction Supervisors with deep experience in construction quality to bolster this program.

Efforts continue to locate additional funds that may help in repairing homes designated as having historical significance by THC. Funds may be available from the City of Orange but not for several months. We are also pursuing other contacts in Jefferson County.

Work on evaluating responses submitted as a result of the program's second invitation to bid is concluding. Nine responses are being evaluated with the top three contractors having an aggregate capacity in excess of 4,000 homes a year.

Nine Accessibility Bundles have been created and approved. Pricing is all but complete with negotiations on Bundle #1 (Lift) wrapping up.

Meetings have been held with the communities of Silsbee and Lumberton to obtain variances or relief from city ordinances requiring a minimum home size. Indications are that this will be a protracted process involving zoning boards, city councils, noticing, etc. Other municipalities with restrictive ordinances to include Nederland, Bridge City, Groves and Port Neches, are also being contacted.

As reported last meeting, all of those individuals on the Wait List have been mailed applications. We continue to receive additional requests and are mailing applications at a rate of roughly 50 per week over the last eight weeks. The total number of additional applications mailed as of 6/16/09 is 1,909. Results of these mailings are indicated below:

AS OF 6/16/09	Results
*Applications Returned	872
Withdrawn	223
Pending Withdrawal	146
Pending Eligibility	352
Other (In Process)	316

*Distribution of returned applications by county: Jefferson – 478; Newton – 98; Jasper – 86; Orange – 61; Hardin – 41; Chambers – 27; Liberty – 20; Tyler – 19; Polk – 13; 10 other counties - 29

A larger percentage of the applications in this group are being returned and with greater speed. Their progress through the system is also more rapid. The Call Center continues to follow-up by phone on unresponsive applicants.

Momentum built up over the last two months will be accelerated with the addition of new building contractors with significant capacity. These contractors are expected to come on-line no later than mid-July.

FEMA Alternative Housing Pilot Program

The Disaster Recovery Division is also responsible for administration of the Federal Emergency Management Agency (FEMA) award of \$16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes.

On January 7, 2008, the Federal Emergency Management Agency (FEMA) announced that TDHCA was awarded \$16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes for a time period of twenty-four months. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives to the FEMA trailer by examining cost-effective solutions that meet a variety of housing needs. Pursuant to FEMA requirements, the pre-fabricated units must be awarded within the 22 counties affected by the 2005 Hurricanes.

The Heston Group was selected to pilot a pre-fabricated, panelized solution which can be deployed quickly and built to accommodate a diverse population.

The Department has been working diligently with the Heston Group to identify and manage activities to be performed in preparation of the construction of 17 homes in East Texas and up to 60 homes in the City of Houston.

There are currently 14 eligible and interested families in East Texas with 22 sites having been submitted to FEMA for Environmental Clearance. FEMA has given Environmental Clearance for 15 sites to date. Two homes are now completed and occupied.

TDHCA staff is working closely with the city of Houston on the planning for a 40-50 unit group site that will address the renter population that relocated from East Texas due to Hurricane Rita.

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
June 25, 2009**

Action Item

Report and Discussion on Hurricane Ike and Dolly Activities

Requested Action

Review report and discussion on the Hurricane Ike and Dolly activities

Background

The US Department of Housing and Urban Development (“HUD”) has announced that the State of Texas will receive a total of \$3,057,991,440 in CDBG disaster assistance related to damages caused by Hurricanes Ike and Dolly in 2008. HUD announced that Texas would receive the first appropriation of \$1.3 billion on November 26, 2008 and on June 20, 2009, announced that Texas would receive an additional \$1,743,001,247.

On March 31, 2009, the Office of Rural and Community Affairs (“ORCA”) executed a grant agreement with the US Department of Housing and Urban Development (“HUD”), accepting for the State of Texas \$1,394,990,193 in CDBG emergency funds. This represents the first portion of funds appropriated for Hurricanes Ike and Dolly, and of this amount, approximately \$620,000,000 will be administered by the Texas Department of Housing and Community Affairs (“TDHCA”) for housing programs. ORCA and TDHCA have executed a memorandum of understanding which has enabled TDHCA to access funds, including funds for administration of the grant. A staffing plan for additional staff required to oversee this program has been developed.

The councils of governments (“COGs”) for the impacted counties were assigned the responsibility of determining how funds would be allocated through a Method of Distribution (“MOD”) process. The primary intent of the MOD process is to identify the recipients of the CDBG funds, determine the allocation amounts to each based on objective and verifiable data, and to determine the allocation between housing (TDHCA-administered) and non-housing (ORCA-administered) activities. ORCA is responsible for the receipt of these MODs and coordination of the review and approval process. Although methods of distribution were due on February 20, 2009, the deadline was extended to June 29th for all regions. Six of the eleven effected COG regions have Subrecipients that received housing allocations, and there will be nineteen (19) subrecipients. The applications require subrecipients to demonstrate capacity and identify benchmarks.

The subrecipients identified through the MOD process and their allocation amounts are as follows:

Anticipated Housing Subrecipients, Allocations, and date of MOD Approval as of June 18, 2009		
Subrecipient	Amount of Housing Allocation	MOD Approval Date
BVCOG	\$0.00	4/30/2009
Brazos Valley Affordable Housing Corporation	\$948,929.00	4/30/2009
DETCOG	\$5,931,070.00	5/1/2009
ETCOG	\$415,117.00	5/11/2009
H-GAC	\$10,144,238.00	3/5/2009 (conditional)
Galveston	\$160,432,234.00	3/5/2009
Galveston County	\$99,503,498.00	Pending
Harris County	\$56,277,228.00	6/18/2009 (conditional)
Houston	\$87,256,565.00	3/5/2009
Chambers County	\$20,921,582.00	4/30/2009
Liberty County	\$8,878,923.00	Pending
Fort Bend County	\$1,582,107.00	Pending
Montgomery County	\$6,909,237.00	Pending
Walker County	\$933,481.00	Pending
LRGVDC	\$0.00	5/4/2009 (conditional)
Brownsville	\$1,635,318.00	Pending
Cameron County	\$3,093,750.00	Pending
Mission	\$209,638.00	Pending
Hidalgo County	\$2,000,000.00	Pending
Raymondville	\$128,787.00	Pending
Willacy County	\$412,500.00	Pending
SETRPC	\$95,000,000.00	4/8/2009
TOTAL	\$562,614,202.00	

The City of Houston applied for funding in the amount of \$87 million and received a conditional award at the May 21, 2009 Governing Board meeting.

To date, TDHCA has received 3 additional applications for housing assistance and 3 conditional awards are being recommended under a separate Action Item for Harris County, East Texas Council of Governments, and the South East Texas Regional Planning Commission. Disaster Recovery Division staff has also been engaging all applicants in one on one onsite technical assistance to work through individual information needs that each may have related to their particular program design needs.

A second major element of the housing component is the establishment of a \$58 million set-aside for affordable rental housing. This set-aside, established from 15% of the total grant amount that

was available for planning purposes, will be distributed under a competitive notice of funds availability (“NOFA”). Based on input received in public roundtables, the NOFA provides for a greatly simplified application process, targeting smaller multifamily developments (36 units or less), to be awarded on a first come first served basis within the regions. The revised NOFA, reflecting changes to address public input, is being presented to the Board under a separate item.

Several requests for waivers of regulations generally applicable to CDBG disaster recovery funds have been submitted by ORCA to HUD. Included is a request to allow compensation or incentive programs. Although the Action Plan for this program provides for compensation or incentive programs, the approval of this waiver from HUD will be a requirement to any such award for this housing activity.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

June 25, 2009

Action Item

Presentation, discussion and possible approval to utilize remaining funds dedicated to Sabine Pass in the State of Texas Action Plan.

Requested Action

Approve, deny or approve with modification the recommendation.

Background

The Texas Department of Housing and Community Affairs received funding from HUD to provide disaster assistance to persons affected by Hurricane Rita. Under the Rita II funding, ACS administers a program to repair or replace housing damaged by the storm. There is a \$12 million set aside for Sabine Pass. Currently, there are approximately \$5 million in unreserved funds. Options to utilize the remaining funds include opening the application process to additional participants, a last call to those in need of assistance.

During initial meetings, residents expressed an interest in a reimbursement compensation program which would allow TDHCA to reimburse those that repaired homes at their own expense. Therefore, although we know that this would be an acceptable solution to the community, a waiver from HUD would be required. Residents also expressed an interest in hardening new and existing homes to prevent or minimize damage from a future storm event.

The Action Plan allows excess funds to go into the Housing Assistance Fund which can be utilized in Hurricane Rita impacted areas outside of Sabine Pass. Staff recommends funds remain in the community unless excess funds remain after efforts to identify additional participants are exhausted.

Activities to utilize funds could include:

- Provide additional storm protection to existing and new homes provided under this program
- Provide compensation to those homeowners who already used private funds for recovery from Rita related storm damages, but who would be otherwise eligible for this assistance
- Other use of funds such as additional funding to elevate homes where quotes come in above the established cap of \$15,000

Breakouts of associated costs were not available at the time of Board book posting, but will be delivered at the Board meeting.

Recommendation

Staff recommends modification of current plan to utilize remaining funding to assist persons in Sabine Pass based on Board policy after a last call for participation.

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
June 25, 2009**

Action Item

Presentation, discussion and possible approval and the establishing of a board policy on specific outside of structure costs for accessibility of homes in Hurricane Rita Round 2.

Requested Action

Approve, deny or approve with modification the recommendation.

Background

On November 13, 2008, the TDHCA Board approved Amendment 6 to the Action Plan, which altered the reconstruction maximum benefit restrictions in the Action Plan under HAP and SPRP components of CDBG Round 2. The alteration included separating out construction costs for the new structure itself and related costs like demolition, closing costs and remediation for subsequent board approval after public comment. This action, approved by HUD, allowed the Board to direct staff to modify limits, as needed, without the lengthy Action Plan amendment process with HUD.

On December 18, 2008, as part of this request to increase limits within this program, the TDHCA Board approved up to \$15,000 per home for costs to address accessibility assistance for homes where additional consideration is required for occupants.

While this increase addresses most of the accessibility requirements, there are some homes that require accessibility services that exceed the \$15,000 cap established. Staff is seeking the Board to establish a policy when that cap is exceeded for supportive funds for accessibility in homes in Hurricane Rita Round 2. Potential options for the Board's consideration include:

1. Grant the TDHCA Executive Director the authority to evaluate and grant an increase on a case by case basis, based on executive team review
2. Raise the cap on this item to accommodate potential needs above \$15,000
3. Bring each case requiring in excess of \$15,000 to the Board on a case by case basis

Recommendation

Adopt a policy for staff to follow when considering services to address accessibility assistance for homes that exceeds the established cap of \$15,000.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

June 25, 2009

Action Item

Presentation, discussion and possible approval and the establishing of a board policy on specific costs outside of structure costs for windstorm insurance and flood insurance for homes in Hurricane Rita Round 2.

Requested Action

Approve, deny or approve with modification the recommendation.

Background

On November 13, 2008, the TDHCA Board approved Amendment 6 to the Action Plan, which altered the reconstruction maximum benefit restrictions in the Action Plan under HAP and SPRP components of CDBG Round 2. The alteration included separating out construction costs for the new structure itself and related costs like demolition, closing costs and remediation for subsequent board approval after public comment. This action, approved by HUD, allowed the Board to direct staff to modify limits, as needed, without the lengthy Action Plan amendment process with HUD.

On December 18, 2008, as part of this request to increase limits within the program, the TDHCA Board approved up to \$4,500 per home for costs to address hazard and wind insurance for homes, and \$3,500 over three years for flood insurance where a home resides in a flood plain and that insurance is required to address program requirements.

While this increase addresses most of the homes where flood and hazard are required under the program, there are some homes that exceed the established costs to insure them for those amounts. Staff is seeking the Board to establish a policy when that cap is exceeded for insurance for homes in Hurricane Rita Round 2. Potential options for the Board's consideration include:

1. Grant the TDHCA Executive Director the authority to evaluate and grant an increase on a case by case basis, based on executive team review
2. Raise the cap on this item to accommodate potential needs above the stated caps
3. Bring each case requiring in excess of stated caps to the Board on a case by case basis

Recommendation

Adopt a policy for staff to follow when considering services to address accessibility assistance for homes that exceeds the established caps.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

June 25, 2009

Action Item

Presentation, Discussion and Possible Approval to report on homes considered and reviewed by the Executive Director for services for local code requirements that exceed the established cap of \$10,000

Requested Action

None. Informational report.

Background

On November 13, 2008, the TDHCA Board approved Amendment 6 to the Action Plan, which altered the reconstruction maximum benefit restrictions in the Action Plan under HAP and SPRP components of CDBG Round 2. The alteration included separating construction costs for the new structure itself and related costs like demolition, closing costs and remediation for subsequent board approval after public comment. This action, approved by HUD, allowed the Board to direct staff to modify limits, as needed, without the lengthy Action Plan amendment process with HUD.

On December 18, 2008, as part of this request to increase limits within this program, the TDHCA Board approved up to \$10,000 per home in excess of the structure cost of a home to address local code requirements, such as septic systems, off street parking, water wells, underground electrical services, and those types of items that are necessary to meet the requirements of the local municipality.

On May 21, 2009, the Board approved a policy that granted the Executive Director and the executive review team to evaluate and grant increases on a case by case basis.

The following increases were granted.

Recommendation

Report on increases granted in excess of the \$10,000 cap to comply with items required by local municipalities.

Nothing to Report

**DISASTER RECOVERY DIVISION
BOARD ACTION REQUEST
June 25, 2009**

Action Item

Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations

09-0002	East Texas Council of Governments (ETCOG)	Kilgore
09-0003	Harris County	Houston
09-0004	South East Texas Regional Planning Commission	Beaumont

Requested Action

Approve, Deny, or Approve with Amendments CDBG DR Program Conditional Award Recommendations

Background

The Texas Department of Housing and Community Affairs (“TDHCA”) is responsible for administering a total of \$625,709,456 for housing programs, including funding set-aside through a Rental Notice of Funding Availability (“NOFA”) totaling \$58,834,914.00. This represents the first portion of funds appropriated for Hurricanes Ike and Dolly.

TDHCA must ensure that housing applicants have the ability to manage complex Community Development Block Grant (CDBG) Disaster Recovery programs efficiently as a Subrecipient of the State. As a result, TDHCA requires applicants to demonstrate capacity through their application submission and encourages “consortiums” to limit the number of Subrecipients and gain economies of scale from larger awards. TDHCA developed an Application Checklist and Capacity Evaluation Form for CDBG Disaster Recovery Fund Housing Applications that meets these purposes through a scoring methodology that weights capacity areas and the size of an application more heavily than other items in the application. TDHCA set a capacity threshold score of 92 for the 2008 Supplemental CDBG Disaster Recovery Funding related to Hurricanes Dolly and Ike. All applicants will be required to meet this minimum score before an award will be offered; applicants that do not meet threshold will have an opportunity to submit additional documentation that will be reviewed and may result in a score increase.

On March 16, 2009, TDHCA released the application for housing contracts with an application deadline of May 29, 2009. The deadline was subsequently extended to June 30, 2009 since approval of several MODs remain outstanding. Applicants that are unable to submit applications by June 30, 2009 must request an extension from TDHCA in writing. Subrecipients were notified that they could submit applications to administer housing activities at any time; however, TDHCA would not recommend awards until after the applicable COG MOD had received approval by ORCA. On May 27, 2009, June 5, 2009 and June 8, 2009, East Texas Council of Governments (“ETCOG”), Harris County, and the South East Texas Regional Planning Commission (“SETRPC”) submitted applications for housing activities totaling \$151,692,345 as follows:

Harris County – Proposed Hurricane Ike Housing Funds

Administrative and Project Delivery	\$13,708,430	24%
Multifamily	\$2,813,862	5%
Single family	<u>\$39,754,936</u>	<u>71%</u>
	\$56,277,228	100%

East Council of Governments – Proposed Hurricane Ike Housing Funds

Administrative and Project Delivery	\$ 20,092	5%
Single family	<u>\$ 395,025</u>	<u>95%</u>
	\$ 415,117	100%

South East Texas Regional Planning Commission – Proposed Hurricane Ike Housing Funds

Administrative and Project Delivery	\$ 9,500,000	10%
Multifamily	\$20,000,000	21%
Single family	<u>\$65,500,000</u>	<u>69%</u>
	\$95,000,000	100%

Staff have reviewed the applications and determined that the applications sufficiently demonstrate the applicants' capacity to administer the award based on the information provided. The award is subject to the following conditions being satisfied prior to the execution of a contract:

- HUD approval of an incentive waiver related to activities proposed by Harris County;
- resolution of all administrative deficiencies; and
- clearance of findings related to previous monitoring reviews.

Recommendation

Staff is recommending that the Board conditionally award funds to Harris County, ETCOG and SETRPC as described above pending a complete previous participation review as required under 10 TAC Chapter 60 application review and due diligence. Staff also recommends that the Executive Director have authority to grant amendments to these contracts to ensure expedited use of funds.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD ACTION REQUEST

June 25, 2008

Action Item

Presentation, Discussion, and Authorization to submit an application to the US Department of Housing and Urban Development for the second round of Neighborhood Stabilization Program (NSP 2) funding derived from the American Recovery and Reinvestment Act of 2009.

Requested Action

Approve or Deny permission to submit an application to the US Department of Housing and Urban Development for the second round of Neighborhood Stabilization Program (NSP 2) funding.

Background

The US Department of Housing and Urban Development (HUD) has released a NOFA for the second round of the Neighborhood Stabilization Program (NSP 2) as authorized by the American Recovery and Reinvestment Act of 2009. Applications for NSP 2 are due to HUD by July 17, 2009. Unlike NSP 1, which included a minimum allocation to all states, NSP 2 will be fully competitive on a national basis. Selections will be made by HUD in December.

\$1.93 billion is available nationally and competition is open to states, local governments and nonprofits (including consortia and nonprofit/for profit partnerships). The minimum request amount per submission is \$5 million and requests must have a minimum impact on 100 foreclosed or abandoned homes. Due to the relatively high application threshold for need and capacity, the Department will propose to secure an amount of NSP 2 funding so that entities in Texas that would find it difficult to compete on a national scale and/or meet the application threshold to apply directly to HUD may apply to the State. The demand for funding to address declining property values brought about by excessive foreclosures and abandonment in Texas is high as evidenced by the oversubscription of Texas NSP 1 and a significant level of state-wide need as demonstrated by HUD-calculated data for NSP 2.

No amounts are specified in the NSP 2 NOFA per state or entity. However, HUD has released two needs score criteria; the neighborhood or community proposed to be served must have at least a needs score of 18 or greater on one of the two criteria (on a scale of 1 to 20). The needs score criteria are foreclosure related: the first is a calculation of the number and percent of foreclosures in the tract and the second is a combination of the estimated foreclosure rate with the vacancy rate. The 18-point tracts are geographically dispersed. A round table to get input on the structure of Department's potential proposal to HUD was held on June 11. Further public comment will be required should the Department proceed with the submission of an application.

Recommendation

Staff recommends that permission be granted to submit an application for NSP 2 funding.

TEXAS NEIGHBORHOOD STABILIZATION PROGRAM

BOARD ACTION REQUEST

June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Texas Neighborhood Stabilization Program (Texas NSP) Appeals.

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal for the City of Nacogdoches and any other appeals timely filed.

Background and Recommendations

On March 12, 2009 the Board approved the Texas NSP Notice of Funding Availability (NOFA). According to the NOFA, *Application Submission*, Section 14b: "All applications submitted for the Select Pool under this NOFA must be received on or before 5:00 p.m. on Monday April 27, 2009, regardless of method of delivery."

An electronic version of the application from the City of Nacogdoches was received on May 1, 2009 and a hard copy was received on May 4, 2009. As the application to the Texas NSP was received after the due date, the application has been determined to be disqualified.

The Texas NSP as a whole was oversubscribed. The NOFA indicated the availability of \$101,996,848 in funding. Requests were received for \$154,325,056. The Select Pool (representing the second highest order of need), to which the City of Nacogdoches pertains, had \$31,104,826 available and received \$13,000,000 in base requests, and an additional \$19,008,750 in supplemental requests.

Applicant:	City of Nacogdoches
County:	Nacogdoches
Select Pool Request:	\$200,000
Land Bank:	\$300,000
Administration:	\$25,000
Total Request:	\$525,000
Proposed Activities:	Removal of Blight and Land Bank
Proposed Units Demolished:	70
Proposed Units Acquired:	100

Staff Recommendation:

The Executive Director denied the original appeal. Staff recommends that the Board deny the appeal as well.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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June 10, 2009

Ms. Lilla Fuller, City Secretary
City of Nacogdoches
202 E. Pilar Rm. 315
Nacogdoches, TX 75961

Re: Texas Neighborhood Stabilization Program
Appeal Received for City of Nacogdoches Application No. 20090078

Dear Ms. Fuller:

I have carefully considered your appeal, which was received on May 14, 2009 via email and made in accordance with the appeals procedure as detailed in Chapter 10, Texas Administrative Code, Section 1.7, regarding the disqualification of your Texas Neighborhood Stabilization Program (Texas NSP) Application.

An electronic version of the application was received on May 1, 2009 and a hard copy was received on May 4, 2009 by the Texas Department of Housing and Community Affairs (TDHCA). As the application to the Texas NSP was received after the due date, the application was appropriately determined to be disqualified.

According to the Texas NSP Notice of Funding Availability (NOFA), *Application Submission*, Section 14b: "All applications submitted for the Select Pool under this NOFA must be received on or before 5:00 p.m. on Monday April 27, 2009, regardless of method of delivery."

Your appeal is denied; however, you have indicated (in the Appeal Election Form attached to your letter) the desire to take the appeal to the TDHCA Governing Board should I deny the request and you are welcome to do so.

If you have any questions or concerns about the appeals procedure, please contact me or Robb Stevenson, Texas NSP Manager at (512) 463-2179.

Sincerely,

Michael Gerber
Executive Director

Cc: Mark Wyatt, Director, TCDBG, ORCA



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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May 12, 2009

Ms. Lilla Fuller, City Secretary
City of Nacogdoches
202 E. Pilar Rm. 315
Nacogdoches, TX 75961

Re: Texas Neighborhood Stabilization Program Application Disqualification Notice

Dear Ms. Fuller:

Thank you for your application to the Texas Neighborhood Stabilization Program (Texas NSP). An electronic version of the application was received on May 1, 2009 and a hard copy was received on May 4, 2009 by the Texas Department of Housing and Community Affairs (TDHCA). As the application to the Texas NSP was received after the due date, the application has been determined to be disqualified.

According to the Texas NSP Notice of Funding Availability (NOFA), *Application Submission*, Section 14b: "All applications submitted for the Select Pool under this NOFA must be received on or before 5:00 p.m. on Monday April 27, 2009, regardless of method of delivery."

In accordance with Chapter 10, Texas Administrative Code, Section 1.7, you may appeal this decision to the Executive Director, Michael Gerber. Pursuant to Section 1.7, "An Appealing Party must file a written Appeal with the Department for the Executive Director not later than the seventh day after notice has been provided to the Appealing Party." Therefore, an appeal to the Executive Director is due no later than Tuesday May 19. To ensure timely processing of an appeal to the Board, should the Executive Director deny your appeal, please see the following page.

If you have any questions or concerns about the appeals procedure, please contact me at robb.stevenson@tdhca.state.tx.us or (512) 463-2179.

Sincerely,

Robb Stevenson, Manager
Texas NSP, TDHCA

Cc: Mark Wyatt, Director, TCDBG, ORCA

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS**

APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 pm Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

Nacogdoches

the oldest town in Texas



May 12, 2009

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

RECEIVED

MAY 14 2009

DEPUTY ED.

RE: Texas Neighborhood Stabilization Program
APPEAL of Application Disqualification Notice

Dear Mr. Gerber:

I received notice this date of the determination of disqualification for our Texas Neighborhood Stabilization Program application submitted on May 1, 2009. The application was disqualified due to it being received after the due date.

By this letter I respectfully request appeal of this decision. We were not aware of the NSP funding opportunity until April 28, 2009, the day after the deadline. Upon learning of the NSP Program we quickly put together an application for submission. The City of Nacogdoches has currently identified over 50 dilapidated houses in our community that are in need of demolition in order to preserve the neighborhoods and eliminate associated health and safety issues these structures pose. Because of budget restraints, the City of Nacogdoches is only able to budget a small amount each year to demolish these unsafe structures. The funding provided by the Texas Neighborhood Stabilization Program would allow us to demolish these structures and bring pride and revitalization to the neighborhoods that this blight affects. Our proposal also calls for Land Bank activities to give incentives for neighborhood redevelopment by aggregating vacant land to be redeveloped for housing for low-income persons.

Nacogdoches County is designated as Select Pool Eligible in this program, and your department has verified that no other entity in Nacogdoches County has applied for this funding. We understand that funding for the Select Pool was under subscribed for the NSP Program and respectfully request that the City of Nacogdoches be given the opportunity to compete for the funds before funding is given to the over subscribed Direct Allocation applicants, even though our application was received after the deadline.

Thank you for your consideration.

Sincerely,



Lifa Fuller
City Secretary

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS**

APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

I do wish to appeal to the Board of Directors and request that my application be added to the agenda for the next meeting. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Development Name:	City of Nacogdoches
Development Address:	P.O. Box 635030, Nacogdoches, TX 75963
Signer's Name	Lila Fuller
Signer's Title:	City Secretary
Date:	May 12, 2009

Signed: _____

Lila Fuller

Robert Stevenson

From: Lila Fuller [fullm@ci.nacogdoches.tx.us]
Sent: Thursday, May 14, 2009 10:13 AM
To: robb.stevenson@tdhca.state.tx.us
Subject: Oops! This is the appeal letter you need to use !!

Robb:

Please use the attached appeal letter.....I had the wrong term in the one I just sent~ Sorry!

Lila Fuller, TRMC
Nacogdoches City Secretary
P. O. Box 635030
202 E. Pilar Street, Room 315
Nacogdoches, TX 75961
E-mail: lfuller@ci.nacogdoches.tx.us
Phone: 936/559-2504
Fax: 936/559-2912

"The Oldest Town in Texas"

Robert Stevenson

From: Lila Fuller [fullm@ci.nacogdoches.tx.us]
Sent: Wednesday, May 13, 2009 8:22 AM
To: Robert Stevenson
Subject: RE: NSP Program - City of Nacogdoches 1 of 2 E-mails

Robb:

Attached is our appeal letter and request to go to the board in May. Do I need to mail a hard copy of the letter to Mr. Gerber, or will this electronic one suffice? Please let me know if there is anything further I need to provide.

Lila Fuller, TRMC
Nacogdoches City Secretary
P. O. Box 635030
202 E. Pilar Street, Room 315
Nacogdoches, TX 75961
E-mail: lfuller@ci.nacogdoches.tx.us
Phone: 936/559-2504
Fax: 936/559-2912

"The Oldest Town in Texas"

>>> Robert Stevenson <robb.stevenson@tdhca.state.tx.us> 5/12/2009 11:34 AM >>>

Hello Lila,

Please find attached a disqualification letter which gets the appeals process rolling (the determination of disqualification due to lateness of submission is actually what you will appeal).

As the letter indicates, Mr. Gerber, Executive Director, may grant your appeal, but more than likely it will go before the Board. So, page two of the letter is important and it has a shorter timeline if we want the appeal to go to the May Board meeting. It would be better for all parties if the appeal goes to the May meeting because we would like to take award recommendations to the June Board meeting. It would be good if this was behind us for a June award. If you are unable to meet the May timeline however, I can write you another letter with a June timeframe.

So, we need your "appeal documentation" - this is whatever you want it to be. Please submit electronically by Thursday.

I will follow up with a phone call today.

Robb

5/13/2009

None at this time

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

BOND FINANCE DIVISION

BOARD ACTION REQUEST

June 25, 2009

Action Items

Presentation, Discussion and Approval of Resolution No. 09-044 authorizing application to the Texas Bond Review Board for reservation of the 2008 and H.R. 3221 single family private activity bond authority and presentation, discussion and approval of the Single Family Residential Mortgage Revenue Bonds Underwriting Team for Program 74.

Required Action

Approval of Resolution No. 09-044 authorizing application to the Texas Bond Review Board for reservation of the 2008 and H.R. 3221 single family private activity bond authority and presentation, discussion and approval of the Single Family Residential Mortgage Revenue Bonds Underwriting Team for Program 74.

Background

At the beginning of each new TDHCA single family bond issuance, our Board petitions the Texas Bond Review Board to start the process in the form of a resolution followed by an application to draw down our private activity bond authority also known as volume cap. Staff at this time is not seeking nor is the Board giving final approval of Bond Program 74 with respect to the finance structure, target mortgage rates, timing and size of the issue. Staff will come back to the Board on July 16, 2009 with a final structure for your review and approval. Staff is also seeking approval today of the Underwriting Team for Program 74.

Bond Finance is requesting to draw down \$55 million of 2008 volume cap along with \$30 million of H.R. 3221 volume cap for our Single Family Residential Mortgage Revenue Bond Program 74.

On March 10, 2005, TDHCA approved a team of three Senior Underwriting Managers: Citigroup, UBS, and Bear Stearns. Citigroup started the second rotation of this three member team as Senior Manager with Program 70 that closed on September 20, 2007. UBS was the second member of this three member team rotation and started structuring Program 71. The last member of this three member team was Bear Stearns. On June 5, 2008 UBS closed its municipal finance division. Bear Stearns was next up to complete the final leg of that three team rotation. On June 1, 2008, J.P. Morgan Securities Inc. (JPMorgan) acquired the Bear Stearns Housing Underwriting team that worked on TDHCA bond structures. On June 26, 2008, TDHCA approved J.P. Morgan as senior underwriter for completion of Program 71. TDHCA approved the final structure of Program 71 on September 4, 2008 with Bond Review Board approval on September 18, 2008. On September 24, 2008, TDHCA withdrew from pricing our bonds because of instability in the financial markets.

Staff is recommending JPMorgan as Senior Manager for Program 74. We are recommending them because J.P. Morgan was the Senior Underwriter for Program 71 and has also been our remarketing agent

as we replace our prior liquidity providers. JPMorgan is rated AA- by Standard and Poor's and AA1 by Moody's.

In keeping with TDHCA's policy of rotating firms in the Co-Manager pool, Staff recommends the following firms and roles for this transaction:

Firm	Role
Bank of America Securities LLC	Co-Manager
Loop Capital Markets, LLC	Co-Manager
Morgan Stanley	Co-Manager

In the bond market, a syndicate of bankers is needed to market the structure. The number of bonds available for sale typically dictates the size of the syndicate needed at the time of pricing. With TDHCA's structures close to or over \$100 million, a pool of bankers including a Senior Manager and three Co-Managers has been successful at marketing the Department's bonds.

Bond Finance would like to establish a new set of Senior Managers, Co-Senior and Co-Manager starting in Fiscal Year 2010. Staff is bringing a Request For Proposal (RFP) for Investment Banking Firms interested in Senior Manager and Co-Manager positions at this June 25, 2009 Board Meeting. Responses to the RFP will be due July 31, 2009. Selection and approval of the new financing team will be at the September 3, 2009 Board meeting.

Recommendation

Approve Resolution No. 09-044 authorizing application to the Texas Bond Review Board for reservation of the 2008 and H.R. 3221 single family private activity bond authority and presentation, discussion and approval of the Single Family Residential Mortgage Revenue Bonds Underwriting Team for Program 74.

Resolution No. 09-044

RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; 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 from time to time (the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the “Board”) from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the “State”); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain “private activity bonds” (as defined in Section 141(a) of the Code) must come within the issuing authority’s private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond “State Ceiling” (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the “Allocation Act”); and

WHEREAS, pursuant to Section 3021 of the Housing and Economic Recovery Act of 2008, additional private activity bond volume cap for qualified mortgage bonds and qualified residential rental projects has become available to the State (the “Emergency Housing Volume Cap”); and

WHEREAS, in order to reserve a portion of the Emergency Housing Volume Cap for bonds, and to satisfy the requirements of Section 146(a) of the Code, the Department filed an application for reservation of Emergency Housing Volume Cap for qualified mortgage bonds with the Texas Bond

Review Board (the “Bond Review Board”), in the manner authorized by Section 146(e) of the Code, and on November 25, 2008 the Department received a reservation of Emergency Housing Volume Cap for qualified mortgage bonds in the amount of \$120,000,000 (the “Emergency Reservation”); and

WHEREAS, in order to reserve a portion of the State Ceiling and a portion of its Emergency Reservation for qualified mortgage bonds (each, a “Reservation”) and to satisfy the requirements of Section 146(a) of the Code, the Department is required to file separate applications for reservation (each, an “Application for Reservation”) with the Bond Review Board, stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the “Allocation Rules”) require that an Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of the Applications for Reservation with respect to qualified mortgage bonds; and

WHEREAS, the Department reserves the right to authorize subsequent filings of one or more Applications for Reservation to utilize the remaining balance of its Emergency Reservation at a later date;

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

Section 1 - Applications for Reservation. The Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board Applications for Reservation for qualified mortgage bonds to be issued and delivered within 180 days after receipt of a “reservation date,” as defined in the Allocation Rules, in the maximum amount of (i) \$55,000,000 with respect to private activity bond volume cap available under the State Ceiling and (ii) \$30,000,000 with respect to the Department’s Emergency Reservation, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservations.

Section 2 - Authorization of Certain Actions. The Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

Section 3 - Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the qualified mortgage bonds will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4 - Mortgage Credit Certificate Authority. The Department reserves the right, upon receipt of a Reservation, to convert all or any part of its authority to issue qualified mortgage bonds to mortgage credit certificates.

Section 5 - Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 6 - Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such

meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

[Execution page follows]

PASSED AND APPROVED this 25th day of June, 2009.

Chairman, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

BOND FINANCE DIVISION

BOARD ACTION REQUEST

June 25, 2009

Action Items

Presentation, Discussion and Approval of a Request for Proposal (“RFP”) for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010.

Required Action

Approve issuing a Request for Proposal (“RFP”) for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010.

Background

In the bond market, a syndicate of bankers is needed to market bond structures. The number of bonds available for sale typically dictates the size of the syndicate needed at the time of pricing. With TDHCA’s structures at or over \$100 million, a pool of bankers which include the Senior Underwriting Manager, Co-Senior Manager and four Co-Managers have previously been successful in marketing the Department’s bonds.

On March 10, 2005, the TDHCA Board selected three investment banking firms to provide single family bond underwriting services as Senior Manager for TDHCA. On May 26, 2005, the TDHCA Board selected three investment banking firms for the role of Co-Senior Manager from a pool of fifteen Co-Managers in conjunction with the sale of TDHCA’s single family mortgage revenue bonds.

Staff is recommending a change that will allow the Board to select four Senior Managers that will work as Underwriters in structuring our bonds and eight Co-Managers that will work in conjunction with the sale of TDHCA’s single family mortgage revenue bonds. By selecting four Senior Managers, TDHCA will have a broader base to help diversify our underwriting position. To ensure synergy, the next Senior Manager in the rotation will be the Co-Senior Manager for the proposed bond structure. Both the Senior Manager and Co-Manager will work in rotation. The eight Co-Managers will be divided into two groups of four in a rotation to help market our bonds.

The responses in the RFP will be reviewed, analyzed, and scored by Bond Finance staff and TDHCA’s Financial Advisor, RBC Capital Markets, before coming back to the TDHCA Board for oral presentations at the September 2, 2009 Board Meeting.

The following table provides certain key dates.

Program Designation	RFP Key Dates
TDHCA Board Approval of RFP	June 25, 2009
Publish RFP in Texas Register, Bond Buyer, Marketplace	July 10, 2009
RFP Responses Due	July 31, 2009
Oral Presentation to the TDHCA Board	September 2, 2009
TDHCA Board Approval of Senior Managers and Co-Managers	September 3, 2009

The attached RFP for Underwriter Services lists the scope of services requested in connection with this assignment. The selected Senior Managers and Co-Managers will work with the Board of Directors and TDHCA's staff to structure, market and sell TDHCA single family mortgage revenue bonds.

Recommendation

Approve issuing a Request for Proposal ("RFP") for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

REQUEST FOR PROPOSAL ("RFP") #332-RFP9-9009 FOR INVESTMENT BANKING/UNDERWRITING SERVICES

I. Purpose of Request

The Texas Department of Housing and Community Affairs ("TDHCA") is issuing this request for proposal (RFP) from investment banking firms interested in providing investment banking services from time to time as Senior Manager or Co-Manager for one or more of its proposed single family mortgage revenue bond new issues and/or refundings. TDHCA desires to revise its list of approved underwriters from which to select its underwriting team for specific municipal bond issues as financing opportunities arise. TDHCA reserves the right to select a team for any particular financing project, from the approved list of Senior Managers and Co-Managers with any combination or number of participants.

Four Senior Managers will be selected and work in rotation as Underwriter in structuring cash flows for our bonds. Eight Co-Managers will be selected (two groups of four in rotation) and will work in conjunction with the sale of TDHCA's single family mortgage revenue bonds. Both the Senior Manager and Co-Manager will work in rotation. To ensure synergy, the next Senior Manager in the rotation will be the Co-Senior Manager for the proposed bond structure.

Selected firms for Senior Managers and Co-Managers will begin rotations in fiscal year 2010.

II. Deadline for Responses And Other Information

Response Due: Friday, July 31, 2009 4:00 P.M. C.D.T.

TDHCA will not be bound by any oral statement or representation contrary to the written specifications of this RFP.

No proposal received after the deadline will be considered. Only electronic responses will be accepted. TDHCA further reserves the right to negotiate individual elements of a firm's proposal.

All responses must be complete as to all terms and conditions, on the date submitted. Additional information submitted after the response or separate from the response for purposes of clarification, explanation, interpretation, or annotation will not be considered by TDHCA unless specifically requested by TDHCA and then only to the extent requested.

In releasing this RFP, TDHCA shall not be obligated to proceed with any action on the RFP and may decide it is in TDHCA's best interest to refrain from pursuing an approval process. TDHCA reserves and may, at any time, exercise the right to 1) reject any or all responses to this RFP, or 2) waive, in writing, minor irregularities in submitted responses. Any written waiver exercised under this section will in no way modify any provision of this RFP.

With the exception of certain written communications allowed under Section VI, investment banking firms, or any representative of the firm, responding to the RFP must refrain from any contact or communication with members of the Board of Directors or with any TDHCA staff as to the selection of firms pursuant to this RFP. A DETERMINATION BY THE BOARD THAT A VIOLATION OF THIS POLICY HAS OCCURRED WILL BE GROUNDS FOR DISQUALIFICATION OF A FIRM'S PROPOSAL.

III. Delivery of Responses

Responses must be submitted through email, in the form of a Microsoft Word or Adobe PDF attachment, to the email address listed below. Electronic ZIP files and delivery via fax will not be accepted. The subject line of the email must contain the following text, with no additional characters: **TDHCA Underwriting RFP**. If the response consists of several files, they must be combined into a single attachment prior to submission; the only exception is outlined under Financial Condition.

Submission emails with attachments must be received by Heather Hodnett as indicated below by 4:00 p.m. central daylight time on July 31, 2009. Responders are encouraged to contact Heather Hodnett at TDHCA prior to the submission deadline to confirm TDHCA's receipt of their proposal.

Texas Department of Housing and Community Affairs

Attention: Heather Hodnett
Phone: 512-475-1899
heather.hodnett@tdhca.state.tx.us

IV. TDHCA Board Review and Oral Presentations

Firms that have responded to this RFP may be asked to make oral presentations at a meeting of TDHCA's Board. In such event, those firms will be given not less than three (3) business days notice along with the date, time and place for such oral presentation. The Board will select four Senior Managers and eight Co-Managers at the September 3, 2009 TDHCA Board Meeting based on recommendations from the review team and oral presentation.

V. Response Format

- Identify at the beginning of your response if you are applying for the position of Senior Manager or Co-Manager. If you are applying for a Senior Manager position, you also will be considered for the position of Co-Manager. If you are applying for a Co-Manager position, you do not need to answer questions D-1, D-2, or D-4.
- Each question in this Section V should be specifically addressed or the reason no response was given should be indicated.
- Responses should be submitted by individual firms only.
- Responses should be limited to the information requested by TDHCA in this RFP and should be no longer than 30 pages. Do not submit any additional information, such as attachments or appendices, not requested by TDHCA. TDHCA will consider only the information for which a response has been requested. As referenced in Section V Paragraph G Financial Condition, the request for your firm's financial information will not be considered part of the above referenced page limitation.
- Identify the question being answered in the introduction to each response.
- **Do not include multi-family mortgage revenue bond transactions in your response to this question or any question in this RFP.**

A. Overview of Firm

Provide an overview of your firm. Describe, in general terms, your firm’s organizational structure and provide the location of your headquarters. Include information describing your firm’s municipal bond underwriting operation. Please provide a general overview of your company’s policy on background checks of employees and how your company handles confidential documents.

Indicate the desired underwriting role that your firm is applying for.

B. Distribution Capabilities

Provide the following information:

1. Number of professionals (analyst level or above) specializing in public finance.
2. Indicate whether or not your firm has a separate and distinct housing finance group.
3. Number of professionals (analyst level or above) specializing in housing finance.
4. Number of Retail Municipal Bond Salespeople.
5. Number of Institutional Municipal Bond Salespeople.
6. Number of Taxable Municipal Bond Salespeople.
7. Number of Institutional Mortgage-Backed Securities Salespeople.
8. Number of underwriters that would handle TDHCA’s account.
9. Location(s) of underwriting office(s) that would handle TDHCA’s account

C. Experience

1. Senior Manager, Co-Senior Manager and Co-Manager Experience: For the current year and the past three calendar years (**2006, 2007 and 2008**), list in table format the firm’s experience as underwriter with negotiated, new money and refunding single family mortgage revenue bond transactions. Please list experience for the role for which your firm is applying.

This information should be provided in **table format** with the column headings across the top in order from left to right. Please total each category and/or column by year and show an overall total. Use the column headings provided below for your response. (These items should be included as an attachment or appendix and will not be considered part of the page limitation.)

Column Headings

- Date of Issue
- Name of Issuer
- Issue Description
- Issue Amount (Principal Amount (\$) and Lendable Proceeds Amount (\$))
- Amount of New Money Included in Issue Amount
- Role in Transaction (Senior Manager, Co-Senior Manager or Co-Manager)
- Management Fee
- Takedown
- Expenses
- Risk
- Total Gross Spread
- Any Other Fees Outside the Transaction (Swap Fees, etc.)
- Participation %

2. State Housing Agency Clients. Indicate state housing agencies where your firm currently and actively serves as senior manager, co-senior manager or co-manager for the sale of negotiated, new money and refunding single family mortgage revenue bond transactions. Indicate when you were hired and provide a reference. Provide each reference's name, title, affiliation, address, telephone number, and email address. Each firm responding shall be deemed to have authorized TDHCA to contact all such state housing agency references. TDHCA also reserves the right to independently contact any other references as deemed necessary. Use the format provided below for your response.

<u>State HFA</u>	<u>Role</u>	<u>Date Hired</u>	<u>Reference Information</u>
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3. Local Housing Issuer Clients in Texas. Indicate local housing issuer clients in Texas where your firm currently and actively serves as senior manager, co-senior manager or co-manager for the sale of negotiated, new money and refunding single family mortgage revenue bond transactions. Indicate when you were hired and provide a reference. Provide each reference's name, title, affiliation, address, telephone number, and email address. Each firm responding shall be deemed to have authorized TDHCA to contact all such local housing issuer references. TDHCA also reserves the right to independently contact these and other references. Use the format provided below for your response.

<u>Local Housing Agency</u>	<u>Role</u>	<u>Date Hired</u>	<u>Reference Information</u>
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4. Innovativeness. Discuss your firm's creativity and innovativeness in developing solutions that could add value to TDHCA's capital market initiative.

D. Other Qualifications (for Senior and Co-Senior Managers only)

1. Senior Manager and Co-Senior Manager Quantitative Capabilities. Discuss your firm's computer capabilities in structuring housing bond issues and cash flows. Identify your firm's current housing software. Indicate through narrative and on a percentage basis, your firm's use of external consultants to conduct your housing related quantitative analysis.
2. Taxable Capabilities. TDHCA is interested in pursuing tax-exempt/taxable single family bond financings. Provide the par amount of taxable single family bonds managed in the current year and in calendar years 2006, 2007 and 2008 (Full Credit to Senior Manager). Also provide the par amount of taxable single family bonds managed in the current year and calendar years 2006, 2007 and 2008 (Full Credit to Each Manager). Indicate whether your firm maintains a separate and distinct taxable municipal bond group. Use the format provided below for your response.

	<i>Full Credit to Senior Manager</i>	<i>Full Credit to Each Manager</i>
2006	\$	\$
2007	\$	\$
2008	\$	\$
2009	\$	\$
Total	\$	\$

3. Mortgage-Backed Securities Sales and Trading Capabilities. Describe your firm's mortgage-backed securities sales and trading operations.

Provide the overall par amount of agency certificates/whole loans your firm has sold as senior manager, co-senior manager or co-manager in the current year and in calendar years 2006, 2007 and 2008 as a result of new money offering, refunding or restructuring single family mortgage revenue bond issues. Indicate whether your firm maintains a separate and distinct mortgage-backed securities sales and trading group. Use the format provided below for your response.

	<i>Senior Manager</i>	<i>Co-Senior Manager</i>	<i>Co-Manager</i>
2006	\$	\$	\$
2007	\$	\$	\$
2008	\$	\$	\$
2009	\$	\$	\$
Total	\$	\$	\$

4. Variable Rate Demand Bonds, Auction Rate Bonds and Interest Rate Swaps. Describe your firm's experience with Variable Rate Demand Bonds, Auction Rate Bonds and Interest Rate Swaps for single family mortgage revenue bonds. Please indicate whether your firm executes interest rate swap transactions on a principal or agent basis. Provide the notional amount of such products your firm managed as senior manager, co-senior manager or co-manager during the current year and in 2006, 2007 and 2008 (single family mortgage revenue bonds only). Please provide totals for each product for each year. Use the format provided below for your response.

	<i>Variable Rate Demand Bonds</i>	<i>Auction Rate Bonds</i>	<i>Interest Rate Swaps (par)</i>	<i>Interest Rate Swaps (notional)</i>
2006	\$	\$	\$	\$
2007	\$	\$	\$	\$
2008	\$	\$	\$	\$
2009	\$	\$	\$	\$
Total	\$	\$	\$	\$

E. Personnel

Provide names, titles, brief resumes and office location of the persons to be assigned to this account. Specifically, indicate the capacity of the persons assigned to this account as that of a relationship banker, a technical banker or an analyst.

List, on an individual basis by banker, other clients served by the personnel assigned to TDHCA's team.

F. Litigation

Describe any litigation, arbitration, or other actions current, pending, or past against the firm arising from the firm's involvement in municipal or public purpose debt. **Please indicate your willingness to provide additional information on any litigation pending against your firm should TDHCA request it.**

G. Financial Condition

Provide a copy of your firm's most recent annual audited financial statements. **Provide a recent copy** of your firm's FOCUS I or FOCUS IIa report or provide your capital **and** net capital calculated as of December 31, 2008 pursuant to SEC Rule 15c3-1. **Failure to provide this information will result in the disqualification of your response.** (These items should be included as an attachment or appendix and will not be considered part of the page limitation.)

H. Ratings

Please indicate your firm's short- and long-term ratings from Standard & Poor's, Moody's and Fitch.

VI. Program Information

To obtain further information about the TDHCA Single Family Bond Program or this RFP, please email your request to the attention of Heather Hodnett at heather.hodnett@tdhca.state.tx.us or visit the Bond Finance Division web page at www.tdhca.state.tx.us. The Bond Finance Division will post questions received and answers on its web page for review by all respondents.

VII. Texas Public Information Act

Notwithstanding any provisions of this RFP to the contrary, a firm understands that TDHCA will comply upon request after the Board has approved the selection of firms for its list of underwriters in accordance with the Texas Public Information Act, Chapter 552 of the Government Code (the "Act") as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas. Information, documentation, and other material in connection with this RFP may be subject to public disclosure pursuant to the Texas Public Information Act. Within three (3) days of receipt, firms will refer to TDHCA any third party requests that are received, for which firm has access as a result of or in the course of performance under this RFP. Any part of the RFP response that is of a confidential or proprietary nature must be clearly and prominently marked as such by the firm.

VIII. Cost Incurred in Responding

All costs directly or indirectly related to preparation of a response to this RFP or any oral presentation required to supplement and/or clarify the RFP which may be required by TDHCA shall be the sole responsibility of and shall be borne by your firm.

IX. Historically Underutilized Businesses

Since 1992, TDHCA has provided outreach assistance to all vendors interested in doing business with our Agency. Through TDHCA's Historically Underutilized Business (HUB) Plan, it is our intent to increase the HUB participation in all facets of procurement. TDHCA encourages all vendors eligible for HUB certification to take part in opportunities with TDHCA. You may access the Comptroller of Public Accounts at www.cpa.state.tx.us/procurement/prog/hub/ for information on becoming a certified HUB. If you will be subcontracting services to a HUB vendor, please see the Comptroller's web site at www.cpa.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/ for the HUB Subcontracting Plan.

X. Right to Audit

Pursuant to Section 2262.003 of the Texas Government Code, the state auditor may conduct an audit or investigation of the bidder or any other entity or person receiving funds from the state directly under this contract or indirectly through a subcontract under this contract. The acceptance of funds by the bidder or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit

committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the bidder or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Bidder will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract it awards.

XI. Conflict of Interest

Under Section 2155.003 of the Texas Government Code, a TDHCA employee may not have an interest in, or in any manner be connected with a contract or bid for a purchase of goods or services by an agency of the state; or in any manner, including by rebate or gift, accept or receive from a person to whom a contract may be awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation. Bidder represents and warrants that it has no actual or potential conflicts of interest in providing the requested services to TDHCA and any resulting contract, if any, would not reasonably create an appearance of impropriety.

XII. Cancellation

TDHCA reserves the right to accept or reject any (or all) proposals under this RFP. The information contained in this RFP is intended to serve only as a general description of the services sought by TDHCA. In releasing this RFP, TDHCA is not obligated to proceed with any action, and may decide it is in the Department's best interest to discontinue consideration of services. TDHCA reserves the right, with 30 days written notice, to cancel any contract awarded under the terms of this RFP.

XIII. Indemnification

The Vendor shall defend, indemnify, and hold harmless the State of Texas, its officers, and employees, and TDHCA, its officers, and employees and contractors, from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, including without limitation attorneys' fees and court costs, arising out of, connected with, or resulting from any acts or omissions of vendor or any agent, employee, subcontractor, or vendor in the execution or performance of any contract with vendor resulting from this RFP. Vendor shall coordinate its defense with the Texas Attorney General as requested by TDHCA. This section is not intended to and shall not be construed to require vendor to indemnify or hold harmless the state or TDHCA for any claims or liabilities resulting from the negligent acts or omissions of TDHCA or its employees.

XIV. Dispute Resolution

The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by the Texas Department of Housing and Community Affairs and the vendor to attempt to resolve any dispute arising under this contract resulting from this RFP.

XV. Executive Order 13224

Vendor certifies that the proposing entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that vendor is in compliance with the State of Texas statutes and rules relating to procurement and that vendor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at Excluded Parties List System (EPLS, <http://www.epls.gov>).

XVI. Hurricane Rita/Katrina Disaster

Sections 2155.006 and 2261.053, Gov't Code, prohibit state agencies from awarding contracts to any person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by §418.004, Gov't Code, occurring after September 24, 2005. Under §2155.006, Gov't Code, vendor certifies that the individual or business entity named in its proposal is not ineligible to receive a contract and acknowledges that any contract resulting from this RFP may be terminated and payment withheld if this certification is inaccurate.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

June 25, 2009

Action Item

Housing Tax Credit Amendments.

Requested Action

Approve, amend or deny the requests for amendments.

Background and Recommendations

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

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

Limitations on the Approval of Amendment Requests

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

Penalties for Amendment Requests

§49.9(c), 2009 Qualified Allocation Plan and Rules, entitled, “Adherence to Obligations,” states in part:

If a Development Owner does not produce the Development as represented in the Application; does not receive approval for an amendment to the Application by the Department prior to implementation of such amendment; or does not provide the necessary evidence for any points received by the required deadline:

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

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

(A) Reduce the score for Applications for Competitive Housing Tax Credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by up to ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board.

(B) Prohibit eligibility to apply for Housing Tax Credits for a Tax-Exempt Bond Development that are [sic] submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for up to 24 months from the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.

(C) In addition to, or in lieu of, the penalty in subparagraph (A) or (B) of this paragraph, the Board may assess a penalty fee of up to \$1,000 per day for each violation.

HTC No. 95005, Brandywood Apartments

Summary of Request: The request stated that the property incurred flood damage seven times between 1994 and 1999 and the flooding intensified in 2001 and 2003 after Spencer Road was redesigned in 2000. Flooding from Hurricane Ike in September of 2008 was cited as causing the most severe damage to date. The owner's letter stated, "To mitigate the effects of the redesigned highway, the State of Texas, through the Texas Water Board and the Federal Emergency Management Agency (FEMA), has provided a "Severe Repetitive Loss Grant" of \$10,758,208.56 to the City of Pasadena to purchase the portion of the property which has become subject to increasingly repetitive flood loss claims."

According to the request, the owner will provide a matching contribution of \$1,195,356.51, creating a total fund of \$11,952,566 to purchase 17 apartment buildings containing 258 units, relocate the tenants, abate existing asbestos, demolish the buildings and create a city park/green space to avoid flood damage from the flooding that appears likely in the future. The City of Pasadena, Texas Water Board and FEMA were identified as parties to a Memorandum of Contract that governs the utilization of the funds, part of which will be used to pay down a part of the \$7,000,000 in mortgage debt that remains effective for the property. The green space is proposed to be deed restricted in perpetuity. The owner stated that its consent to the demolition arrangement was voluntary but FEMA would have the option to increase the cost of flood insurance to the development by 150% each year if the owner refused the agreement.

According to the Department's records, the development was approved for tax credits in 1995 with 51 residential buildings on 21.7896 acres. The development was approved with a 70% applicable fraction. Therefore 489 units of the 698 unit total were restricted to rents at the 60% of AMGI level and the remaining 209 units were to be rented at market rates. The land and improvements that are scheduled to be eliminated from the development consist of a 7.46 acre tract of land containing fifteen buildings and a 0.37 acre tract, containing two buildings. The buildings to be taken reportedly contain 258 units and 229,668 square feet of net rentable area. After the targeted units are eliminated, the development will consist of 440 units.

Although the owner has proposed that all 440 of the units that will remain in service be restricted by an amended land use restrictive agreement to rents that conform to the 60% of AMGI level, this proposal does not conform to the original terms of the allocation because the Forms 8609 that allow owners to use the tax credits were issued on a building by building basis. As issued, and considering the 70% applicable fraction of the development, the buildings to be demolished were associated with the BINs (tax credit Building Identification Numbers) and tax credits stated below.

Bldg.	BIN	Tax Credits	Bldg.	BIN	Tax Credits	Bldg.	BIN	Tax Credits
1	TX-95-0178	\$ 9,862	8	TX-95-0185	\$ 4,342	15	TX-95-0192	\$ 4,342
2	TX-95-0179	\$ 8,684	9	TX-95-0186	\$ 13,026	16	TX-95-0193	\$ 10,855
3	TX-95-0180	\$ 8,684	10	TX-95-0187	\$ 6,513	17	TX-95-0194	\$ 6,513
4	TX-95-0181	\$ 8,684	11	TX-95-0188	\$ 10,855	40	TX-95-0217	\$ 4,342
5	TX-95-0182	\$ 10,855	13	TX-95-0190	\$ 4,342	41	TX-95-0218	\$ 6,513
6	TX-95-0183	\$ 13,026	14	TX-95-0191	\$ 8,684		Total Credits	<u>\$140,122</u>

Owner: Brandywood Housing Community, Ltd.
General Partner: Brandywood Apartments, Inc.
Developers: American Housing Foundation (Nonprofit)
Principals/Interested Parties: Richard Crawford, Lee Ann Rodgers (general contacts)
Syndicator: The Richman Group
Permanent Lender: Texas Capital Bank, N.A.

Other Funding: NA
City/County: Pasadena/Harris
Set-Aside: Nonprofit (General Population)
Type of Area: Urban
Region: 6
Type of Development: Rehabilitation
Population Served: General Population
Units: 489 HTC units and 209 market rate units in 51 buildings
1995 Allocation: \$390,624
Allocation per HTC Unit: \$784
Prior Board Actions: 1995 – Approved award of tax credits
Underwriting Reevaluation: The development will be financially feasible post demolition and the owner estimates a tax credit recapture of \$380k.

Staff Recommendation: **Staff recommends approval of the request to amend the LURA to be 100% of the units as restricted and release 258 units. The Department does not have the ability to modify the 8609's. The Department will be required to issue IRS Forms 8823.**

Penalty Assessment: **Staff recommends no assessment of penalties.**

HTC No. 05629, Village Park Apartments

Summary of Request: This request was tabled at the Board Meeting of April 23, 2009 so that the owner could propose an additional amenity as a substitute for the ceiling fans described as a deficiency below. The owner reported to the Board that the fans were not included in the original rehabilitation scope of work by error. However, the owner also reported that when the error was discovered, an estimate of the cost of the mistake was \$839,000. The owner told the Board that the high cost reflected the need to install approximately 1,200 fans which also required the installation of 230 new circuit breakers and wiring for each unit. The owner indicated that these installations would, to some degree, intrude upon approximately 900 tenants. The Owner asked the Board if he could find another amenity to substitute that would be less financially taxing on the development. As a more financially feasible and less intrusive alternative, the owner has now proposed to install built-in microwave ovens which will replace the vent hoods in all 418 units at a cost of \$320 each or a total cost of \$135k to 165k depending on circuitry.

In addition to the microwave ovens, the owner requests consideration of an equipped computer learning center and furnished community room as amenities to offset the lack of ceiling fans in the development. The features are beneficial to the development and were not represented in the application for scoring points or for meeting Threshold.

A summary of the amendment requests is following. The development is the rehabilitation of an existing apartment complex. The owner requests approval for changes in the application to resolve deficiencies and for revisions to resolve discrepancies in reporting. The approvals are needed to allow the cost certification review to proceed. The issues are presented below in the same order as discussed in the owner's letter of request. Each of the deficiencies listed below was identified by the Department's inspectors and/or cost certification reviewer. Each request conveys the owner's proposal for resolving the deficiency. The finding is staff's report about the relevant facts of the deficiency and the owner's proposal to resolve the deficiency. The finding is based on evidence in the application file, cost certification, other documentation, and information from the owner. The finding indicates staff's recommendation regarding the owner's request.

Deficiency: The building count in the application does not match the count in the cost certification.

Request: Accept the count as stated in the cost certification.

Staff Comment: The same buildings were counted in different ways, for example, by counting two attached buildings as two buildings in one exhibit and as one building in another exhibit. Importantly, the unit count is not at issue and the buildings depicted in the application site plan were the same as those in the as-built survey. Furthermore, there is not impact on development cost since this was an acquisition and there was no real change to the actual number of buildings.

Deficiency: The development as built violates the Threshold requirement by not having ceiling fans in the living area and bedrooms of all units. Ceiling fans are present in the living rooms, only.

Request: Ceiling fans were present in the living rooms of all units before the rehabilitation began. The owner stated that the fans were not installed in the bedrooms by mistake. The owner stated that because all units were known to have ceiling fans, the requirement was believed to have been met. The fact that the fans were only present in the living rooms while also required in the bedrooms was not recognized.

The owner stated that installing the fans would have required the concurrent installation of 230 new electrical panels and associated upgrades of the capacity of electrical service. A bid from the general contractor to install the upgrades was \$839,425 or \$2,008 per dwelling unit. This cost is equivalent to approximately 20% of the total rehabilitation budget. In addition, the development operates under an

asbestos operations and maintenance plan and there would be costs, above those already stated, to deal with the asbestos and relocate tenants. The owner submitted a letter from the architect and an estimate from the general contractor evidencing the costs and other information given above. The owner proposed to install a pavilion with barbeque grills and picnic tables as a substitute for the ceiling fans and submitted the general contractor's estimate that the pavilion and a community garden would cost approximately \$76,877.

Staff Comment: The failure to fulfill Threshold would have prevented the development from receiving an award. The substitute feature proposed is the pavilion with barbeque grills and picnic table, only, and is not comparable.

Deficiency: An "accessible walking path" with a value of two points was selected in the application's Common Amenities exhibit but was not delivered.

Request: The owner explained that the concrete walkways winding through the development were intended to satisfy the requirement but were found deficient by the Department's inspectors. The owner requested to substitute a "furnished and staffed children's activity center" worth six points as a replacement for the walking path. The owner stated that this feature includes a staffed "Kids Club" after school activities program from 2:30 pm to 5 pm. The program is proposed to operate during the summer as well as during the school year, providing snacks and lunch in the summer.

Staff Comment: This substitution would replace the two points lost with six points. If approved, the owner will be required to agree to this feature as a condition of the LURA and the operation of the feature must be effective throughout the affordability period.

Deficiency: "Community garden" was a selection in the Common Amenities exhibit that was worth two points. The owner explained that the amenity was not delivered because the term "community garden" was interpreted to mean the landscaped areas of the development, not a separate garden area for the use of tenant gardeners as the exhibit intended.

Request: The owner indicated that a community garden will be built to satisfy this deficiency. As stated earlier, the owner submitted a cost estimate (bid) from the general contractor stating a cost of \$76,877 for the garden and pavilion, combined.

Staff Comment: When the owner implements its proposal, the issue will be resolved.

Deficiency: "Sport court (tennis, basketball or volleyball)" was an item selected for four points in the Common Amenities exhibit that was not found upon final inspection.

Request: The owner said that a volleyball court was present in the development at the time of application but was eliminated in response to a resident survey. Based on the survey, the owner stated that the existing children's playground was expanded and a "soccer area" was created beside the playground and within the playground area. The owner requested that the soccer area and the expansion of the playground be accepted as a substitute for the "sport court".

Staff Comment: Staff believes that the expansion of the playground area is an acceptable substitute.

Deficiency: The Department's inspectors noted that "two children's playgrounds", each worth two points (four points in total) in the Common Amenities exhibit, were not observed.

Request: The owner requested that the expansion of the playground be accepted as fulfilling the original representation. The owner stated that the original playground area is 95 feet by 99 feet and the additional

area is 57 feet by 31 feet. The owner stated that additional equipment was installed in the latter area when it was prepared. The "soccer area" discussed with the previous deficiency is adjacent to the playground.

Staff Comment: As stated earlier, the owner expanded the development's existing playground. The owner provided photographs of the playground showing a variety of equipment. Both playground areas are separated by a chain link fence and include equipment that is appropriate for five to twelve year old children. The areas are adjacent which raises the question of whether they constitute "two children's playgrounds" or only one large playground. Because the playground has separate sections and has a "soccer area" as noted in the previous deficiency discussed, staff views the amenity built as sufficient to satisfy the criteria for the points on this Threshold scoring item.

Deficiency: "Full perimeter fence with controlled gate access", worth six points, was selected in the Common Amenities exhibit but only a "full perimeter fence without controlled gate access", worth four points, was delivered.

Request: The owner stated that the deficiency was a mistake resulting from the presence of an unmanned guardhouse at the main entry to the property. The owner requested that "public telephone(s) available to tenants 24 hours a day", worth four points, be accepted to offset the two point deficiency.

Staff Comment: "Public telephones" was an item available for selection but not selected in either the Specifications and Amenities exhibit or Common Amenities exhibit. Therefore, staff found this request acceptable.

The remaining items do not relate to the Common Amenities exhibit score or to Threshold, generally, but the last request may be deemed a material alteration of the development because it affects the units mix.

Deficiency: A total of 627 open parking spaces were specified in the application but only 551 spaces were certified in the cost certification.

Request: Accept the existing parking as sufficient.

Staff Comment: With 551 spaces, the development has a parking ratio of over 1.3 spaces per unit and is in compliance with the city's requirements, which is the primary requirement the Department relies upon for the level of appropriate parking. Meeting the city's standard would have been sufficient at application. Therefore Staff recommends acceptance of this request.

Deficiency: The mix of tax credit units versus market rate units has changed. The unit applicable fraction was proposed as 85%, based on 355 rent restricted units and 63 market rate units. The unit applicable fraction as built was 87% based on 364 restricted units and 54 market rate units.

Request: The owner requested that the higher number of restricted units be approved.

Staff Comment: As there are no points associated with this change, staff recommends the request be granted. It should be noted that a higher applicable fraction will generate slightly more qualified basis even with the same amount of eligible basis. Therefore, the owner will qualify for slightly more credits. Since this is a 4% credit development associated with tax-exempt bonds, the credit amount is not limited and can be increased if necessary.

Summary of Staff Comments: The findings above indicated that the points for the amenities that were not delivered were exactly offset by the points for replacement amenities and there would be no net gain or loss of points. The application required a score of 18 points in the Common Amenities exhibit to meet Threshold and the selections actually made totaled 24 points. In addition, two other amenities can be

considered as additional features. "Equipped computer learning center" was a selection not chosen but available for four points in the Common Amenities exhibit. "Computer room/facilities" was a selection not chosen but available for two points in the same exhibit. Similarly, these items were available to be marked but were not marked in the Specifications and Amenities exhibit.

Owner: Village Park Apartments Partners, Ltd.
General Partner: Summit America Properties, Inc.
Developers: Summit Asset Management, LLC
Principals/Interested Parties: W. Daniel Hughes, Jr.
Syndicator: Guilford Capital Corporation
Construction Lender: Regions Bank
Permanent Lender: FNMA through Greystone Servicing Corporation, Inc.
Other Funding: NA
City/County: Houston/Harris
Set-Aside: Tax-Exempt Bond Development-TDHCA Issuer
Type of Area: Urban
Region: 6
Type of Development: Acquisition/Rehabilitation
Population Served: General Population
Units: 355 HTC units and 63 market rate units
2005 Allocation: \$574,490
Allocation per HTC Unit: \$1,618
Prior Board Actions: 7/05 – Approved award of tax credits
Underwriting Reevaluation: The current changes in the request do not negatively impact the feasibility of the development. The owner has submitted the cost certification package and requested credits of \$629,380, which is \$54,890 more than originally awarded. Although the credit allocation has not been finalized, the underwriter has substantiated \$38,319 of the increase. Without the amendment request, the increase could be approved by the executive director because it was less than a 10% increase.

Staff Recommendation: **Although staff may not recommend approval for omitting the ceiling fans, staff does recommend approval of all other parts of the owner's request, noting that the Board may approve the request, including the ceiling fans. The fans were a Threshold requirement in 2005 and a provision for their replacement by substitutes is absent from the rules.**

Penalty Assessment: **Staff must recommend the assessment of appropriate penalties because the request is made after the implementation of the change.**



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

REPORT DATE: 06/08/09 PROGRAM: 9% HTC FILE NUMBER: 95005

DEVELOPMENT

Brandywood Apartments

Location: 6411 Spencer Highway and 5150 Red Bluff Rd. Region: 6
 City: Pasadena County: Harris Zip: 77505 OCT DDA
 Key Attributes: General, Urban, Existing Development

AMENDMENT

Request:
 Approval to amend the Land Use Restriction Agreement to release 17 buildings (258 units) from the existing LIHTC restrictions.

Background:
 The development was awarded an allocation of 9% housing tax credits in 1995 in the amount of \$390,624. The Department issued IRS Forms 8609 in May 2000 and the first year of the credit period was 1997. All tax credits have been claimed by the Owner, but the development is still within the compliance period (expires in 2011) and therefore subject to recapture.

The development currently contains 51 buildings with 698 units. 17 of the buildings have flooded 10 times since being constructed with the most severe damage occurring in 2008 during Hurricane Ike. The City of Pasadena through the Texas Water Development Board filed a grant application under FEMA's Severe Repetitive Loss ("SRL") Grant Program for the demolition of these 17 buildings (34 buildings to remain) and the conveyance of the land to the City of Pasadena for use as park land. The Owner is voluntarily participating in the FEMA program stating that the premiums for the flood insurance provided by FEMA would increase 150% per year until the Owner participated.

Through the city, the grant of \$10,758,209 will retire a portion of the mortgage, pay an estimated \$380k of tax credit recapture, relocate the few remaining residents that reside in the subject buildings, abate asbestos, demolish the buildings and create a park area on the vacated land. The Owner is required by the city to provide 10% in match funds of \$1,195,357 which is effectively provided through the sale of the land to the city. The existing loan of \$7.1M will be reduced to \$5M.

Currently, there are 489 units restricted by the tax credit LURA (70% of the total 698 units at 60% AMFI). The Owner has agreed to restrict 100% of the remaining 440 units post demolition. While this represents a loss of 58 restricted units, this loss is mitigated by the current low occupancy of the 258 to-be demolished units (approximately 20% or 52 units) effectively creating a net gain of quality affordable units (approximately 76 units) using the Underwriter's post demolition occupancy assumption at 85% on the remaining 440 units.

This section intentionally left blank.

Limited Scope of Analysis:

The purpose of this analysis is to determine whether the project will be financially feasible post demolition of the buildings and the partial retirement of current mortgage. Because 8609's have been issued and all tax credits have been claimed by the Owner, a determination of the credit allocation is not material to this report. This analysis is limited to:

- 1) The underwriter does not project rental rate increases on the remaining units and did not evaluate current market conditions or comparable properties. It is assumed that the property will be able to maintain the current depressed rental rates. The current rental rates are significantly lower than the tax credit maximum rents.
- 2) The underwriter assumes an 85% economic occupancy on the remaining 440 units (based on a 10% increase to the current occupancy of these units) acknowledging that even higher occupancy should be achievable once the demolition of the distressed buildings allow for improved marketing of the property.
- 3) Due to the extraordinary operating history caused by the repeated flooding, high vacancy and repairs, the historical operating statements are not useful in the analysis. Expense estimates in this analysis are based on the Owner's proforma and the Department's database and IREM expense comparables.
- 4) The underwriter assumes that the debt will be reduced (\$2.1M) and reamortized at 5% interest over 30 years pursuant to terms underwritten and agreed to by the lender.

OPERATING PROFORMA ANALYSIS

Under the limited scope, the Underwriter's proforma results in a DCR of 1.31 which falls within the REA underwriting parameters. The Underwriter's per unit expenses of \$3,924 are within 1% of the Owner's estimate of \$3,902. The Owner used rents and occupancy assumptions producing effective gross income that is \$340k higher than the Underwriter, resulting in higher DCR of 2.40.

Using the Underwriter's proforma, in order to achieve breakeven operations at the underwritten rents, the development would have to achieve an 81% economic occupancy. The Owner's proforma indicates a 71% economic occupancy to break even.

While the long term proforma indicates a declining DCR, eventually below 1.00 times, the DCR over the remaining compliance period remains above 1.20 times under the conservative limiting assumptions. The DCR drops below a 1.00 times in year 11.

CONCLUSIONS

Actual operations should improve dramatically post demolition of the 17 buildings and are likely to exceed the Underwriter's limited and conservative analysis. Based on both the Underwriter's proforma, the development will be feasible through the remaining 3 year compliance period. Therefore, granting approval of the release of the 17 buildings is recommended.

Underwriter:	<i>Audrey Martin</i>	Date:	June 8, 2009
Director of Real Estate Analysis:	<i>Brent Stewart</i>	Date:	June 8, 2009

AMENDMENT COMPARATIVE ANALYSIS

Brandywood Apts, Pasadena, HTC #95005
 Reviewed by: **A. Martin**
 Date: **6/2/09**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%	140	1	1	552	\$687	\$380	\$53,200	\$0.69	\$62.00	\$41.00
TC 60%	32	1	1	657	\$687	400	12,800	0.61	62.00	41.00
TC 60%	20	1	1	670	\$687	425	8,500	0.63	62.00	41.00
TC 60%	8	1	1	720	\$687	415	3,320	0.58	62.00	41.00
TC 60%	28	2	2	1,060	\$825	545	15,260	0.51	76.00	52.00
TC 60%	102	2	2	913	\$825	530	54,060	0.58	76.00	52.00
TC 60%	84	2	2	950	\$825	500	42,000	0.53	76.00	52.00
TC 60%	12	3	2	1,220	\$953	720	8,640	0.59	85.00	63.00
TC 60%	14	3	2	1,340	\$953	745	10,430	0.56	85.00	63.00
TOTAL:	440		AVERAGE:	803		\$473	\$208,210	\$0.59	\$70.17	\$47.65

INCOME				Total Net Rentable Sq Ft:	TDHCA		APPLICANT		COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				353,470	\$2,449,241	\$2,920,368	Harris	Houston	6		
Secondary Income		Per Unit Per Month:	\$15.00	79,200	82,000	\$15.53	Per Unit Per Month				
Gain from Involuntary Conversions				0	0	\$0.00	Per Unit Per Month				
Insurance: Lost Rent Revenue				0	0	\$0.00	Per Unit Per Month				
POTENTIAL GROSS INCOME					\$2,528,441	\$3,002,368					
Vacancy & Collection Loss		% of Potential Gross Income:	-15.00%	(379,266)	(360,103)	-11.99%	of Potential Gross Income				
Employee or Other Non-Rental Units or Concessions					(152,206)	-11.99%					
EFFECTIVE GROSS INCOME					\$2,149,174	\$2,490,059	88.01%				
EXPENSES											
	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI			
General & Administrative	8.07%	\$394	0.49	\$173,480	\$135,960	\$0.38	\$309	5.46%			
Management	5.00%	244	0.30	107,459	99,602	0.28	226	4.00%			
Payroll & Payroll Tax	21.21%	1,036	1.29	455,810	485,377	1.37	1,103	19.49%			
Repairs & Maintenance	11.64%	568	0.71	250,092	317,240	0.90	721	12.74%			
Utilities	7.32%	358	0.45	157,411	285,516	0.81	649	11.47%			
Water, Sewer, & Trash	7.21%	352	0.44	154,991	0	0.00	0	0.00%			
Property Insurance	5.65%	276	0.34	121,440	124,630	0.35	283	5.01%			
Property Tax	2.697931	6.54%	320	140,659	114,549	0.32	260	4.60%			
Reserve for Replacements		7.17%	350	154,000	154,000	0.44	350	6.18%			
TDHCA Compliance Fees		0.51%	25	11,000	0	0.00	0	0.00%			
Other:		0.00%	0	0	0	0.00	0	0.00%			
TOTAL EXPENSES				80.33%	\$3,924	\$4.88	\$1,726,341	\$1,716,874	\$4.86	\$3,902	68.95%
NET OPERATING INC				19.67%	\$961	\$1.20	\$422,834	\$773,185	\$2.19	\$1,757	31.05%
DEBT SERVICE											
First Lien Mortgage		14.99%	\$732	\$0.91	\$322,093	\$322,093	\$0.91	\$732	12.94%		
Additional Financing		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%		
Additional Financing		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%		
NET CASH FLOW				4.69%	\$229	\$0.29	\$100,741	\$451,092	\$1.28	\$1,025	18.12%
AGGREGATE DEBT COVERAGE RATIO						1.31	2.40				
RECOMMENDED DEBT COVERAGE RATIO						1.31					

PAYMENT COMPUTATION

Primary	\$5,000,000	Amort	360
Int Rate	5.00%	DCR	1.31

Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.31

Additional	\$0	Amort	
Int Rate		Aggregate DCR	1.31

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$322,093
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$100,741

Primary	\$5,000,000	Amort	360
Int Rate	5.00%	DCR	1.31

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.31

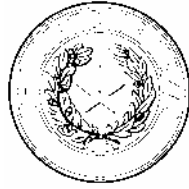
Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

AMENDMENT COMPARATIVE ANALYSIS (continued)

Brandywood Apts, Pasadena, HTC #95005

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,449,241	\$2,498,225	\$2,548,190	\$2,599,154	\$2,651,137	\$2,927,069	\$3,231,721	\$3,568,081	\$4,349,471
Secondary Income	79,200	80,784	82,400	84,048	85,729	94,651	104,503	115,379	140,647
Insurance: Lost Rent Revenue	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,528,441	2,579,009	2,630,590	2,683,201	2,736,865	3,021,721	3,336,224	3,683,460	4,490,118
Vacancy & Collection Loss	(379,266)	(386,851)	(394,588)	(402,480)	(410,530)	(453,258)	(500,434)	(552,519)	(673,518)
Employee or Other Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,149,174	\$2,192,158	\$2,236,001	\$2,280,721	\$2,326,336	\$2,568,462	\$2,835,790	\$3,130,941	\$3,816,600
EXPENSES at 3.00%									
General & Administrative	\$173,480	\$178,684	\$184,045	\$189,566	\$195,253	\$226,352	\$262,404	\$304,198	\$408,817
Management	107,459	109,608	111,800	114,036	116,317	128,423	141,790	156,547	190,830
Payroll & Payroll Tax	455,810	469,484	483,568	498,075	513,018	594,728	689,453	799,265	1,074,145
Repairs & Maintenance	250,092	257,594	265,322	273,282	281,480	326,313	378,286	438,537	589,357
Utilities	157,411	162,133	166,997	172,007	177,167	205,385	238,098	276,021	370,949
Water, Sewer & Trash	154,991	159,640	164,430	169,363	174,443	202,228	234,437	271,777	365,246
Insurance	121,440	125,083	128,836	132,701	136,682	158,452	183,689	212,946	286,181
Property Tax	140,659	144,879	149,226	153,702	158,314	183,529	212,760	246,647	331,473
Reserve for Replacements	154,000	158,620	163,379	168,280	173,328	200,935	232,939	270,040	362,911
Other	11,000	11,330	11,670	12,020	12,381	14,353	16,638	19,289	25,922
TOTAL EXPENSES	\$1,726,341	\$1,777,056	\$1,829,272	\$1,883,032	\$1,938,383	\$2,240,697	\$2,590,494	\$2,995,267	\$4,005,832
NET OPERATING INCOME	\$422,834	\$415,101	\$406,729	\$397,689	\$387,953	\$327,765	\$245,296	\$135,675	(\$189,232)
DEBT SERVICE									
First Lien Financing	\$322,093	\$322,093	\$322,093	\$322,093	\$322,093	\$322,093	\$322,093	\$322,093	\$322,093
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$100,741	\$93,009	\$84,636	\$75,596	\$65,860	\$5,672	(\$76,797)	(\$186,418)	(\$511,325)
DEBT COVERAGE RATIO	1.31	1.29	1.26	1.23	1.20	1.02	0.76	0.42	(0.59)



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: TDHCA Governing Board
From: Audrey Martin, Real Estate Analysis
cc: File; Ben Sheppard, Multifamily Finance Production
Date: June 4, 2009
Re: Amendment Request for Village Park Apartments, TDHCA #05629

Background

The development was originally underwritten and approved for an award in 2005. An amendment request was presented to the Board during the April 2009 Board meeting, but was tabled to allow the Owner and staff to further address the request to omit ceiling fans, which were a threshold amenity.

Amendment Request

The Owner is proposing to install microwave oven / range hood combinations as an alternative to ceiling fans. The Owner submitted a bid for \$133,760 for the installation, or \$320 per unit. There is sufficient deferred developer fee to cover the cost of the microwaves, and sufficient cash flow to repay the additional deferred developer fee. The cost certification has been submitted to the Department, and includes final, certified costs that substantiate the Owner's credit request. The additional cost of the microwaves will not change the credit recommendation at this time, as only final, incurred costs may be considered for the purpose of determining the final credit allocation.

Conclusions

The change identified in the amendment request does not negatively impact the underwriting of the transaction. Staff will not recommend a change to the tax credit award prior to finalization of the cost certification review process.



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

REPORT DATE: 04/02/09 PROGRAM: 4% HTC / Bond FILE NUMBER: 05629

DEVELOPMENT

Village Park Apartments

Location: 8701 Hammerly Boulevard Region: 6
 City: Houston County: Harris Zip: 77080 OCT DDA
 Key Attributes: Acquisition/Rehabilitation, General, Urban

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$629,380			\$612,809		

* The development was originally awarded annual tax credits of \$574,490 and \$13,660,000 in TDHCA issued bonds. However, pursuant to 49.12(d) of the 2009 QAP a tax-exempt bond development is eligible to request additional credits than originally awarded. In conjunction with the development's final cost certification the Owner has requested \$54,890 or 9.5% in additional tax credits. Since this amount is less than 10% more than the amount reflected in the 2005 Determination Notice issued to the Owner, the request may be approved by the Executive Director. However, since this development is being presented to the Board for approval of the requested changes to the application, approval of the additional credit request is also included for Board approval.

RECOMMENDATION

Staff has evaluated the financial viability of the requested amendment. Based on the revised information provided, the transaction meets the Department's 2008 and 2009 Real Estate Analysis Rules and Guidelines. If the Board chooses to approve the amendment, the Underwriter recommends a total allocation of \$612,809, subject to the following condition.

CONDITIONS

- The Owner is requesting \$16,571 more in tax credits than are being recommended. If a commitment is received from Boston Capital for the purchase of the additional \$16,571 in tax credits, including syndication rate, prior to the issuance of IRS Forms 8609, staff recommends an allocation of up to \$629,380, dependent upon the syndication rate indicated in the commitment from Boston Capital.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	364

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ADDENDUM

The subject development is an acquisition and rehabilitation 4% bond transaction that was originally underwritten and approved in 2005. In association with the development's final construction inspection and submission of the final cost certification, the Owner has requested an amendment to the application as follows:

- Approval for a change in the number of affordable and market rate units to 364 affordable units and 54 market rate units instead of 355 affordable units and 63 market rate units.
- A correction in the number of residential buildings from 27 to 25.
- Approval for the installation of a pavilion with picnic tables and barbecue grills as a replacement for ceiling fans in the bedrooms.
- Approval for a children's activity center as a replacement for accessible walking path.
- Approval for a soccer area as a replacement for the volleyball court in order to meet the sport court requirement.
- Approval for an additional smaller playground area adjacent to the existing playground in order to meet the requirement for two children's playgrounds.
- Approval for a public telephone available to tenants 24 hours a day as a replacement for controlled gate access.
- Approval for a decrease in the number of parking spaces from 627 to 551 total.

Unit Mix

The first item identified in the amendment request is change in the mix of units between affordable and market rate. Originally, the application identified 355 affordable units and 63 market rate units, but at cost certification, 364 affordable units and 54 market rate units were identified. This changed the unit applicable fraction from 85% to 87%. The Owner explained that the cost certification documentation reflects the actual and final unit mix based on the income qualifications of the existing residents. The Owner stated that the purpose of the change is to avoid the forced relocation of residents.

Number of Buildings

The Owner is requesting a correction to the number of buildings. There are 25 buildings on the property; however, there were discrepancies in the number of buildings between different application exhibits, with the number of buildings being presented between 24 and 27. Most documentation in the application, including the appraisal, environmental site assessment, and development plan description, identified 27 residential buildings. However, a site plan in the application identified 24 residential structures, which were treated as 25 residential buildings by counting one physical structure as two separate buildings. The amendment request from the Owner explains that prior to taking ownership of the development, Building 10 was damaged in a fire and not re-built. This building was not reflected in the site plan, and the as-built survey submitted at cost certification is consistent with the site plan. This correction does not affect the number of units or square footage.

Amenities

Ceiling Fans - The Owner stated that the absence of ceiling fans in the bedrooms is a result of a misunderstanding about the requirement for ceiling fans. The Owner indicated that ceiling fans are included in the living areas but are not included in the bedrooms. The Owner explained that the installation of the ceiling fans would require the replacement of 240 electrical panels, and the cost would be \$839,425 or \$2,008 per unit. Additionally, the property operates under an asbestos operations and maintenance program, and there could be additional costs associated with demolition and renovation activities and relocation of tenants. For these reasons, the Owner believes that the installation of ceiling fans in the bedrooms is infeasible and proposes to build a pavilion with picnic tables and barbecue grills as a replacement amenity. The Owner submitted an estimate from a contractor indicating the cost of the pavilion and a community garden would be \$76,877.

Accessible Walking Path - The Owner also mistakenly interpreted accessible walking path as being the accessible walkways winding through the property. The Owner offers a children's activity center as a substitute for the accessible walking path.

Sport Court - The amendment request also identifies a change to the sport court provided. At application, a volleyball court was present at the development, but the Owner explained that after surveying community interests, the volleyball court was replaced with additional children's playground equipment. The Owner proposes a soccer area as a replacement for the volleyball court.

Children's Playgrounds - Two children's playgrounds were also proposed at application, but during the construction inspection by the Department, the amenity was not observed. The Owner explained that playground equipment was installed in a 57' by 31' bordered area adjacent to the existing playground, which is in a 99' by 95' bordered area. The Owner believes the installation of the new playground equipment is sufficient to satisfy the requirement for two children's playgrounds.

Full Perimeter Fencing - Full perimeter fencing with controlled gate access was also originally proposed in the application, but the Owner explained that this was misinterpreted due to the fact that the entry to the site does have a guard shack. The Owner indicated that full perimeter fencing without controlled gate access should have been proposed originally. A public telephone available to tenants 24 hours a day is offered as a replacement for the controlled access gate.

Parking Spaces

The Owner's request also addresses a difference in the number of parking spaces at the development. The application identified 627 parking spaces and at cost certification, the architect certified to the presence of 551 parking spaces. The Owner stated that this was an error on the application and is requesting approval for the development as built.

The final development costs, as certified by the CPA, are \$442K greater than the Underwriter's estimate at application, and eligible basis increased by \$1,378,295 in comparison to the Underwriter's estimate at application. This cost increase qualifies the development to receive a credit allocation greater than the originally approved amount at application. The change to the applicable fraction also accounts for approximately 25% of the increase to the final credit amount, but the higher credit amount is primarily a result of the increase in costs.

OPERATING PROFORMA ANALYSIS

Income:

The Owner's projected rental income is calculated by subtracting the Houston Housing Authority utility allowances from gross rents that are lower than the program gross rent limits. According to the rent roll provided in the cost certification the property is not collecting the maximum tax credit rents. At application, the Market Analyst estimated the market rents to be lower than the program rents for the area, thus reflecting that the market was not able to support the maximum program rents. The Underwriter's projected rental income uses the average tenant paid rents as reflected in the rent roll as of 1/31/09. The Owner's potential gross rent estimate is about \$43K or 1% greater than the Underwriter's estimate. However, there is a significant difference in the estimate of secondary income due to the fact that the Owner charges tenants a pass-through utility cost capped at the utility allowance for electric costs.

Another difference between the Owner's estimate and the Underwriter's estimate is that the Owner included \$120K in rental concessions and this loss was not considered in the Underwriter's analysis, as it should not be necessary once the property reaches stabilization. Therefore, the net effect of higher secondary income and rental concessions is that the effective gross income projected by the Owner is more than 12% greater than the Underwriter's estimate.

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Expenses:

The Owner's proforma reflects higher expenses than indicated by the property's operating history, and as a result the Underwriter relied upon the TDHCA database, IREM, and the property's actual operations in estimating expenses. The Owner's total annual operating expense estimate of \$5,704 per unit is more than 18% greater than the Underwriter's estimate of \$4,813. Several of the Owner's line-item expenses are inconsistent with the Underwriter's estimates: general and administrative (\$52K or 59% lower); repairs and maintenance (\$43K or 28% lower); utilities (\$385K or 86% higher); property taxes (\$80K or 43% higher); and compliance fees (\$2K or 17% greater). The difference in the utilities line item is in part due to the fact that the Underwriter's estimate reflects the net cost to the Owner after the utility reimbursement charged to the tenants. In contrast, the Owner identified the gross utility cost but the utility reimbursement was identified as a secondary income source. It is important to mention that although the Underwriter's analysis projects an expense to income ratio below 65%, the Owner's expense to income ratio exceeds the Department's 65% limit.

Conclusion:

Although the Owner's net operating income is within 5% of the Underwriter's estimate, the income and expense estimates of the Owner are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity. Because the development was originally underwritten utilizing a 3% income escalator and 4% expense escalator, the Underwriter's proforma has utilized these escalators, consistent with the 2008 REA Rules and Guidelines. Based on the proposed financial structure reflected in the Cost Certification, which includes the Owner's expected reduction in the permanent loan, the DCR of 1.24 falls within the Department's guidelines. If the permanent loan was not reduced as expected by the Owner, the development would have a DCR of 1.16, which also falls within the Department's guidelines. In addition, utilizing the 2% income escalator and 3% expense escalator required by the 2009 REA Rules and Guidelines, the development has above a 1.15 DCR and positive cash flow for the initial 15 years, as required by the REA Rules and Guidelines.

CONSTRUCTION COST ESTIMATE EVALUATION

Cost Schedule:

The Department has received the Cost Certification for this development, and evidence of the final development costs, as certified by the development CPA, has been included as part of the documentation. The Owner's site work costs have decreased by \$621K or 51%, while direct construction costs have increased by \$1.6 million or 97% from the estimates provided at application. Contractor fees increased \$69K or 17%. Indirect construction costs increased by \$21K or 20%. Developer fees increased by \$104K or 4%. However, the total development cost is \$442K or 2% greater than the Underwriter's estimate at application. Additionally, since this is an acquisition and rehabilitation project, the Owner's final development costs are utilized to determine the final credit amount.

Conclusion:

It appears that the changes made to the development have not affected the reasonableness of the Owner's final, certified development costs. As a result, the Owner's development cost schedule will be used to determine the development's final need for permanent funds and to calculate eligible basis. Eligible basis of \$19,448,044 supports annual tax credits of \$629,412. This figure will be compared to the tax credits previously approved by the Board, the Owner's current request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

Issuer: TDHCA
Source: Greystone Servicing Corporation Type: Interim to Permanent Bond Financing
Tax-Exempt: \$12,740,000 Interest Rate: 6.10% Fixed Amort: 360 months
Comments:

The loan has not converted to the permanent phase; conversion to permanent is expected for May 1, 2009. The loan documents support a loan of \$13,660,000; however, \$12,740,000 is the Owner's anticipated final loan amount after resizing for conversion.

Source: Bond Transaction Type: Bond Premium

Amount \$211,094 Conditions: _____

Comments:

The Owner negotiated a cash consideration of \$211,094 at closing by accepting a lock-out period beyond 10 years on the ability to call the bonds at par. The premium obtained by the Owner was calculated on \$10,560,000 of the bonds at a 1.999% premium. The documentation submitted for this source was limited to statements from the Owner submitted via email and bond cash flows.

Source: Boston Capital Corporation Type: Syndication

Proceeds: \$5,978,512 Syndication Rate: 95% Anticipated HTC: \$ 629,380

Comments:

The Owner's sources reflect a syndication price remains of \$0.95 per tax credit dollar for the original credits as well as the additional credits being requested. The Limited Partnership Agreement does not guarantee the purchase of additional credits, however, and further, does not state the rate at which additional tax credits would be purchased. For this reason, the recommended financing structure reflects only the syndication proceeds specifically committed to in the Limited Partnership Agreement. The credit request at cost certification is \$54,890 or 9.6% greater than the credit amount approved at application underwriting, \$574,490. However, the cost certification request is only \$16,571 greater than the amount of credits used by the syndicator to calculate syndication proceeds \$612,809.

Amount: \$2,504,603 Type: Deferred Developer Fees

Amount: \$673,678 Type: General Partner Contribution

The amount of the financing gap exceeds the amount of developer fee available, and for that reason, the sources of funds include \$673,678 in gap funding from the General Partner. The Owner submitted a signed statement indicating that the General Partner, Summit America Properties XXVI, Inc., will provide the Partnership with gap funding, as necessary. The Owner also submitted unaudited financial statements as of 12/31/08 for Summit Housing Partners, the Owner of the General Partner, indicating sufficient liquidity to cover for the anticipated gap funding. As mentioned previously, the recommended financing structure uses a lower amount of syndication proceeds than the Owner does, which results in a larger gap of \$831,087. The Owner has committed to provide all gap financing necessary, and is found to have sufficient liquidity to cover this larger gap in the event that the additional credits are not purchased by the investor.

CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio that falls within the Department's 2008 and 2009 guidelines. This analysis is based on the average current rents at the property. If the rents can be increased to the maximum tax credit rents, the development would still operate at a DCR that falls within the Department's guidelines; however, the Owner does not intend to increase the rents in the near future. Therefore, the Owner's final and certified total development costs, less the permanent loan amount of \$12.74M and bond premium of \$211K indicates the need for \$9,156,793 in gap funds. Based on the final syndication terms a tax credit allocation of \$963,969 annually would be required to fill this gap in financing.

As stated above, the investor limited partner has not committed to purchase the additional \$16,571 in credits being requested above the amount used to calculate syndication proceeds, \$612,809. Therefore, the recommended financing structure assumes that these additional tax credits will not be purchased, which would result in a gap of \$831,087 which must be filled by the General Partner. If the additional \$16,571 in credits are purchased by the investor limited partner at the original syndication rate, \$0.95, the financing gap will be reduced to \$673,678. If the additional credits are purchased by the investor limited partner at a lower rate, consistent with current market conditions (assumed by the Underwriter to be \$0.70), the financing gap would be approximately \$715,090. The Underwriter has found the General Partner to have sufficient liquidity to fund the largest of these three potential amounts of gap financing.

The Owner's final Cost Certification identifies a tax credit request that is higher than the amount originally awarded to this development. Per §49.12(d) of the 2009 QAP, a tax-exempt bond development may request an increase in tax credits if the Department determines that the development will not receive more tax credits than needed for the financial feasibility and viability of the transaction. Based on the cost certification review, it appears that the requested additional credits are supported by the final certified development costs and eligible basis. The requested increase in credit does not exceed 110% of the amount of credits reflected in the Determination Notice, therefore, per the QAP this increase can be approved administratively by the Executive Director. Additionally, per §49.20(i) of the 2009 QAP a Tax-Exempt Bond Credit Increase Request Fee equal to 5% of the amount of the credit increase for one year is required. The Owner has not provided to the Department the required fee, but is required to pay the fee prior to the issuance of IRS Forms 8609.

Although the eligible basis supports the requested credits of \$629,380, the Underwriter recommends a lower allocation of \$612,809. This is because \$612,809 is the annual tax credit allocation used by the investor limited partner to calculate syndication proceeds. The investor limited partner has not committed to purchase any additional tax credits, and the Underwriter does not recommend the allocation of tax credits that will not yield additional tax credit proceeds. However, as stated in the Conditions section of the report, if the Department receives a commitment from Boston Capital for the purchase of the additional tax credits prior to the issuance of IRS Forms 8609, the allocation supported by eligible basis, \$629,380 will be recommended.

Tax Credit Allocation Previously Awarded:	\$574,490
Tax Credit Allocation Requested by Owner:	\$629,380
Tax Credit Allocation Determined by Eligible Basis:	\$629,412
Tax Credit Allocation Determined by Gap in Financing:	\$963,969
Tax Credit Allocation Used by Limited Partner to Determined Syndication Proceeds:	\$612,809

The allocation used by the limited partner to determine syndication proceeds is recommended. An annual allocation of \$612,809 results in total equity proceeds of \$5,821,103 at a syndication price of \$0.95 per tax credit dollar. The Underwriter's recommended financing structure indicates the need for \$3,335,690 in additional permanent funds. Deferred developer fees and an additional owner contribution in this amount appear to be repayable by Year 15.

Underwriter:	_____	Date:	April 2, 2009
	<i>Rosalio Banuelos</i>		
Reviewing Underwriter:	_____	Date:	April 2, 2009
	<i>Audrey Martin</i>		
Director of Real Estate Analysis:	_____	Date:	April 2, 2009
	<i>Brent Stewart</i>		

COST CERTIFICATION COMPARATIVE ANALYSIS

Village Park Apartments, Houston, HTC#05629

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	UW Net Rent	CC Net Rent	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%	3	0	1	537	\$642	\$567	\$575	\$587	\$1,701	\$1.06	\$55.00	\$39.00
MR	1	0	1	537		565	\$575	\$565	565	1.05	55.00	39.00
TC 60%	110	1	1	672	\$687	570	\$670	\$602	62,721	0.85	85.00	53.00
MR	10	1	1	672		572	\$670	\$572	5,719	0.85	85.00	53.00
TC 60%	26	1	1	758	\$687	586	\$670	\$602	15,236	0.77	85.00	53.00
MR	2	1	1	758		584	\$670	\$584	1,167	0.77	85.00	53.00
TC 60%	30	2	1	864	\$825	677	\$775	\$709	20,299	0.78	116.00	64.00
MR	6	2	1	864		680	\$775	\$680	4,080	0.79	116.00	64.00
TC 60%	26	2	1	869	\$825	679	\$775	\$709	17,649	0.78	116.00	64.00
MR	4	2	1	869		691	\$775	\$691	2,762	0.79	116.00	64.00
TC 60%	7	2	1	959	\$825	682	\$775	\$709	4,776	0.71	116.00	64.00
MR	1	2	1	959		693	\$775	\$693	693	0.72	116.00	64.00
TC 60%	53	2	2	1,026	\$825	706	\$823	\$709	37,411	0.69	116.00	64.00
MR	7	2	2	1,026		707	\$823	\$707	4,947	0.69	116.00	64.00
TC 60%	61	2	2	1,040	\$825	699	\$823	\$709	42,652	0.67	116.00	64.00
MR	11	2	2	1,040		707	\$823	\$707	7,776	0.68	116.00	64.00
TC 60%	48	3	2	1,150	\$953	806	\$940	\$806	38,676	0.70	147.00	74.00
MR	12	3	2	1,150		816	\$940	\$816	9,795	0.71	147.00	74.00
TOTAL:	418		AVERAGE:	895		\$667			\$278,624	\$0.74	\$108.89	\$61.30

INCOME

Total Net Rentable Sq Ft: 374,298

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: Utility Reimbursement

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	TDHCA-UW	APPLICATION	Cost Certification	COUNTY	IREM REGION	COMPT. REGION
General & Administrative	2.79%	\$211	0.24	\$88,112	\$135,600	\$46,000	\$36,000	Harris		6
Management	4.00%	303	0.34	126,493	136,190	145,573	129,000	\$15.00	Per Unit Per Month	
Payroll & Payroll Tax	13.93%	1,054	1.18	440,534	421,086	328,000	437,574	\$97.00	Per Unit Per Month	
Repairs & Maintenance	4.79%	362	0.40	151,320	161,028	88,980	108,600			
Utilities	14.11%	1,068	1.19	446,322	616,767	891,154	831,000			
Water, Sewer, & Trash	8.62%	652	0.73	272,640	242,047	277,193	294,000			
Property Insurance	3.63%	274	0.31	114,687	93,575	94,050	94,000			
Property Tax 2.664583	5.81%	440	0.49	183,856	324,344	272,948	263,750			
Reserve for Replacements	3.97%	300	0.34	125,400	125,400	125,700	125,400			
TDHCA Compliance Fees	0.46%	35	0.04	14,560	122,880	106,160	17,000			
Other: Security	1.52%	115	0.13	48,000			48,000			
TOTAL EXPENSES	63.62%	\$4,813	\$5.38	\$2,011,923	\$2,378,917	\$2,375,758	\$2,384,324	\$6.37	\$5,704	67.50%
NET OPERATING INC	36.38%	\$2,752	\$3.07	\$1,150,400	\$1,285,371	\$1,237,718	\$1,148,020	\$3.07	\$2,746	32.50%
DEBT SERVICE										
Greystone Servicing Corporation	29.30%	\$2,216	\$2.48	\$926,445	\$994,406	\$998,647	\$926,445	\$2.48	\$2,216	26.23%
Bond Premium	0.00%	\$0	\$0.00	0				\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0				\$0.00	\$0	0.00%
NET CASH FLOW	7.08%	\$536	\$0.60	\$223,956	\$290,965	\$239,071	\$221,575	\$0.59	\$530	6.27%
AGGREGATE DEBT COVERAGE RATIO				1.24	1.29	1.24	1.24			
RECOMMENDED DEBT COVERAGE RATIO				1.24						

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	TDHCA-UW	APPLICATION	Cost Certification	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		62.49%	\$33,703	\$37.64	\$14,087,960	\$14,111,000	\$14,111,000	\$14,087,960	\$37.64	33703.25369	63.72%
Off-Sites		0.00%	0	0.00	0			0	0.00	0	0.00%
Sitework		2.60%	1,404	1.57	586,720	487,000	1,207,342	586,720	1.57	1,404	2.65%
Direct Construction		14.83%	8,000	8.93	3,343,936	2,415,070	1,694,708	3,343,936	8.93	8,000	15.13%
Contingency						165,417	165,417		0.00	0	0.00%
Contractor's Fees 12.09%		2.11%	1,137	1.27	475,108	406,285	406,285	475,108	1.27	1,137	2.15%
Indirect Construction		0.55%	298	0.33	124,717	104,210	104,210	124,717	0.33	298	0.56%
Ineligible Costs		4.37%	2,356	2.63	984,843	1,011,588	1,011,588	984,843	2.63	2,356	4.45%
Developer's Fees 14.78%		11.11%	5,992	6.69	2,504,603	2,356,924	2,400,613	2,504,603	6.69	5,992	11.33%
Interim Financing		0.00%	0	0.00	0	109,843	109,843	0	0.00	0	0.00%
Reserves		1.94%	1,046	1.17	437,319	498,142		0	0.00	0	0.00%
TOTAL COST		100.00%	\$53,936	\$60.23	\$22,545,206	\$21,665,479	\$21,211,006	\$22,107,887	\$59.06	\$52,890	100.00%
Construction Cost Recap		19.54%	\$10,540	\$11.77	\$4,405,764	\$3,473,772	\$3,473,752	\$4,405,764	\$11.77	\$10,540	19.93%

SOURCES OF FUNDS

								RECOMMENDED	
Greystone Servicing Corporation	56.51%	\$30,478	\$34.04	\$12,740,000	\$13,660,000	\$13,660,000	\$12,740,000	\$12,740,000	Developer Fee Available
Bond Premium	0.94%	\$505	\$0.56	211,094			211,094	211,094	\$2,504,603
HTC Syndication Proceeds	26.52%	\$14,303	\$15.97	5,978,512	5,368,683	5,342,224	5,978,512	5,821,103	% of Dev. Fee Deferred
Deferred Developer Fees	11.11%	\$5,992	\$6.69	2,504,603	2,208,782	2,208,782	2,504,603	2,504,603	100%
General Partner Contribution	0.00%	\$0	\$0.00	0	0	0	673,678	831,087	
Additional (Excess) Funds Req'd	4.93%	\$2,658	\$2.97	1,110,997	428,014	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$22,545,206	\$21,665,479	\$21,211,006	\$22,107,887	\$22,107,887	\$4,741,890

COST CERTIFICATION COMPARATIVE ANALYSIS (continued)

Village Park Apartments, Houston, HTC#05629

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
Adjustments				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.47)	(924,516)
Floor Cover			2.43	909,544
Breezeways/Balconies	\$20.33		0.00	0
Plumbing Fixtures	\$805		0.00	0
Rough-ins	\$400		0.00	0
Built-In Appliances	\$1,850	418	2.07	773,300
Exterior Stairs	\$1,800		0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			1.90	711,166
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other: fire sprinkler	\$1.95	374,298	1.95	729,881
SUBTOTAL			5.88	2,199,375
Current Cost Multiplier	0.98		(0.12)	(43,988)
Local Multiplier			(5.88)	(2,199,375)
TOTAL DIRECT CONSTRUCTION COSTS				(\$0.12) (\$43,988)
Plans, specs, survy, bld prm	3.90%		\$0.00	\$1,716
Interim Construction Interest	3.38%		0.00	1,485
Contractor's OH & Profit	11.50%		0.01	5,059
NET DIRECT CONSTRUCTION COSTS			(\$0.10)	(\$35,729)

PAYMENT COMPUTATION

Primary	\$12,740,000	Amort	360
Int Rate	6.10%	DCR	1.24

Secondary	\$211,094	Amort	
Int Rate		Subtotal DCR	1.24

Additional	\$5,978,512	Amort	
Int Rate		Aggregate DCR	1.24

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$926,445
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$223,956

Primary	\$12,740,000	Amort	360
Int Rate	6.10%	DCR	1.24

Secondary	\$211,094	Amort	0
Int Rate	0.00%	Subtotal DCR	1.24

Additional	\$5,978,512	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
INCOME at 3.00%									
POTENTIAL GROSS RENT	\$3,343,488	\$3,443,793	\$3,547,106	\$3,653,520	\$3,763,125	\$4,362,494	\$5,057,326	\$5,862,827	\$7,879,149
Secondary Income	75,240	77,497	79,822	82,217	84,683	98,171	113,807	131,934	177,308
Other Support Income: Utility R	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	3,418,728	3,521,290	3,626,929	3,735,736	3,847,809	4,460,665	5,171,133	5,994,760	8,056,457
Vacancy & Collection Loss	(256,405)	(264,097)	(272,020)	(280,180)	(288,586)	(334,550)	(387,835)	(449,607)	(604,234)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$3,162,323	\$3,257,193	\$3,354,909	\$3,455,556	\$3,559,223	\$4,126,115	\$4,783,298	\$5,545,153	\$7,452,222
EXPENSES at 4.00%									
General & Administrative	\$88,112	\$91,636	\$95,302	\$99,114	\$103,078	\$125,410	\$152,581	\$185,638	\$274,789
Management	126,493	130,288	134,196	138,222	142,369	165,045	191,332	221,806	298,089
Payroll & Payroll Tax	440,534	458,155	476,481	495,541	515,362	627,017	762,862	928,138	1,373,871
Repairs & Maintenance	151,320	157,372	163,667	170,214	177,023	215,375	262,037	318,808	471,913
Utilities	446,322	464,175	482,742	502,051	522,133	635,255	772,885	940,333	1,391,922
Water, Sewer & Trash	272,640	283,546	294,888	306,683	318,951	388,052	472,125	574,412	850,270
Insurance	114,687	119,274	124,045	129,007	134,167	163,235	198,600	241,628	357,668
Property Tax	183,856	191,210	198,859	206,813	215,086	261,685	318,379	387,357	573,383
Reserve for Replacements	125,400	130,416	135,633	141,058	146,700	178,483	217,152	264,199	391,079
Other	62,560	65,062	67,665	70,371	73,186	89,042	108,334	131,804	195,103
TOTAL EXPENSES	\$2,011,923	\$2,091,135	\$2,173,478	\$2,259,075	\$2,348,055	\$2,848,599	\$3,456,287	\$4,194,123	\$6,178,088
NET OPERATING INCOME	\$1,150,400	\$1,166,058	\$1,181,431	\$1,196,482	\$1,211,167	\$1,277,515	\$1,327,011	\$1,351,030	\$1,274,134
DEBT SERVICE									
First Lien Financing	\$926,445	\$926,445	\$926,445	\$926,445	\$926,445	\$926,445	\$926,445	\$926,445	\$926,445
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$223,956	\$239,613	\$254,987	\$270,037	\$284,723	\$351,071	\$400,566	\$424,586	\$347,689
DEBT COVERAGE RATIO	1.24	1.26	1.28	1.29	1.31	1.38	1.43	1.46	1.38

HTC ALLOCATION ANALYSIS -Village Park Apartments, Houston, HTC#05629

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$1,675,000	\$1,675,000				
Purchase of buildings	\$12,412,960	\$12,412,960	\$12,412,960	\$12,412,960		
Off-Site Improvements						
Sitework	\$586,720	\$586,720			\$586,720	\$586,720
Construction Hard Costs	\$3,343,936	\$3,343,936			\$3,343,936	\$3,343,936
Contractor Fees	\$475,108	\$475,108			\$475,108	\$475,108
Contingencies						
Eligible Indirect Fees	\$124,717	\$124,717	\$34,825	\$34,825	\$89,892	\$89,892
Eligible Financing Fees						
All Ineligible Costs	\$984,843	\$984,843				
Developer Fees						
Developer Fees	\$2,504,603	\$2,504,603	\$1,867,168	\$1,838,680	\$637,435	\$665,923
Development Reserves		\$437,319				
TOTAL DEVELOPMENT COSTS	\$22,107,887	\$22,545,206	\$14,314,953	\$14,286,465	\$5,133,091	\$5,161,579

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$14,314,953	\$14,286,465	\$5,133,091	\$5,161,579
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$14,314,953	\$14,286,465	\$6,673,018	\$6,710,052
Applicable Fraction			86.42%	86.42%	86.42%	86.42%
TOTAL QUALIFIED BASIS			\$12,371,582	\$12,346,961	\$5,767,102	\$5,799,108
Applicable Percentage			3.47%	3.47%	3.47%	3.47%
TOTAL AMOUNT OF TAX CREDITS			\$429,294	\$428,440	\$200,118	\$201,229

Syndication Proceeds	0.9499	\$4,077,884	\$4,069,769	\$1,900,935	\$1,911,485
Total Tax Credits (Eligible Basis Method)				\$629,412	\$629,669
Syndication Proceeds				\$5,978,819	\$5,981,253
Approved Tax Credits				\$574,490	
Syndication Proceeds				\$5,457,109	
Cost Certification Request				\$629,380	
Syndication Proceeds				\$5,978,512	
Gap of Syndication Proceeds Needed				\$9,156,793	
Total Tax Credits (Gap Method)				\$963,969	
Tax Credits to be Purchased by Limited Partner				\$612,809	
Syndication Proceeds				\$5,821,103	
Reconciled Tax Credits				\$612,809	
Syndication Proceeds				\$5,821,103	

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: February 6, 2006 **PROGRAM:** 4% HTC/MFB **FILE NUMBER:** 05629

DEVELOPMENT NAME

Village Park Apartments

APPLICANT

Name: Village Park Apartments Partners, Ltd. **Type:** For-profit
Address: 105 Tallapoosa Street, Suite 300 **City:** Montgomery **State:** AL
Zip: 36104 **Contact:** Hunter McKenzie **Phone:** (334) 954-4458 **Fax:** (334) 954-4496

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	Summit America Properties, Inc	(%):	0.01	Title:	Managing General Partner
Name:	Realty Partners, LLC	(%):	N/A	Title:	100% member of MGP/Guarantor
Name:	WDH Holdings, LLC	(%):	N/A	Title:	78% member of Realty Partners
Name:	Summit Asset Management, LLC	(%):	N/A	Title:	Developer
Name:	Summit Construction, LLC	(%):	N/A	Title:	Consultant
Name:	Summit America, LLC	(%):	N/A	Title:	Guarantor
Name:	W Daniel Hughes, Jr	(%):	N/A	Title:	Guarantor/Owner of WDH Holdings

PROPERTY LOCATION

Location: 8701 Hammerly Boulevard **QCT** **DDA**
City: Houston **County:** Harris **Zip:** 77080

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$574,490	N/A	N/A	N/A
2) \$13,660,000	6.10%	30 yrs	18 yrs

Other Requested Terms: 1) Annual ten-year allocation of housing tax credits
2) Tax-exempt mortgage revenue bonds

Proposed Use of Funds: Acquisition/Rehab **Property Type:** Multifamily

Special Purpose (s): General population

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$13,660,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6.11% WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$574,490 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance by cost certification indicating the Asbestos O&M Program will be

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

- continued;
2. Receipt, review and acceptance by closing of the construction loan of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42;
 3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units:	<u>418</u>	# Rental Buildings:	<u>29</u>	# Non-Res. Buildings:	<u>4</u>	# of Floors:	<u>3</u>	Age:	<u>34</u> yrs	Vacant:	<u>30</u>	at	<u>12/</u>	<u>01/</u>	<u>2005</u>
Net Rentable SF:	<u>374,298</u>	Av Un SF:	<u>895</u>	Common Area SF:	<u>6,134</u>	Gross Bldg SF:	<u>380,432</u>								

STRUCTURAL MATERIALS

The structures will be wood frame on a slab on grade. According to the plans provided in the application the exteriors will be comprised as follows: 10% brick veneer/90% wood siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composition roll.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range & oven, hood & fan, refrigerator, tile tub/shower surround, washer and dryer connections, laminated counter tops, central boiler, central heat and air conditioning, and 8-foot ceilings.

ONSITE AMENITIES

According to the Property Condition Assessment, the Subject property's community amenities include perimeter fencing with controlled gate access, two central laundry rooms, volleyball court, playground, central mail kiosk, and a swimming pool. An existing building will also be converted to a community center during the renovation.

Uncovered Parking:	<u>627</u>	spaces	Carpports:	<u>0</u>	spaces	Garages:	<u>0</u>	spaces
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PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Village Park is a 33-unit per acre acquisition and rehabilitation development proposed for conversion to mixed-income housing located in the northwestern section of the City of Houston. The development was built in 1972 and is comprised of 17 three-story and 10 two-story apartment buildings, One leasing office, and two common laundry rooms. It should be noted, the Property Condition Assessment indicates the development was rehabbed in 1995 through 1996. This issue is discussed in more detail in the acquisition value paragraph of the construction cost estimate evaluation section and the conclusion to the financing structure analysis section (below).

Development Plan: The buildings are currently 93% occupied and in a good to fair state. The Property Condition Assessment (PCA) noted deteriorated metal stair components and support columns at a majority of staircases and the wood railing system needs isolated repairs due to normal weathering and light damage from tenants. The soffits were observed to be in good to fair condition with instances of minor damage at numerous buildings. Sealant is needed at gaps and cracks in the concrete surfaces of upper level walkways. Property management reported no current or persistent roof leaks. The flat roof areas were reportedly replaced in 1997 and a protective silver coating was applied to all roofs in 2004. There are two roofs (building #5 and #22) that require replacement due to large areas of standing water. The apartment buildings also feature smaller areas of sloped roofing with asphalt shingles. Instances of peeling and damaged shingles were observed at several locations and isolated damages to gypsum soffits were observed at numerous locations. Repairs and repaint of building exteriors are needed.

The PCA also states, no down (i.e. uninhabitable) units were reported or observed at the Property. Repair of

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heavily cracked lightweight concrete flooring is needed in unit #2235. According to Mr. Daniel Pereira, Maintenance Manager, many of the package HVAC are original, but fan motors, coils, etc. have been replaced as needed. Forty-six of the original units should be replaced with new split system components. Wiring that runs from the circuit breakers to the light switches and outlets throughout buildings #1 through #22 at the Property was observed to be aluminum. Apartments in remaining buildings were noted to have copper branch wiring. In order to prevent a potential electrical hazard, property management should install copper/aluminum rated (COALR) receptacles (switches and outlets) in the apartment units with aluminum wiring. Though not required by code at the time of construction, Property management may wish to install GFI outlets near kitchen and bathroom sinks.

Finally the PCA indicates several areas of deteriorated asphalt pavement were observed in driveways throughout the site. Based on current conditions of the asphalt surfaces, minor repair, seal coat application and restriping is recommended at this time. Trip hazards due to damaged or settled sidewalks should be repaired. Steps into the existing pool do not feature hand rails. Although not required, property management may consider installing hand rails at pool steps as a general accessibility improvement. The chain link fence at the east site perimeter is damaged. REA noted no deficiencies with respect to lighting at the Property. Trimming of trees contacting building exteriors is needed at this time. Isolated cracks in the concrete deck surrounding the pool area should be sealed. Accessible compliant hardware should be installed at the leasing office entry door. Total cost for immediate repairs is \$250,000.

In response to a request, the Applicant provided a revised PCA providing a breakdown of costs for rehabilitation work proposed by the Applicant. Proposed work includes: asphalt overlay over existing parking; repair of damaged pilasters at entrance; repair of eroded areas and new landscaping; installation of a surveillance system; repair to chain link fencing; repair of the playground; testing of the galvanized piping; addition of accessible parking areas; repair and repaint of exterior components; repair of damaged gypsum soffits; tree trimming; repair and repaint of miscellaneous wood trim, columns, rails, and exterior doors; installation of vinyl at building walkways and balcony areas; repair of asphalt shingles and other roofing; new building signage; repair of stairs and landings; repair of concrete walks; installation of miscellaneous column supports at connecting walks between buildings; replacement of aluminum windows; replacement of appliances; replacement of cabinetry and countertops; installation of new smoke detectors; provision of GFI outlets in kitchens and bathrooms; CO/ALR outlets to be installed in units with aluminum wiring; replacement of HVAC; retrofit of 5% of unit for accessibility; renovation of clubhouse interior. The total budget reviewed and confirmed by the PCA provider is \$2,902,070.

According to a letter dated December 12, 2005, "Summit Asset Management, LLC does not intend to relocate or displace any residents during the rehabilitation of Village Park Apartments. A rolling rehabilitation is performed around the residents to ensure that their lifestyle does not become disrupted."

SITE ISSUES			
SITE DESCRIPTION			
Size:	<u>12.7052 acres</u>	<u>553,439 square feet</u>	Flood Zone Designation: Zone X
Zoning:	<u>No zoning in Houston</u>		

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The development is located at 8701 Hammerly Boulevard in Houston. The Subject has frontage along Hammerly Boulevard, which is a heavily traveled, four-lane residential street. The Subject also has frontage along Ojeman Road, which is a lightly traveled, two-lane residential street running along the eastern property boundary.

Adjacent Land Uses:

- **North:** Hammerly Boulevard followed by Cedar Brook Elementary School;
- **South:** Storage facility;
- **East:** Ojeman Road followed by commercial (Lanehart Electric Contractors), vacant land, and a small office building; and
- **West:** Hammerly Walk Apartments.

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Site Access: Primary access to the site is via Hammerly Boulevard, which is a four-lane heavily traveled thoroughfare through the neighborhood. Access is also provided at two locations along Ojeman Road, a lightly traveled two-lane residential street. The Subject is also located within 0.1 mile of Bingle Road, which is a major north-south roadway in this area that connects with Interstate 10 and U.S. Highway 290. Interstate 10 is approximately two miles south of the Subject, and U.S. Highway 290 is approximately 2.5 miles to the northeast.

Public Transportation: “The Metropolitan Transit Authority of Harris County (METRO) provides public bus transportation to the City of Houston. Metro operates 130 routes, has 17 transit centers and 27 park and ride lots. The nearest bus stop is located in directly in front of the Subject property on Hammerly Boulevard (Route #58)” (p. 24, Market Study).

Shopping & Services: The site is within two miles of major grocery/pharmacies, shopping centers, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Site Inspection Findings: TDHCA staff performed a site inspection on January 12, 2006 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated December 12, 2005 was prepared by Real Estate Advisory, LLC (REA) and contained the following findings and recommendations:

Findings:

- **Asbestos-Containing Materials (ACM):** “An Asbestos Operations and Maintenance (O&M) Plan is currently in place at the Property. The O&M plan was initiated based on the findings of an Asbestos Survey conducted at the Property dated September 28, 2004. The O&M discussed findings from the Asbestos Survey and identified wall texture material, ceiling texture material, and floor tile mastic as asbestos-containing materials (ACM)” (p. iii).
- **Lead-Based Paint (LBP):** “Sampling conducted by REA did not identify LBP at the Property. Therefore, REA considers the potential for significant applications of LBP at the Property to be unlikely” (p. 21).
- **Radon:** “Detected levels of radon gas were below the USEPA action level of 4.0 pCi/L. Therefore, radon is not considered an environmental concern at the Property” (p. 22).
- **Floodplain:** “REA reviewed a National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM) for Harris County, Texas and Incorporated Areas (Community 48201C, Panel 0645J, dated November 6, 1996). According to the FIRM, the Property is located in unshaded Zone X. Unshaded Zone X is identified as areas outside the 500-year flood zone; such areas are not considered flood hazard areas” (p. 8).

Recommendations: “REA did not locate recognized environmental conditions that would impose a liability, restrict the use, limit the development, or impact the value or marketability of the Property...REA recommends continuing the Asbestos O&M Program. No further environmental investigation is recommended at this time” (p. iv). Receipt, review and acceptance at cost certification indicating the Asbestos O&M Program will be continued is a condition of this report.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The Village Park was included in the August 15 collapse and the 2005 non-traditional carryforward. Three-hundred and fifty-five (355) units (85%) will be reserved for households earning 60% or less of AMGI, and the remaining 63 units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study with an effective date of September 28, 2005 was prepared by Novogradac and Company (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “For the purpose of this Study, the Subject’s Primary Market Area (PMA) is defined as two zip code areas: 77080 and 77055. This area encompasses approximately 17 square miles and is bounded by Clay Road to the north, Hempstead Road to the east, Interstate 10 to the south and Gessner Road to the west, as depicted on the following page. This area was defined based on conversations with local property managers (including the Subject’s), city officials, natural physical barriers and overall similarities in market characteristics observed during the field investigation. It is assumed 100 percent of the income qualified demand for the Subject will be generated from within the PMA” (p. 12).

Population: The estimated 2004 population of the PMA was 92,626 and is expected to increase to approximately 96,860 by 2009. Within the primary market area there were estimated to be 29,606 households in 2004.

Total Primary Market Demand for Rental Units: “The PMA has an older residential base with approximately 80 percent of the housing stock constructed prior to 1980. The development pattern in the PMA suggests a slowing trend, with less than nine percent of the housing stock being built since 1990. The Subject was originally constructed in 1972. However, since the Subject will offer above-average condition and good curb appeal after renovation, it should have a competitive advantage in terms of age/condition relative to most of the properties in the PMA” (p. 27).

The Market Analyst used an income band of \$21,120 to \$39,540. “Minimum income levels were calculated based on the assumption that lower income families should pay no more than 35 percent of their income to gross rent” (p. 78).

The Market Analyst calculated projected renter household demand by bedroom type. The total number of households in the PMA in 2004 were categorized as one- to +seven-person households, a renter percentage specific to the household size was applied, and a standard income-eligible percentage of 26.29% was also applied, as follows:

Type	No. Households	Renters	Inc-Eligible	Total
1 person	6,582	56.37%	26.29%	976
2 persons	7,846	41.72%	26.29%	861
3 persons	4,828	59.79%	26.29%	759
4 persons	4,488	63.76%	26.29%	752
5 persons	2,863	69.98%	26.29%	527
6 persons	1,493	73.34%	26.29%	288
+7 persons	1,507	72.02%	26.29%	285
Total	29,606			4,448

Based on this analysis and the current distribution of households by number of persons at the subject development, a total demand for 3,438 affordable units was calculated resulting in a capture rate of 3.08% for the development’s three studio units; 13.23% for the 126 one-bedroom units; 14.09% for the 175 two-bedroom units; and 4.45% for the 51 three-bedroom units (p. 80).

The Market Analyst also provided a demand analysis based on overall turnover and household growth demand in the PMA. The Market Analyst assumed income-qualified households at 26.3% of total households; renter households at 57.5%; and percentage of rent-overburdened households (turnover) at 27.5% (p. 81).

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PRIMARY MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	45	4%	32	3%
Resident Turnover	1,233	96%	1,237	97%
TOTAL ANNUAL DEMAND	1,278	100%	1,269	100%

Ref: p. 81

Inclusive Capture Rate: “Based on conversations with the developer and the property manager, it is estimated that approximately 80 percent of the existing tenants will likely be income qualified under the LIHTC Program after converting from a market rate property” (p. 77). “To be conservative, Novogradac has estimated the inclusive capture rate assuming 50 percent of the Subject’s LIHTC units will be unoccupied upon completion of the renovation. Although Windcrest on Westview is not currently maintaining an occupancy rate of 90 percent, we did not deduct these 154 units from the demand because the property is an existing LIHTC property that has previously reached stabilization of at least 90 percent. No new LIHTC properties are planned for the PMA. Thus, there are an estimated 178 unstabilized LIHTC units in the PMA, including the Subject property. Dividing the 178 unstabilized LIHTC units into the total demand of 1,278 income qualified renter households indicates an inclusive capture rate of approximately 13.9 percent” (p. 81).

The Underwriter calculated an inclusive capture rate of 28% based upon a supply of unstabilized comparable affordable units of 355 (the total number of subject affordable units proposed) divided by a demand for 1,269 affordable units in the PMA. However, the subject development is currently 93% occupied, and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Market Rent Comparables: “To evaluate the competitive position of the Subject, a total of seven comparable LIHTC and market-rate properties were screened to ascertain whether these properties would compete directly with the Subject for prospective low-income tenants. Each of these properties is located within two miles of the Subject. Properties that were deemed most comparable were also surveyed in depth for information on unit mix, size, absorption (if new), unit features and project/unit amenities tenant profiles, rental and utility structure, construction information and market trends in general” (p. 32).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
Efficiency (60%)	\$570	\$640	-\$70	\$575	-\$5
Efficiency (MR)	\$570	N/A		\$575	-\$5
1-BR 672 SF (60%)	\$586	\$686	-\$100	\$670	-\$84
1-BR 672 SF (MR)	\$586	N/A		\$670	-\$84
1-BR 758 SF (60%)	\$592	\$686	-\$94	\$670	-\$78
1-BR 758 SF (MR)	\$592	N/A		\$670	-\$78
2-BR/1BA 864 SF (60%)	\$690	\$823	-\$133	\$775	-\$85
2- BR/1BA 864 SF (MR)	\$690	N/A		\$775	-\$85
2-BR/1BA 869 SF (60%)	\$696	\$823	-\$127	\$775	-\$79
2- BR/1BA 969 SF (MR)	\$696	N/A		\$775	-\$79
2-BR/1BA 959 SF (60%)	\$693	\$823	-\$130	\$775	-\$82
2- BR/1BA 959 SF (MR)	\$693	N/A		\$775	-\$82
2-BR/2BA 1,026 SF (60%)	\$750	\$823	-\$73	\$850	-\$100
2- BR/2BA 1,026 SF (MR)	\$750	N/A		\$850	-\$100
2-BR/2BA 1,040 SF (60%)	\$747	\$823	-\$76	\$850	-\$103
2- BR/2BA 1,040 SF (MR)	\$747	N/A		\$850	-\$103
3-Bedroom (60%)	\$866	\$951	-\$85	\$940	-\$74
3-Bedroom (MR)	\$866	N/A		\$940	-\$74

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

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Primary Market Occupancy Rates: “The vacancy rate for the comparable properties range from zero to 14.1 percent, with the overall weighted average of 6.2 percent. The average vacancy rate of the two comparable LIHTC properties is 4.4 percent. The closest LIHTC property is reporting 0.7 percent vacancy and the two closest market rate properties are reporting an average vacancy rate of approximately 8.8 percent. The Subject property is currently operating at approximately 6.0 percent vacancy as a market rate property, which appears consistent with the overall average of the comparable properties” (p. 39).

Absorption Projections: “The three recently constructed LIHTC properties reported absorption rates ranging from 12 to 33 units per month, with an average of approximately 19 units per month. The two LIHTC properties that were acquired and rehabilitated experienced considerably higher absorption rates than new construction because most of the previous tenants remained in place during and after conversion to LIHTC. The Subject property will likely experience an absorption rate that is more comparable to Peninsula Apartments and Yale Village since the developer estimates that approximately 80 percent of the existing tenant base at the Subject will be income qualified once the property converts to LIHTC. After renovation, the existing tenant base at the Subject will benefit from improvements to the site, exterior finishes, unit appliances, a new community center and rents that are below achievable market rents. Thus, if we conservatively assume an absorption rate of 60 units per month overall, the absorption period is estimated to be approximately seven months to reach stabilization of 95 percent occupancy” (p. 38).

Known Planned Development: “We spoke to Ms. Renissa Montalvo, a planner with the City of Houston Planning Department. According to a record search done by Ms. Montalvo, there are no planned multifamily developments in the general area of the Subject” (p. 29).

Other Relevant Information: “At this time, we cannot know how many people displaced by Hurricane Katrina or Rita will become permanent residents of a particular community. Based on the results of this survey, less than one percent of the tenants at the comparable properties are Hurricane Katrina or Rita evacuees. Thus, it appears to have a negligible impact on the demand for housing in this area. We have researched numerous articles and discussed with numerous participants this issue. However, there is no consensus on the long-term impact on demand in this region” (p. 37).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant calculated tenant-paid rents by subtracting the current utility allowance for tenant-paid electric costs from gross rents that are inconsistent with program gross rent limits. Application materials indicate tenants are currently responsible for no utility expenses. Although the units are not individually metered for electric usage and there is no plan to add individual meters, the Applicant plans to charge both LIHTC and market rate unit tenants a pass-through utility cost capped at the utility allowance for electric costs. It should be noted the development’s water is heated through a central boiler system. The pass-through payments were included in the Applicant’s proforma as a secondary source of income.

Section 1.32(d)(1)(A)(ii) of the underwriting rules and guidelines state units must be individually metered for utility costs to be paid by the tenant. Based on this guideline, the Underwriter has calculated potential gross rent by assuming no utility allowance. In addition, the tenant-paid rent assumptions were limited to the lesser of the gross program rent limit and the market rents indicated in the submitted Market Study. If the Applicant revises rehabilitation plans to include installation of individual unit meters for utility costs, review of the conclusions of this analysis by the Underwriter will be required.

Secondary income from sources other than utility reimbursement meets current underwriting guidelines. The Applicant has assumed a vacancy and collection loss at 7.0% that is slightly less than the underwriting guideline of 7.5%. Despite differences in tenant-paid rent calculations and vacancy loss assumptions, the Applicant’s effective gross income is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense of \$5,684 per unit is within 5% of the Underwriter’s estimate of \$5,691. The Underwriter calculated individual line item expenses based on TDHCA regional database information for developments of similar size, IREM database information, and the development’s operating history. Several of the Applicant’s line-item expenses are inconsistent with the

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Underwriter's estimates, including: general and administrative (\$90K lower); payroll (\$93K lower); repair and maintenance (\$72K lower); and utilities (\$274K higher). The Applicant also failed to include compliance fees at \$40 per unit. It should be noted, the underwriting minimum guideline for rehabilitation developments of \$300 per unit per year for replacement reserve appears to be adequate to meet the expected repairs estimated by the Property Condition providers at \$3.3M over the 30-year proforma.

Conclusion: The Applicant's effective gross income, total operating expense, and net operating income are each within 5% of the Underwriter's estimate. Therefore, the Applicant's Year 1 proforma will be used to determine the development's debt service capacity and long term feasibility. It should be noted, although the Applicant has requested a bond rate of 6.10%, the permanent lender's underwriting rate of 6.11% was used to estimate debt service in this analysis. Both the Underwriter's and the Applicant's estimates indicate the committed financing structure results in an initial debt coverage ratio (DCR) that is within the Department's DCR guideline of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: 12.7051 acres	\$1,675,000	Date of Valuation:	09/ 28/ 2005
Existing Building(s): "as is"	\$12,425,000	Date of Valuation:	09/ 28/ 2005
Total Development: "as is"	\$14,100,000	Date of Valuation:	09/ 28/ 2005
Appraiser: Novogradac & Company	City: Austin	Phone:	(512) 340-0420

APPRAISAL ANALYSIS/CONCLUSIONS

Highest and Best Use: The Appraiser has assumed a highest and best use as vacant of construction of a multifamily development with financial subsidies such as tax credits, favorable financing or some other gap subsidy and a highest and best use as improved of rehabilitation of the Subject using tax credit equity, favorable financing or some other gap subsidy to fund needed renovations, which will extend the physical and economic life of the improvements.

Cost Approach: "The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. This valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property.

To arrive at an estimated land value for the Subject site, we attempted to analyze actual sales of comparable sites in the competitive area. Even though we do not deem the Subject to be in a speculative market, a sale history has been provided where pertinent. The adjusted sales indicate a range from \$2,165 to \$5,518 per unit, and an average of \$3,987 per unit. All of the comparable land sales have received approximately equivalent weight in the overall value conclusion. Thus, the estimated value for the Subject property's land is \$4,000 per unit, which equates to approximately 12 percent of the current purchase price of \$13,700,000. Thus, the indicated fee simple value of the Subject's land (as vacant), via the sales comparison approach, as of September 28, 2005, is: **\$1,675,000.**"

Income Capitalization Approach: "The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject is an income producing property and this is considered to be the best method of valuation.

In order to estimate the appropriate capitalization rate, we relied upon several methods: Market Extraction Method – Trend Analysis; Market Extraction Method – Comparable Properties; The Korpacz Survey; Band of Investment; and Debt Coverage Formula. We reconciled to an **8.50 percent** capitalization rate for the 'as is' scenario. As a result of our analysis of the Subject, the estimated market value assuming 'as is,' in the fee simple, via the income capitalization approach, as of September 28, 2005 is: **\$14,100,000.**"

Sales Comparison Approach: "In the sales comparison approach, we estimate the value of a property by

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comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach using the EGIM and NOI/unit analysis in valuing the Subject property.

We attempted to identify sales of comparable rental properties in the PMA that were similar to the Subject in terms of age, condition, number of units and amenities before and after completing the proposed renovations. We were successful in identifying six reasonably similar transactions of multifamily properties in this general market area. [The transaction dates range from April 2003 to March 2005 for 256- to 424-unit developments.] The Subject's 'as is' market value assuming market rents, as of September 28, 2005, via the sales comparison approach, is: **\$13,500,000.**"

Conclusion: "In the final analysis, we considered the influence of the three approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach. As a result of Novogradac's investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated land value 'as vacant', of the fee simple interest in the Subject, free and clear of financing, as of September 28, 2005, is: **\$1,675,000** [and] the estimated market value 'as is', of the fee simple interest in the Subject, free and clear of financing, as of September 28, 2005, is: **\$14,100,000.**"

ASSESSED VALUE

Land: 12.71 acres	\$1,383,720	Assessment for the Year of:	2005
Building:	\$7,771,240	Valuation by:	Harris County Appraisal District
Total Assessed Value:	\$9,154,960	Tax Rate:	3.10377

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and Sale Agreement (12.705 acres)					
Contract Expiration Date:	01/	31/	2006	Anticipated Closing Date:	02/	28/ 2006
Acquisition Cost:	\$13,700,000 (2 nd Amendment)			Other Terms/Conditions:		
Seller:	Brittany Village Park, LP			Related to Development Team Member:	No	

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The development cost of \$32,697 per unit is substantiated by the appraisal and is assumed to be reasonable since the acquisition is an arm's-length transaction. The Applicant also estimated closing and other ineligible acquisition costs totaling \$411,000.

Due to the mention in the Property Condition Assessment of rehabilitation work completed on the development in 1996, the development's eligibility for tax credits based on the acquisition cost of the existing buildings is in question. In response to a request, the Applicant submitted a list of rehabilitation work completed from 1996 to 2004 indicating the cost of the work, the basis of the buildings at the beginning of the period and the costs as a percentage of the beginning basis. It should be noted the Applicant certified in Volume 3, Tab 6, Part C of the uniform application that no rehabilitation work greater than 25% of the building's adjusted basis was performed in the previous ten years. For purposes of this analysis, the Underwriter will assume that the development is eligible for acquisition tax credits; however, the recommendations of this report are conditioned upon receipt, review and acceptance of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42.

The Applicant has claimed an acquisition eligible basis for the existing buildings of \$12,316,280 based on a land value of \$1,383,720. The tax assessment also indicates a land value at \$1,383,720; however, the appraisal commissioned by the Applicant gives a current value of \$1,675,000 based on comparable land sales.

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The underwriting analysis assumes the appraised land value of \$1,675,000 providing for a more conservative acquisition eligible basis of \$12,025,000.

Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$2,888 per unit, which is inconsistent with the estimate in the Property Condition Assessment.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$720K or 30% lower than the estimate provided in the Property Condition Assessment.

It should be noted the total sitework and direct construction cost indicated in the Applicant's development cost schedule is consistent with the total indicated in the Property Condition Assessment (PCA). It appears the Applicant and PCA-provider have different methodology for characterizing costs as part of sitework.

The total rehabilitation hard costs of \$8,310 per unit is greater than the 2005 minimum requirement of \$6,000, but less than the 2006 minimum of \$12,000.

Interim Financing Fees: The Applicant did not characterize any developments costs as interim interest. In fact, only \$30,945 of financing costs is included in their eligible basis estimate.

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

Conclusion: The Applicant has claimed the 30% boost in eligible basis due to the recent characterization of Harris County as a difficult development area.

The Applicant's total development cost is within 5% of the Underwriter's estimate. However, the Underwriter's estimate reflects the verifiable development costs and an eligible basis estimate that meets current underwriting guidelines; therefore, the Underwriter's development cost schedule will be used to estimate eligible basis and determine the development's need for permanent funds. An eligible basis of \$18,069,749, as adjusted by the Underwriter for overstated acquisition basis, supports annual tax credits of \$581,511. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE			
INTERIM CONSTRUCTION FINANCING			
Source: Regions Bank	Contact: E Spencer Knight		
Principal Amount: \$13,796,600	Fees: 1% at issuance; 1% per year		
Additional Information: Letter of credit			
Amortization: N/A yrs	Term: 30 mos	Commitment: <input type="checkbox"/> LOI <input checked="" type="checkbox"/> Firm <input type="checkbox"/> Conditional	
PERMANENT BOND FINANCING			
Source: Fannie Mae via Greystone Servicing Corporation, Inc		Contact: Kelly Davis	
Tax-Exempt Amount: \$13,660,000		Interest Rate: 6.11% fixed lender's underwriting rate	
Additional Information: 30-year credit enhancement at 46 bps per year			
Amortization: 30 yrs	Term: 30 yrs	Commitment: <input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	
Annual Payment: \$994,406		Lien Priority: 1 st	Date: 01/ 17/ 2006

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TAX CREDIT SYNDICATION			
Source:	Guilford Capital Corporation	Contact:	Matt Edwards
Net Proceeds:	\$5,368,683	Net Syndication Rate (per \$1.00 of 10-yr HTC)	95¢
Commitment:	<input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm <input type="checkbox"/> Conditional	Date:	12/ 28/ 2005
Additional Information:	\$565,124 anticipated annually in tax credits		

APPLICANT EQUITY			
Amount:	\$278,586	Source:	Cash Equity
Amount:	\$1,930,196	Source:	Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Permanent Bond Financing: TDHCA will be the issuer of the bonds and the Applicant's financing plan includes credit enhancement by Fannie Mae and a public offering. The permanent financing commitment is generally consistent with the terms reflected in the sources and uses of funds listed in the application. However, the Applicant estimates annual debt service of \$998,647, which is higher than the debt service of \$994,406 resulting from the terms of the commitment.

HTC Syndication: The tax credit syndication commitment is inconsistent with the terms reflected in the sources and uses of funds listed in the application. While the application form indicates a syndication rate of 93%, the letter of interest commits to 95%.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,930,196 amount to 80% of the total proposed fees. The underwriting analysis includes the proposed cash equity of \$278,586 with anticipated deferred fees.

Financing Conclusions: The proforma analysis indicates the development can support the requested bond allocation of \$13,660,000 at the lender's underwriting rate of 6.11%. As stated above, the Underwriter's cost schedule was used to calculate the development's eligible basis. However, the Applicant's request is less than both the annual tax credits based on the estimated eligible basis and the tax credit resulting from the gap method; therefore, the recommended annual tax credit allocation is \$574,490. The anticipated deferred fees of \$2,093,897, or 87% of eligible developer fees, appear to be repayable from cashflow within ten years of stabilized operation.

Should it be found that the development does not qualify for acquisition tax credits, the development would be characterized as infeasible based on current underwriting guidelines. The development would not be recommended for a tax credit or bond allocation.

**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

The Applicant, Developer, and Property Manager are related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- Summit America Properties, Inc, the General Partner, submitted a preliminary consolidated balance sheet as of December 31, 2004 indicating total asset of \$786K comprised of \$787K in notes receivable, investments in partnerships, and \$4K in loan costs. Liabilities total \$796K for negative equity of \$10K.
- Realty Partners, LLC, 100% owner of the General Partner, submitted a consolidated financial statement worksheet for 2004 indicating total assets of \$72.4M comprised of \$2.4M in current assets, \$3M in restricted assets, \$63.2M in real property net of accumulated depreciation, and \$3.7M in intangibles. Liabilities total \$75.8M for negative net assets of \$327K.
- WDH Holdings, LLC, member of the owner of the General Partner, submitted an unedited balance sheet

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as of April 30, 2005 indicating total assets of \$10.2M comprised of \$5K in cash and \$10.2M in equity investments in closely held companies. Liabilities totaled \$500K in notes payable for net assets of \$9.7M.

- Summit America, LLC, a proposed guarantor of permanent financing, submitted consolidated balance sheets as of March 31, 2005 indicating total assets of \$32.5M comprised of \$8.4M in current assets, \$15.9M in property, plant and equipment, and \$8.2M in other assets. Liabilities total \$25.7M resulting in net assets of \$6.8M.
- W Daniel Hughes, Jr, proposed guarantor of permanent financing and 100% owner of WDH Holdings, LLC, also submitted an unaudited financial statement.

Background & Experience: Multifamily Finance Production staff has verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant inconsistencies in the application could affect the financial feasibility of the development.

Underwriter:

Lisa Vecchietti

Date: February 6, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: February 6, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Village Park, Houston, 4% HTC #05629

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Utilities	Wtr. Swr. Trsh
TC 60%	3	0	1	537	\$640	\$575	\$1,725	\$1.07	\$55.00	\$26.31
MR	1	0	1	537		\$575	575	1.07	55.00	26.31
TC 60%	102	1	1	672	686	670	68,340	1.00	65.00	32.31
MR	18	1	1	672		670	12,060	1.00	65.00	32.31
TC 60%	24	1	1	758	686	670	16,080	0.88	65.00	32.31
MR	4	1	1	758		670	2,680	0.88	65.00	32.31
TC 60%	31	2	1	864	823	775	24,025	0.90	80.00	38.31
MR	5	2	1	864		775	3,875	0.90	80.00	38.31
TC 60%	25	2	1	869	823	775	19,375	0.89	80.00	38.31
MR	5	2	1	869		775	3,875	0.89	80.00	38.31
TC 60%	7	2	1	959	823	775	5,425	0.81	80.00	38.31
MR	1	2	1	959		775	775	0.81	80.00	38.31
TC 60%	51	2	2	1,026	823	823	41,973	0.80	80.00	38.31
MR	9	2	2	1,026		823	7,407	0.80	80.00	38.31
TC 60%	61	2	2	1,040	823	823	50,203	0.79	80.00	38.31
MR	11	2	2	1,040		823	9,053	0.79	80.00	38.31
TC 60%	51	3	2	1,150	951	940	47,940	0.82	94.00	51.31
MR	9	3	2	1,150		940	8,460	0.82	94.00	51.31
TOTAL:	418		AVERAGE:	895	\$672	\$775	\$323,846	\$0.87	\$76.46	\$37.94

INCOME Total Net Rentable Sq Ft: **374,298**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: Utility Reimbursement

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES % OF EGI PER UNIT PER SQ FT

General & Administrative 3.70% \$324 0.36

Management 3.72% 326 0.36

Payroll & Payroll Tax 11.49% 1,007 1.13

Repairs & Maintenance 4.39% 385 0.43

Utilities 16.83% 1,476 1.65

Water, Sewer, & Trash 6.61% 579 0.65

Property Insurance 2.55% 224 0.25

Property Tax 3.10377 8.85% 776 0.87

Reserve for Replacements 3.42% 300 0.34

Compliance, contract labor, security 3.35% 294 0.33

TOTAL EXPENSES 64.92% \$5,691 \$6.36

NET OPERATING INC 35.08% \$3,075 \$3.43

DEBT SERVICE

First Lien Mortgage 27.14% \$2,379 \$2.66

Additional Financing 0.00% \$0 \$0.00

Additional Financing 0.00% \$0 \$0.00

NET CASH FLOW 7.94% \$696 \$0.78

AGGREGATE DEBT COVERAGE RATIO 1.29

RECOMMENDED DEBT COVERAGE RATIO 1.24

CONSTRUCTION COST

Description Factor % of TOTAL PER UNIT PER SQ FT

Acquisition Cost (site or bldg) 65.13% \$33,758 \$37.70

Off-Sites 0.00% 0 0.00

Sitework 2.25% 1,165 1.30

Direct Construction 11.15% 5,778 6.45

Contingency 5.70% 0.76% 396 0.44

General Req'ts 6.00% 0.80% 417 0.47

Contractor's G & A 2.00% 0.27% 139 0.16

Contractor's Profit 6.00% 0.80% 417 0.47

Indirect Construction 0.48% 249 0.28

Ineligible Costs 4.67% 2,420 2.70

Developer's G & A 2.00% 1.45% 752 0.84

Developer's Profit 13.00% 9.43% 4,887 5.46

Interim Financing 0.51% 263 0.29

Reserves 2.30% 1,192 1.33

TOTAL COST 100.00% \$51,831 \$57.88

Recap-Hard Construction Costs 16.03% \$8,310 \$9.28

SOURCES OF FUNDS

First Lien Mortgage 63.05% \$32,679 \$36.49

Additional Financing 0.00% \$0 \$0.00

HTC Syndication Proceeds 24.78% \$12,844 \$14.34

Deferred Developer Fees 10.19% \$5,284 \$5.90

Additional (Excess) Funds Req'd 1.98% \$1,024 \$1.14

TOTAL SOURCES

TDHCA **APPLICANT**

\$3,886,152 \$3,494,208

75,240 75,240

0 316,008

\$3,961,392 \$3,885,456

(297,104) (271,980)

0 0

\$3,664,288 \$3,613,476

\$135,600 \$46,000

136,190 145,573

421,086 328,000

161,028 88,980

616,767 891,154

242,047 277,193

93,575 94,050

324,344 272,948

125,400 125,700

122,880 106,160

\$2,378,917 \$2,375,758

\$1,285,370 \$1,237,718

\$994,406 \$998,647

0 0

0 0

\$290,964 \$239,071

1.29 1.24

1.24

Comptroller's Region 6

IREM Region Houston

\$15.00 Per Unit Per Month

\$63.00 Per Unit Per Month

-7.00% of Potential Gross Rent

PER SQ FT PER UNIT % OF EGI

\$0.12 \$110 1.27%

0.39 348 4.03%

0.88 785 9.08%

0.24 213 2.46%

2.38 2,132 24.66%

0.74 663 7.67%

0.25 225 2.60%

0.73 653 7.55%

0.34 301 3.48%

0.28 254 2.94%

\$6.35 \$5,684 65.75%

\$3.31 \$2,961 34.25%

\$2.67 \$2,389 27.64%

\$0.00 \$0 0.00%

\$0.00 \$0 0.00%

\$0.64 \$572 6.62%

PER SQ FT PER UNIT % of TOTAL

\$37.70 \$33,758 66.53%

0.00 0 0.00%

3.23 2,888 5.69%

4.53 4,054 7.99%

0.44 396 0.78%

0.47 417 0.82%

0.16 139 0.27%

0.47 417 0.82%

0.28 249 0.49%

2.70 2,420 4.77%

0.00 0 0.00%

6.41 5,743 11.32%

0.29 263 0.52%

0.00 0 0.00%

\$56.67 \$50,744 100.00%

\$9.28 \$8,310 16.38%

RECOMMENDED

\$13,660,000 Developer Fee Available

0 \$2,400,613

5,457,109 % of Dev. Fee Deferred

2,093,897 87%

0 15-Yr Cumulative Cash Flow

\$21,211,006 \$4,538,272

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Village Park, Houston, 4% HTC #05629

PAYMENT COMPUTATION

Primary	\$13,660,000	Amort	360
Int Rate	6.11%	DCR	1.29

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.29

Additional	\$5,342,224	Amort	
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$994,406
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$243,312

Primary	\$13,660,000	Amort	360
Int Rate	6.11%	DCR	1.24

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.24

Additional	\$5,342,224	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

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

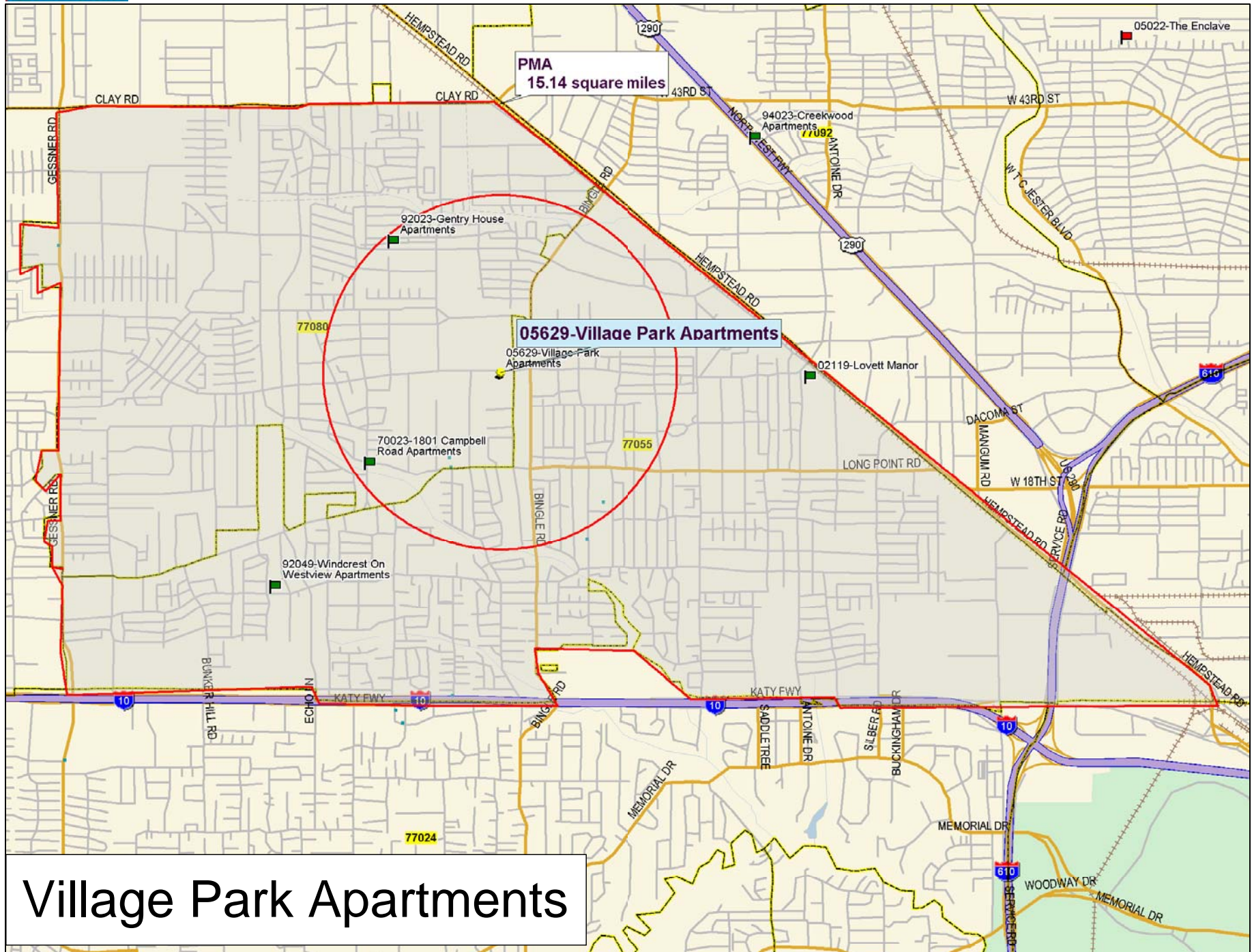
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$3,494,208	\$3,599,034	\$3,707,005	\$3,818,215	\$3,932,762	\$4,559,149	\$5,285,303	\$6,127,115	\$8,234,330
Secondary Income	75,240	77,497	79,822	82,217	84,683	98,171	113,807	131,934	177,308
Contractor's Profit	316,008	325,488	335,253	345,310	355,670	412,319	477,990	554,122	744,694
POTENTIAL GROSS INCOME	3,885,456	4,002,020	4,122,080	4,245,743	4,373,115	5,069,639	5,877,101	6,813,171	9,156,332
Vacancy & Collection Loss	(271,980)	(300,151)	(309,156)	(318,431)	(327,984)	(380,223)	(440,783)	(510,988)	(686,725)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$3,613,476	\$3,701,868	\$3,812,924	\$3,927,312	\$4,045,131	\$4,689,416	\$5,436,318	\$6,302,183	\$8,469,607
EXPENSES at 4.00%									
General & Administrative	\$46,000	\$47,840	\$49,754	\$51,744	\$53,813	\$65,472	\$79,657	\$96,915	\$143,458
Management	145,573	149,133,981	153,608,000	158,216,240	162,962,727	188,918,464	219,008,278	253,890,619	341,207,761
Payroll & Payroll Tax	328,000	341,120	354,765	368,955	383,714	466,846	567,990	691,047	1,022,918
Repairs & Maintenance	88,980	92,539	96,241	100,090	104,094	126,646	154,085	187,467	277,498
Utilities	891,154	926,800	963,872	1,002,427	1,042,524	1,268,390	1,543,190	1,877,527	2,779,199
Water, Sewer & Trash	277,193	288,281	299,812	311,804	324,277	394,532	480,009	584,004	864,468
Insurance	94,050	97,812	101,724	105,793	110,025	133,862	162,864	198,149	293,309
Property Tax	272,948	283,866	295,221	307,029	319,311	388,490	472,658	575,060	851,230
Reserve for Replacements	125,700	130,728	135,957	141,395	147,051	178,910	217,672	264,831	392,014
Other	106,160	110,406	114,823	119,416	124,192	151,099	183,835	223,663	331,076
TOTAL EXPENSES	\$2,375,758	\$2,468,526	\$2,565,776	\$2,666,871	\$2,771,964	\$3,363,167	\$4,080,967	\$4,952,554	\$7,296,377
NET OPERATING INCOME	\$1,237,718	\$1,233,342	\$1,247,148	\$1,260,441	\$1,273,168	\$1,326,249	\$1,355,351	\$1,349,629	\$1,173,229
DEBT SERVICE									
First Lien Financing	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$243,312	\$238,936	\$252,742	\$266,035	\$278,762	\$331,843	\$360,945	\$355,223	\$178,824
DEBT COVERAGE RATIO	1.24	1.24	1.25	1.27	1.28	1.33	1.36	1.36	1.18

LIHTC Allocation Calculation - Village Park, Houston, 4% HTC #05629

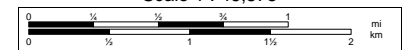
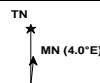
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$1,794,720	\$2,086,000				
Purchase of buildings	\$12,316,280	\$12,025,000	\$12,316,280	\$12,025,000		
(2) Rehabilitation/New Construction Cost						
On-site work	\$1,207,342	\$487,000			\$1,207,342	\$487,000
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$1,694,708	\$2,415,070			\$1,694,708	\$2,415,070
(4) Contractor Fees & General Requirements						
Contractor overhead	\$58,039	\$58,039			\$58,039	\$58,039
Contractor profit	\$174,123	\$174,123			\$174,123	\$174,123
General requirements	\$174,123	\$174,123			\$174,123	\$174,123
(5) Contingencies						
	\$165,417	\$165,417			\$165,417	\$165,417
(6) Eligible Indirect Fees						
	\$104,210	\$104,210			\$104,210	\$104,210
(7) Eligible Financing Fees						
	\$109,843	\$109,843			\$109,843	\$109,843
(8) All Ineligible Costs						
	\$1,011,588	\$1,011,588				
(9) Developer Fees						
			\$1,847,442	\$1,803,750	\$553,171	\$553,174
Developer overhead		\$314,257				
Developer fee	\$2,400,613	\$2,042,667				
(10) Development Reserves						
		\$498,142				
TOTAL DEVELOPMENT COSTS	\$21,211,006	\$21,665,479	\$14,163,722	\$13,828,750	\$4,240,976	\$4,240,999

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$14,163,722	\$13,828,750	\$4,240,976	\$4,240,999
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$14,163,722	\$13,828,750	\$5,513,268	\$5,513,298
Applicable Fraction			85%	85%	85%	85%
TOTAL QUALIFIED BASIS			\$12,028,998	\$11,744,513	\$4,682,321	\$4,682,347
Applicable Percentage			3.54%	3.54%	3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS			\$425,827	\$415,756	\$165,754	\$165,755

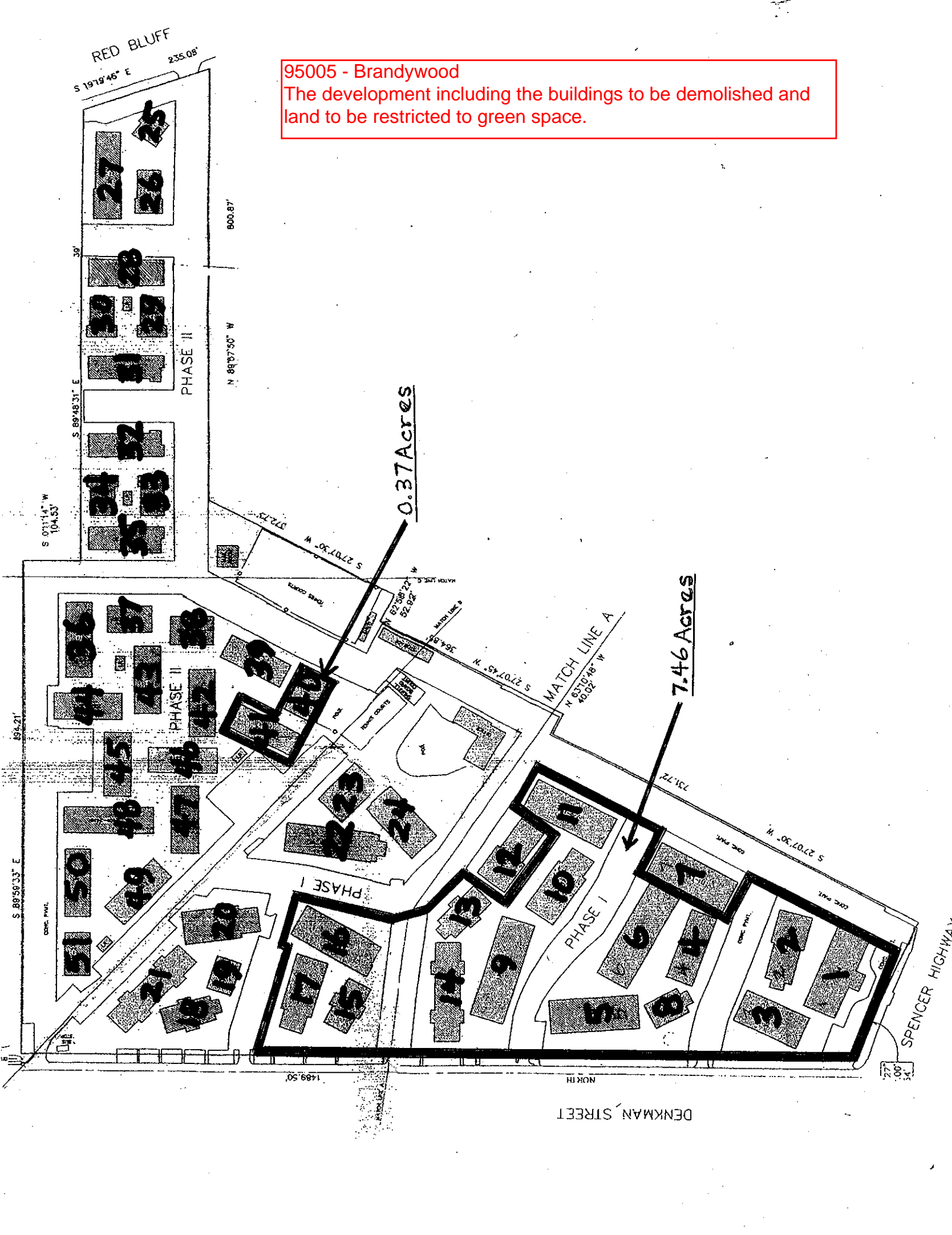
Syndication Proceeds	0.9499	\$4,044,948	\$3,949,285	\$1,574,507	\$1,574,516
Total Credits (Eligible Basis Method)				\$591,581	\$581,511
Syndication Proceeds				\$5,619,455	\$5,523,800
Requested Credits				\$574,490	
Syndication Proceeds				\$5,457,109	
Gap of Syndication Proceeds Needed				\$7,551,006	
Credit Amount				\$794,922	

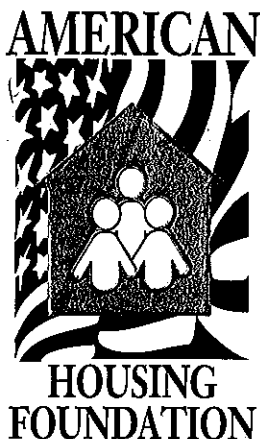


Village Park Apartments



95005 - Brandywood
The development including the buildings to be demolished and land to be restricted to green space.





04-27-09 9A07:23 RCVD

April 23, 2009

Mr. Michael Gerber
 Executive Director
 Texas Department of Housing & Community Affairs
 221 E. 11th Street
 Austin, Texas 78701

via overnight delivery

Re: Brandywood Apartments, Ltd. -- Request for Amendment of the 1996 Land Use Restriction Agreement (LURA)

Project Information

TDHCA No. 95005	Project Name: Brandywood Apartments
Program: 9% Tax Credits / Rehabilitation	Project Location: Pasadena, Texas
Allocation Year: 1995	Final Allocation Amount: \$390,624
Total Number of Units: 698	Number of Restricted Units: 70% or 498 units
Number of Buildings Placed in Service: 51	Dates Placed in Service: 12/31/96 thru 12/31/97
Last Payment to Tax Credit Investors: 2007	Recapture not anticipated from Amendment
Owner's Name: Brandywood Housing, Ltd.	General Partner: Brandywood Apartments, Inc.
Limited Partner: USA Institutional Credit Fund VI L.P., a Delaware limited partnership	Mortgage Lender: Texas Capital Bank, N.A. Current Balance Approx: \$7,000,000.00

Historical Flooding

Brandywood Apartments has a historically high incidence of flooding due to the geographic location of the property. Between 1994 and 1999, the property suffered damages from flooding on seven (7) separate occasions. In early 2000, the State of Texas redesigned the Spencer Highway, located at the southwest corner of the property, to alleviate the high water in the residential area south of apartment community. The redesign of the highway merely perpetuated the flooding in areas of the property which were already prone to rising waters in times of heavy, persistent rainfall. Subsequent flooding in 2001 and 2003, demonstrated the redesign of highway caused substantially higher damages to the property and the residents. Most recently, flooding from Hurricane Ike, in September of 2008, caused the most extensive damage thus far.

Funding to Mitigate Flooding

To mitigate the effects of the redesigned highway, the State of Texas, through the Texas Water Board and the Federal Emergency Management Agency (FEMA), has provided a grant to the City of Pasadena to purchase the portion of the property which has become subject to increasingly repetitive flood loss claims. The Severe Repetitive Loss (SRL) Grant ("Grant") for the Brandywood Apartments was approved on October 1, 2008, in the amount of \$10,758,208.56 payable from the Grant, and Brandywood's matching portion of \$1,195,356.51, for a total of \$11,952,566. The purchase will include 17 apartment buildings, which includes 258-units of the property's 698-units. A copy of the site plan and site survey which highlights the buildings to be demolished is included under Tab 1. The Grant includes provide funds for demolition and asbestos abatement of the purchased buildings; relocation expenses for current residents; and to create a city park/green space area to ameliorate future flood events. The Grant funds will be utilized per the requirements of the Memorandum of Contract under the Severe Repetitive Loss Grant Program between FEMA, the Texas Water Board, and the City of Pasadena. Once all the demolition is complete, the City of Pasadena will purchase the land with Grant funds. The funds received will be used to pay costs and pay down the first lien debt on the property. A copy of the Memorandum of Contract and the Agreement has been included under Tab 2.

The Owner will contract with Mid-Continent Community Development Corporation (MC-CDC) to provide the demolition and abatement services. A copy of the proposed AIA Document A111 Construction Contract with MC-CDC is attached under Tab 3.

In addition to removing the 258-units and preparing the remaining land as a green space with resident amenities, the Grant pays for all relocation costs for any displaced residents who need to be relocated to other units onsite or other apartment communities, based on qualifications of affordability and availability. Under the terms of the Memorandum of Contract the Owner has contracted with Jeffrey S. Ward and Associates, Inc. to provide Relocation Services for the residents. A copy of this Agreement is attached under Tab 4.

Request for Amendment of the 1996 TDHCA LURA

On December 4, 1996, the Owner entered into a Land Use Restriction Agreement (LURA) with TDHCA in accordance with the approval and acceptance of an allocation of tax credits in 1995. This LURA was recorded with the Harris County Clerk on December 31, 1996. A copy of the LURA is attached under Tab 5. According to the LURA, the Owner agreed to the following provisions:

1. Owner must set-aside 70% of the units of the property for individuals or families earning 60% of the area's median income, adjusted for family size. 70% of the property's 698-units are equal to 489-units designated as restricted units.
2. Owner must continue to set-aside the restricted units for the Compliance Period (15 years, until 2011)
3. Material Participation by a Qualified Nonprofit Organization – a nonprofit must own an interest in the property to materially participate in the ownership within the meaning of Section 469(h) of the Code.

4. Exercise the Right of First Refusal to offer the property for sale to a Nonprofit Organization. The Owner must notify TDHCA of its intent to sell the property after the 15 year Compliance Period. TDHCA will try to find a nonprofit organization to purchase the property in order to keep property restrictions in place.
5. Owner must equip 5% of the units for persons with physical or mental disabilities.
6. Owner must consider prospective residents referred from the waiting list of the Housing Authority of Pasadena, Texas.

Under the current LURA, the Owner must meet the set-aside for the unit restrictions for the income requirements. Since the number of units for the entire property is being reduced by 258-units, the Owner will not be able to physically meet the set-aside requirements under the income set-asides as there will only be 440-units of the 489-units required to meet the income set-aside restrictions. If the Owner were to set-aside the entire 440-unit property after the flood mitigation reconstruction, the requirement would still be 49-units short of the total required for the property under the current LURA. Therefore, in order for the Owner to maintain Compliance with the requirements of the LURA, the LURA must be amended.

The Owner respectfully requests consideration of the staff and the Board of Directors for the following revisions:

1. Amend Section 4(c) to change the number of units to **440** units, of which at least **440** will be Low-Income Units. The Minimum Applicable Fraction for each building will be at least **100** percent during the Compliance Period.
2. The Grant will pay all relocation costs for the displaced residents from the qualified units to other units onsite or other apartment communities, with zero cost to the residents.
3. The land will be sold to the City of Pasadena with a deed restriction that can only be used as park land, which will be a benefit as an amenity for the current and future residents of the property. The restriction will be included in the Warranty Deed of the land and is in perpetuity.

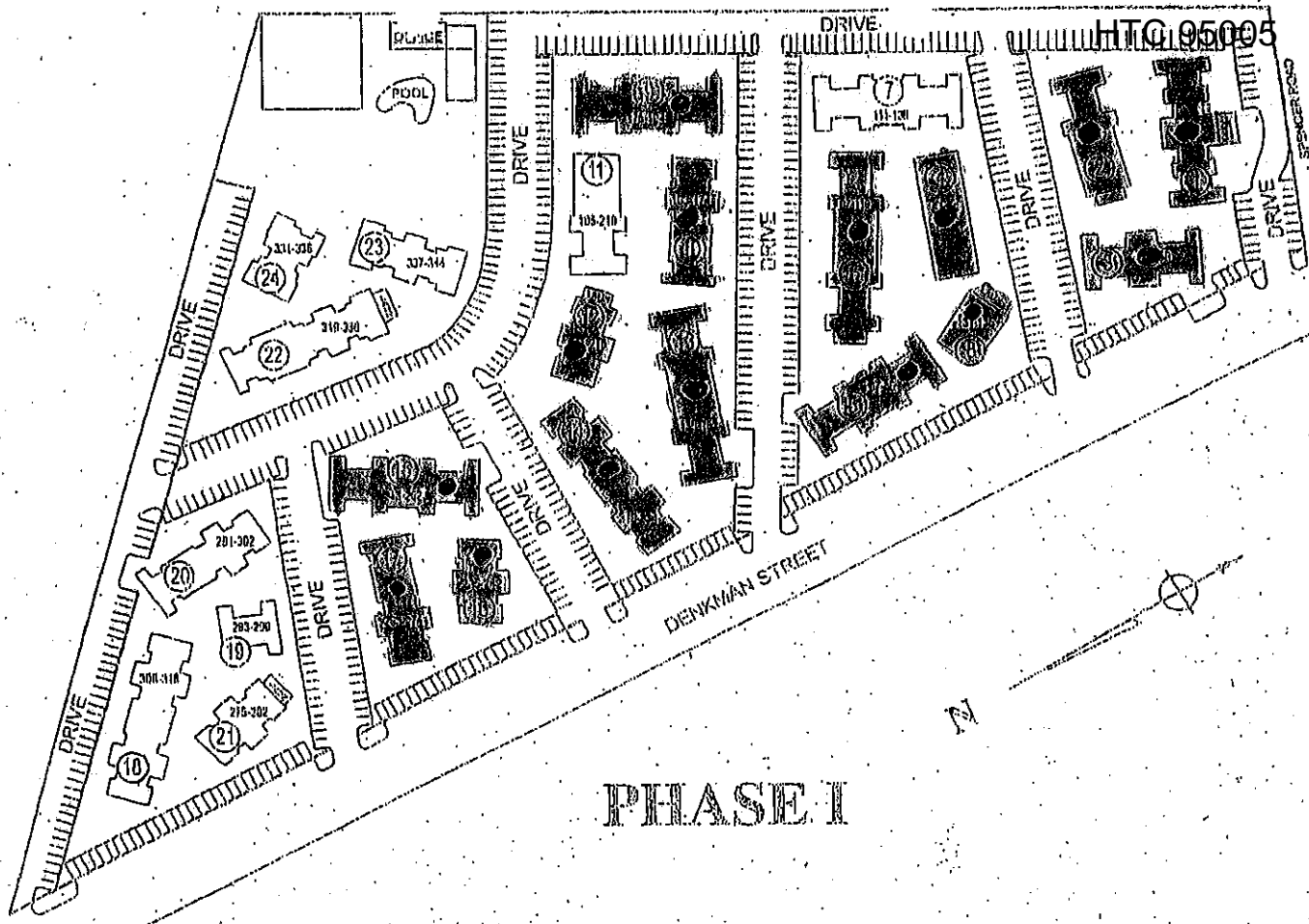
Additional information included under Tab 6, is a copy of the Project Summary from the Cost Certification, which details the property Unit Information (before the taking of the units) and a Unit Configuration breakdown of the units (after the taking) which was requested by staff.

AHF would like to request a waiver of the Amendment fee at this time. Should you have questions regarding this request, please contact me at (806)349-4624, or by email at pam@americanhousing.org.

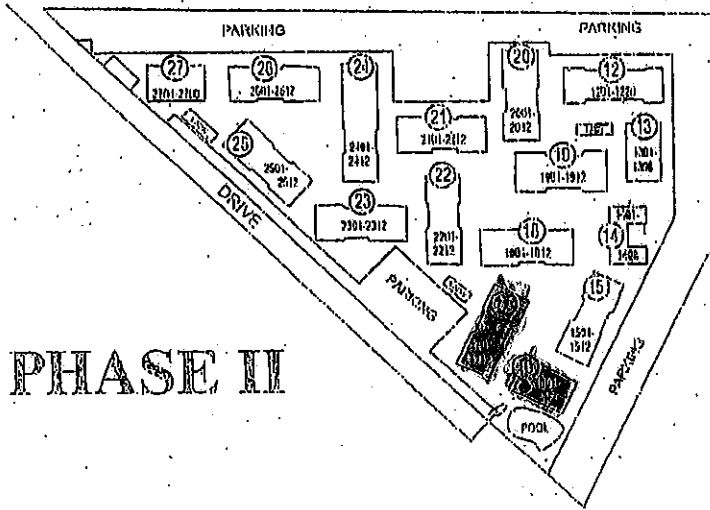
Respectfully,



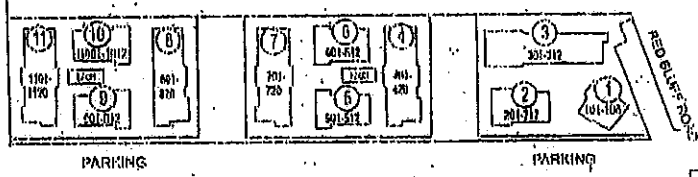
Pam McDonald, Senior Vice President



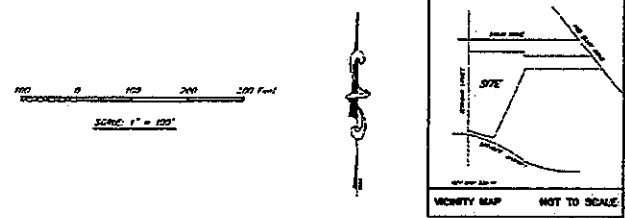
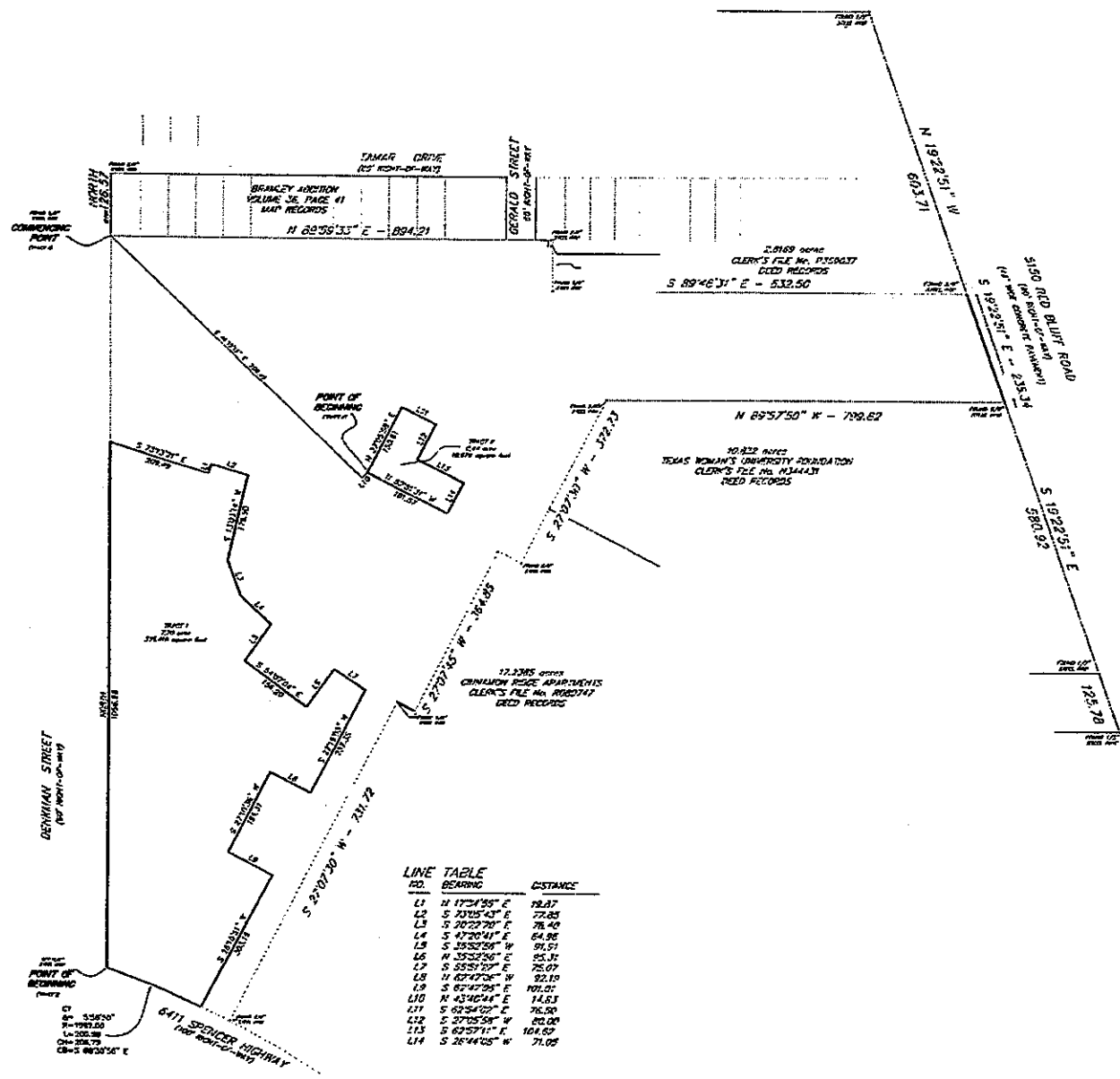
PHASE I



PHASE II



BRANDYWOOD
COMMUNITY



Notes and Grants Description
3.70 Acres (Tract 1)
Fabric: Reynolds Survey Abstract-643
North County, Texas

Being 3.70 acres (122,412 square feet) of land out of a total 24,7708 acre tract of record under Clerk's File No. P152022, situated in the Fabric: Reynolds Survey Abstract Number 643, North County, Texas.

Beginning of a 5/8 inch steel rod set for the intersection of the northerly right-of-way line of Spencer Road (100 feet wide) and the east right-of-way line of Denham Street (100 feet wide), for the southeast corner of the herein described tract.

THIS plat is along the east right-of-way line of said Denham Street, 100.00 feet to a 5/8 inch steel rod set.

THIS plat will 28.7708 acre tract the following 15 courses:

1. North 77°12'21" East, 205.48 feet to a point.
2. North 77°12'21" East, 19.87 feet to a point.
3. North 77°12'21" East, 77.65 feet to a point.
4. South 17°12'21" West, 176.89 feet to a point.
5. South 77°12'21" East, 28.82 feet to a point.
6. South 77°12'21" East, 88.98 feet to a point.
7. South 77°12'21" East, 18.82 feet to a point.
8. South 77°12'21" East, 158.22 feet to a point.
9. North 22°12'21" East, 25.19 feet to a point.
10. South 77°12'21" West, 272.25 feet to a point.
11. North 77°12'21" East, 22.19 feet to a point.
12. North 77°12'21" East, 22.19 feet to a point.
13. South 77°12'21" West, 181.39 feet to a point.
14. South 77°12'21" East, 101.01 feet to a point.
15. South 77°12'21" West, 323.36 feet to a point in the arc of a curve to the left of said northerly right-of-way line of Spencer Highway.

THIS is a northerly direction along the arc of said curve to the left from which the reference point bears South 70°5'43" East, being a radius of 1,820.00 feet, an arc angle of 208.64 degrees to the POINT OF BEGINNING.

CONTAINING 3.70 acres (122,412 square feet) of land.

Notes and Grants Description
0.44 Acres (Tract 2)
Fabric: Reynolds Survey Abstract-643
North County, Texas

Being 0.44 acres (15,278 square feet) of land out of a total 24,7708 acre tract of record under Clerk's File No. P152022, situated in the Fabric: Reynolds Survey Abstract Number 643, North County, Texas.

Commencing at a 5/8 inch steel rod found in the east right-of-way line of Denham Street (100 feet wide), same being the southeast corner of Lot 1 of Gravelly Addition, in subdivision of record of Volume 26, Page 41 of North County Map Records.

THIS plat will 28.7708 acre tract the following 8 courses:

1. North 47°14' East, 199.40 feet to a point.
2. North 47°14' East, 14.32 feet to the POINT OF BEGINNING.
3. North 77°12'21" East, 158.21 feet to a point.
4. South 77°12'21" West, 25.50 feet to a point.
5. South 77°12'21" West, 323.00 feet to a point.
6. South 77°12'21" East, 101.01 feet to a point.
7. North 22°12'21" East, 75.09 feet to a point.
8. North 82°34'02" West, 146.53 feet to the POINT OF BEGINNING.

CONTAINING 0.44 acres (15,278 square feet) of land.

MEMORANDUM OF CONTRACT

STATE OF TEXAS

TWDB Contract No: 0900010908

COUNTY OF TRAVIS

Severe Repetitive Loss

Project Grant

This Contract (hereinafter "CONTRACT") is entered into by and between the TEXAS WATER DEVELOPMENT BOARD (hereinafter "TWDB"), serving as Grantor for the Federal Emergency Management Administration's (hereinafter "FEMA") Severe Repetitive Loss program (hereinafter "SRL") and **City of Pasadena** hereinafter ("CONTRACTOR"), the Grantee.

DEFINITIONS: For the purposes of the CONTRACT and this Memorandum of Contract, the following terms or phrases shall have the meaning ascribed therewith:

- A. TWDB - The Texas Water Development Board, or its designated representative
- B. FEMA -- Federal Emergency Management Administration
- C. SRL -- Severe Repetitive Loss
- C. CONTRACTOR -- City of Pasadena
- D. EXECUTIVE ADMINISTRATOR - The Executive Administrator for the TWDB or his designated representative
- D. PARTICIPANT(S) -- Harris County, City of Pasadena
- E. REQUIRED INTERLOCAL AGREEMENT(S) -- N/A
- F. BOARD APPROVAL DATE -- May 27, 2008
- G. PROJECT AREA - The project area is more specifically defined in Exhibit B (the original grant application).
- I. DEADLINE FOR CONTRACT EXECUTION -- January 20, 2009
- J. CONTRACT EFFECTIVE DATE -- FEMA APPROVAL DATE, September 11, 2008
- K. PROJECT COMPLETION DATE -- September 10, 2011
- L. TOTAL PROJECT COSTS - \$11,953,564.96
- M. FEDERAL SHARE OF THE TOTAL PROJECT COSTS - Not to exceed \$10,758,208.46, or ninety percent (90%) of the total project costs.
- N. LOCAL SHARE OF THE TOTAL PROJECT COSTS -- \$1,195,356.50, or not less than ten percent (10%) of the total project costs.

O. PAYMENT REQUEST SUBMISSION SCHEDULE - Quarterly

P. OTHER SPECIAL CONDITIONS AND EXCEPTIONS TO STANDARD AGREEMENT OF THIS CONTRACT – N/A

IN WITNESS WHEREOF, the parties have caused this CONTRACT to be duly executed in duplicate originals.

TEXAS WATER DEVELOPMENT BOARD

CITY OF PASADENA

J. Kevin Ward
Executive Administrator

Johnny Isbell
Mayor

Date: _____

Date: _____

CONTRACT Number: 0900010908

**TEXAS WATER DEVELOPMENT BOARD, Grantor
and
CITY OF PASADENA, Grantee
for
SEVERE REPETITIVE LOSS
Project Grant**

This CONTRACT is entered into by the Texas Water Development Board (TWDB), an agency of the State of Texas, located at 1700 N. Congress Avenue, Austin, Texas and City of Pasadena (CONTRACTOR), located at 901 Curtis, Pasadena, Texas. The TWDB and the CONTRACTOR are the Parties to this the CONTRACT.

ARTICLE I. RECITALS

WHEREAS, the CONTRACTOR applied through the TWDB for a FEMA project grant under the SRL program to mitigate specific flood problems as identified in Exhibit B, the original grant application which is incorporated herein and made a permanent part of this CONTRACT;

WHEREAS, the CONTRACTOR and PARTICIPANTS will commit cash and/or in-kind services to pay for the LOCAL SHARE OF THE TOTAL PROJECT COSTS;

WHEREAS, the CONTRACTOR is the entity who will act as administrator of the grant and will be responsible for the execution of this CONTRACT;

WHEREAS, on the FEMA APPROVAL DATE, FEMA approved the CONTRACTOR's application for financial assistance;

NOW, THEREFORE, the TWDB and the CONTRACTOR agree as follows:

ARTICLE II. AGREEMENTS

The United States of America, through the Director of FEMA, has agreed to fund to the CONTRACTOR, through the TWDB, the FEDERAL SHARE OF THE TOTAL PROJECT COSTS. By acceptance of the funds awarded, the CONTRACTOR agrees to abide by the terms and conditions of this CONTRACT as set forth in this document and the documents identified therein and made a part hereof by reference, including the federal laws and rules listed in Exhibit A.

ARTICLE III. PERIOD OF PERFORMANCE

The period of performance of this CONTRACT shall be from the CONTRACT EFFECTIVE DATE to the PROJECT COMPLETION DATE, unless otherwise amended.

ARTICLE IV. FEDERAL LAWS AND RULES THAT APPLY

FEMA requires all grant recipients to comply with federal laws and rules. These federal laws and rules are listed in Exhibit A, which is incorporated herein and made a permanent part of this CONTRACT. CONTRACTOR will comply with all federal laws and rules listed in Exhibit A. Copies of those federal laws and rules are available upon request.

ARTICLE V. TERMS AND CONDITIONS

The specific terms and conditions of this CONTRACT are as follows:

1. The TWDB shall reimburse the CONTRACTOR for costs determined by FEMA to be allowable, allocable, and reasonable in accordance with OMB Circular A-87.
2. To request reimbursement hereunder, the CONTRACTOR shall submit an original Request for Reimbursement Form, a Project status report, and an original Financial Status Report Form (FEMA Form 20-10), to the TWDB's contract manager for this CONTRACT. Each voucher shall show the CONTRACT NUMBER, costs for the billing period, and costs to date.
3. The CONTRACTOR shall follow prior approval requirements found in 44 CFR Part 13.30.
4. The grant is conditioned upon compliance with the National Environmental Policy Act (NEPA) and related legislation as implemented under 44 CFR Part 10 such that the CONTRACTOR is precluded from drawing federal funds beyond administrative activities, preliminary feasibility studies or preliminary design/engineering for individual projects until the environmental and historic preservation reviews are complete and approved by FEMA. CONTRACTOR is encouraged to integrate NEPA compliance with the initial planning and decision making process for this program.
5. The CONTRACTOR shall follow matching or cost sharing requirements found in 44 CFR Part 13.24.
6. The CONTRACTOR shall transfer to the TWDB, for return to FEMA, the appropriate share, based on the Federal support percentage, of any refund, rebate, credit or other accounts arising from the performance of this CONTRACT, along with accrued interest, if any. The CONTRACTOR shall take necessary action to effect prompt collection of all monies due or which may become due and to cooperate with the TWDB and FEMA in any claim or suit in connection with the amounts due.
7. Prior to the start of any construction activity, the CONTRACTOR shall ensure that all applicable Federal, State, and local permits and clearances are obtained.
8. The CONTRACTOR is free to copyright any original work developed in the course of or under this CONTRACT. The TWDB and FEMA reserve a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for governmental purposes. Any publication resulting from work performed under this CONTRACT shall include an acknowledgement of FEMA financial support and a statement that the publication does not necessarily reflect the views of FEMA or the TWDB.
9. No subsequent grants/cooperative agreements, monetary increase amendments or time extension amendments will be approved unless all overdue financial or performance reports

have been submitted by the CONTRACTOR to the TWDB. Exceptions to this policy can be approved only by the Assistance Officer at FEMA.

10. The CONTRACTOR agrees by accepting funds under this CONTRACT to comply with all provisions of 44 CFR 13.31, Equipment. FEMA Form 20-18, Government Property Form is to be used to report Government Property. Instructions on which property items are to be reported should be provided in writing by the Assistance Officer at FEMA.
11. By executing this CONTRACT, the CONTRACTOR accepts the authority of the State Auditor's Office, under direction of the legislative audit committee, to conduct audits and investigations in connection with any and all state funds received pursuant to this contract. The CONTRACTOR shall comply with and cooperate in any such investigation or audit. The CONTRACTOR agrees to provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The CONTRACTOR also agrees to include a provision in any subcontract related to this contract that requires the subcontractor to submit to audits and investigation by the State Auditor's Office in connection with any and all state funds received pursuant to the subcontract.

ARTICLE VI. DISTRIBUTING GRANT FUNDS

1.
 - A. The TWDB agrees to compensate and reimburse the CONTRACTOR in a total amount not to exceed the FEDERAL SHARE OF THE TOTAL PROJECT COSTS for costs incurred and paid by the CONTRACTOR pursuant to performance of this CONTRACT. The CONTRACTOR will contribute local matching funds in sources and amounts defined as the LOCAL SHARE OF THE TOTAL PROJECT COSTS. The TWDB shall reimburse the CONTRACTOR for ninety percent (90%) of FEMA's share of each invoice pending the CONTRACTOR's performance and FEMA review and approval, at which time the TWDB shall pay the retained ten percent (10%) to the CONTRACTOR.
 - B. Notwithstanding subsection (a), the TWDB may provide advance funds to the CONTRACTOR in order to minimize the time elapsing between the transfer of funds and their disbursement by the CONTRACTOR. Such advance shall be in compliance with FEMA regulations, including but not limited to 44CFR § 13.21(c). The CONTRACTOR understands and agrees that he has no right to such advances, but that TWDB, in its sole discretion, may from time to time agree to advance payments.
2. The CONTRACTOR (S) shall submit vouchers and documentation for reimbursement billing according to the VOUCHER SUBMISSION SCHEDULE and in accordance with the approved task and expense budgets contained in Exhibit E to this CONTRACT. At the discretion of the EXECUTIVE ADMINISTRATOR and upon written memorandum to the contract file, the CONTRACTOR (S) has budget flexibility within task and expense budget categories to the extent that the resulting change in amount in any one task or expense category does not exceed 35% of the total amount authorized by this CONTRACT for the task or category to be changed or \$5,000 whichever is larger. Larger deviations shall require a formal contract amendment. For all reimbursement billings including any subcontractor's expenses, the EXECUTIVE ADMINISTRATOR must have provided written approval of REQUIRED INTERLOCAL AGREEMENT (S) and contracts or agreements between the CONTRACTOR (S) and the subcontractor. The CONTRACTOR (S) is fully responsible for paying all charges by subcontractors prior to

reimbursement by the TWDB.

3. The CONTRACTOR (S) and its subcontractors shall maintain satisfactory financial accounting documents and records, including copies of invoices and receipts, and shall make them available for examination and audit by the EXECUTIVE ADMINISTRATOR. Accounting by the CONTRACTOR (S) and its subcontractors shall be in a manner consistent with generally accepted accounting principles.
4. A progress report and the following documentation which documents the TOTAL PROJECT COSTS for reimbursement by the TWDB to the CONTRACTOR (S) for the FEDERAL SHARE OF THE TOTAL PROJECT COSTS shall be submitted by the CONTRACTOR (S) to the EXECUTIVE ADMINISTRATOR for reimbursement billing:
 - A. Summary of total expenses incurred including the following information:
 - (1) CONTRACTOR's Vendor Identification Number;
 - (2) TWDB CONTRACT Number;
 - (3) Total expenses for the billing period; beginning (date) to ending (date);
 - (4) Completed FEMA Form 20-10;
 - (5) Completed FEMA Form 20-22;
 - (6) Total In-kind services;
 - (7) Total Services for this period;
 - (8) Less LOCAL SHARE OF THE TOTAL PROJECT COSTS for the billing period;
 - (9) Total FEDERAL SHARE OF THE TOTAL PROJECT COSTS for the billing period;
 - (10) Amount of retainage to be withheld for the billing period;
 - (11) Total costs to be reimbursed by the TWDB for the billing period; and
 - (12) Certification, signed by the CONTRACTOR(S) authorized representative, that the expenses submitted for the billing period are a true and correct representation of amounts paid for work performed directly related to this contract.
 - B. For direct expenses incurred by the CONTRACTOR(S) -- documentation showing the tasks that were performed; the percent and cost of each task completed; a total cost figure for each direct expense category including labor, fringe, overhead, travel, communication and postage, technical and computer services, expendable supplies, printing and reproduction; and
 - C. For direct expenses incurred by the CONTRACTOR(S) for outside consulting services -- copies of invoices to the CONTRACTOR(S) showing the tasks that were performed; the percent and cost of each task completed; a total cost figure for each direct expense category including labor, fringe, overhead, travel, communication and postage, technical and computer services, expendable supplies, printing and reproduction; and the total dollar amount due to the consultant; and
 - D. For travel and subsistence expenses, including such expenses for subcontractors --
 - (1) names, dates, work locations, time periods at work locations, itemization of subsistence expenses of each employee, limited, however, to travel expenses authorized for state employees by the General Appropriations Act,

- Tex. Leg. Regular Session, 2005, Article IX, Part 5, as amended or superseded;
- (2) other transportation costs – copies of invoices covering tickets for transportation or, if not available, names, dates, and points of travel of individuals; and
 - (3) all other reimbursable expenses -- invoices or purchase vouchers showing reason for expense with receipts to evidence the amount incurred.

ARTICLE VII. FINANCIAL REPORTS

The CONTRACTOR shall submit an original and three (3) copies of the Financial Status Report Form (FEMA Form 20-10), to the TWDB's contract manager within thirty (30) days following the end of each quarter of the project with the exception of the final Financial Status Report, which shall be due ninety (90) days after project completion.

All other reporting requirements in accordance with Section 8 of the General Provisions for Grants and Cooperative Agreements, Exhibit C, are applicable.

ARTICLE VIII. PERFORMANCE REPORTING

1. Quarterly. The CONTRACTOR shall submit an original and three (3) copies of the quarterly Performance report (FEMA Form 20-22, Narrative Report Form) and any supporting documentation to the TWDB's contract manager by the fifteenth (15th) day following the end of each quarter.

All other reporting requirements in accordance with Section 9 of the General Provisions for Grants and Cooperative Agreements, Exhibit C, are applicable.

2. Final Report. The CONTRACTOR shall submit an original and three (3) copies of a final report (FEMA Form 20-22, Narrative Report Form) and any supporting documentation which details all the work performed under the CONTRACT. The report shall be submitted within three (3) months of project completion.

ARTICLE IX. NO DEBT AGAINST THE STATE

This CONTRACT shall not be construed as creating any debt by or on behalf of the State of Texas and the TWDB, and all obligations of the State of Texas are subject to the availability of funds. To the extent the performance of this CONTRACT transcends the biennium in which this CONTRACT is entered into, this CONTRACT is specifically contingent upon the continued authority of the TWDB and appropriations therefor.

ARTICLE X. INSURANCE

For the purposes of this CONTRACT, the CONTRACTOR will be considered an independent contractor and, therefore, solely responsible for liability resulting from negligent acts or omissions. The CONTRACTOR shall obtain all necessary insurance, in the judgment of the CONTRACTOR, to protect itself, from liability arising out of this CONTRACT.

ARTICLE XI. SEVERANCE PROVISION

Should any one or more provisions of this CONTRACT be held to be null, void, voidable, or, for any reason whatsoever, of no force and effect, such provision(s) shall be construed as severable from the remainder of this CONTRACT and shall not affect the validity of all other provisions of this CONTRACT which shall remain in full force and effect.

ARTICLE XII. SUSPENSION AND TERMINATION PROCEDURES

If the CONTRACTOR fails to comply with the terms, conditions or standards of this CONTRACT, the TWDB may, upon written notice, temporarily suspend reimbursement payments pending corrective action by the CONTRACTOR or terminate the CONTRACT. Necessary ALLOWABLE COSTS that the CONTRACTOR could not reasonably avoid incurring during the period of suspension or after termination will be reimbursed pursuant to this CONTRACT.

In addition, this CONTRACT may be terminated if both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds.

If termination of the CONTRACT occurs, the procedures described in Item 12 of the Federal Emergency Management Agency General Provisions for Grants and Cooperative Agreements, Exhibit C, which is incorporated into this CONTRACT, will be followed.

ARTICLE XIII. CORRESPONDENCE, REPORTS, AND BILLINGS

All correspondence, reports, and billings related to this CONTRACT shall be made to the following addresses:

For the BOARD:

Mr. J. Kevin Ward
 Executive Administrator
 Texas Water Development Board
 P.O. Box 13231, Capitol Station
 Austin, Texas 78711-3231
 Attention: Kathy Hopkins
 Contract Manager
 Flood Mitigation Planning

For the CONTRACTOR:

Mr. Johnny Isbell
 Mayor
 City of Pasadena
 901 Curtis
 Pasadena, Texas 77501

Exhibit A
Federal Laws and Rules

FEMA, through its Grant Agreement with the Texas Water Development Board, requires all grant recipients to comply with the following federal laws and rules:

1. 44 CFR, Part 13: Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. 44 CFR, Part 7: Nondiscrimination in Federal Assistance Programs
3. 44 CFR, Part 10: Environmental Considerations
4. 44 CFR, Part 14: Administration of Grants: Audits of State and Local Governments
5. 44 CFR, Part 17: Government-wide Debarment and Suspension (non-procurement) and Government-wide Requirements for Drug-Free Workplace
6. 44 CFR, Part 18: New Restrictions on Lobbying
7. 44 CFR, Subchapter B - Insurance and Hazard Mitigation
8. 44 CFR, Subchapter C - Fire Prevention and Control
9. 44 CFR, Subchapter D - Disaster Assistance
10. 44 CFR, Subchapter E - Preparedness
11. 44 CFR Section 205.6 - Funding Techniques
12. Public Law 95-224 - Federal Grant and Cooperative Agreement Act of 1997
13. Public Law 101-336 - The Americans with Disabilities Act
14. Executive Order 12372 - Intergovernmental Review of the Federal Emergency Management Agency Programs and Activities
15. OMB Circular A-102 - Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments
16. OMB Circular A-87 - Cost Principles for State and Local Governments
17. OMB Circular A-110 - Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
18. OMB Circular A-21 - Cost Principles for Educational Institutions
19. OMB Circular A-133 - Audits of Institutions of Higher Education and Other Non-Profit Organizations
20. OMB Circular A-122 - Cost Principles for Non-Profit Organizations
21. OMB Circular A-123 - Internal Control System
22. OMB Circular A-50 - Audit Follow-up
23. FEMA Manual 2700.1 - Advance Financing Payment Systems

Exhibit B

Original Application

Exhibit CSection 8 of the General Provisions for Grants and
Cooperative Agreements**FEDERAL EMERGENCY MANAGEMENT AGENCY****GENERAL PROVISIONS****FOR****GRANTS AND COOPERATIVE AGREEMENT****General Provisions**

The general provisions which are based upon the requirements of the Office of Management and Budget Circulars A-102 and A-110 are set forth in this section and shall be used verbatim in all discretionary awards.

(1) Definitions

- (1) The term "Recipient" refers to the grantee if the legal instruments to which these General Provisions apply is a grant and to the cooperating party if they apply to a cooperative agreement.
- (2) The term "instrument" refers to either a grant or a cooperative agreement.
- (3) The term "Assistance Officer" (AO) refers to the individual delegated the authority by FEMA to execute and/or administer this instrument.

(2) Amendments

This instrument may be amended at any time by a written modification. Amendment which reflects the rights and obligation of either party shall be executed by both the Government and the recipient. Administrative amendment that do not change the Project Description or impact cost of delivery may be issued unilaterally by the AO.

(3) Cash Depositories

- (1) Any money advanced to the recipient under the terms of this instrument must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and the balance exceeding the FDIC coverage must be collaterally secured.
- (2) Consistent with the national goal of expanding opportunities for minority business enterprises, the recipient and its sub-recipients are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members. A list of minority owned banks can be obtained from the Office of Minority Business Enterprise, Department of Commerce, Washington, D. C. 20202.

(4) Retention and Custodial Requirements for Records

- (1) Financial records, supporting documents, statistical records and all other records pertinent to this instrument shall be retained for a period of three years, with the following exceptions:
 - i. If any litigation, claim or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation claims or audit findings involving the records have been resolved.

- ii. Records for nonexpendable property, if any, required with Federal funds shall be retained for three years after its final disposition.
- iii. When records are transferred to or maintained by FEMA, the 3-year retention requirement is not applicable to the recipient.
- (2) The retention period starts from the date of the submission of the final expenditure report.
- (3) The recipient may be authorized by the AO to substitute microfilm copies for original records.
- (4) FEMA will request transfer of certain records to its custody from the recipient when it determines that the records possess long-term retention value. The recipient shall make such transfers as requested. However, to avoid duplicate recordkeeping, FEMA may make arrangements with the recipient to retain records at the point of use, for those that are continuously needed during the progress of the work.
- (5) The Director of FEMA and the Comptroller General of the United States or any of their duly authorized representatives shall have access to any pertinent books, documents, papers, and records of the recipient and its subcontractors, to make audits, examinations, excerpts and transcripts.

(5) Allowable Cost

- (1) For the performance of the work under this instrument, FEMA shall pay the recipient: The cost (hereafter referred to as "allowable cost") determined by the AO to be allowable, allocable and reasonable in accordance with the following and with the terms of this instrument:
 - 1. For colleges and universities: OMB Circular A-21 (FMC 73-8);
 - 2. For State and local governments: OMB Circular A-87 (FMC 74-4);
 - 3. For other nonprofit organizations: OMB Circular A-122 (Federal Procurement Regulations Part 15, Subpart 2);
 - 4. For all other recipients: Federal Procurement Regulations Part 15, Subpart 2.

(6) Program Income

- (1) Program income is gross income earned by the recipient from Federally supported activities. Such earnings exclude interest earned on advances and may include, but will not be limited to, income from service fees, and royalties on patents and copyrights.
- (2) Interest earned on advances under this instrument shall be remitted to FEMA except for interest earned on advances to recipients who are States or instrumentalities of a State as provided by the intergovernmental Cooperation Act of 1968 (P. L. 90-577) or tribal organizations pursuant to Section 102, 103, or 104 of the Indian Self-Determination Act (P. L. 93-638).
- (3) The recipient shall account for all program income which results from this instrument.
- (4) Proceeds from the sale of real or personal property either provided by the Federal government or purchased in whole or in part with Federal funds shall be handled in accordance with the General Provision entitled, "Property Management Standards."
- (5) Unless provided otherwise in this instrument, the recipient shall have no obligation to the Federal government with respect to royalties received as a result of copyrights or patent produced under this instrument.
- (6) All other program income earned during the project period shall be retained by the recipient and unless stated otherwise in this instrument, shall be deducted from the total project costs in determining the net costs on which the Federal share of costs will be based.

(7) Financial Management Systems

The recipient shall maintain a financial management system that provides for the following:

- (1) Accurate, current, and complete disclosure of the financial results of this instrument in accordance with the General Provision entitled "Financial Reporting Requirements".
- (2) Records that identify adequately the source and application of funds for Federally supported activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays and income.
- (3) Effective control over and accountability for all funds, property and other assets.
- (4) A comparison or actual outlays with budgeted amounts and the relationship of specific performance to costs incurred.
- (5) Procedures to minimize the time elapsing between the transfer of funds to the recipient and disbursement by the recipient when advances or letters-of-credit are used.
- (6) Procedures for determining reasonableness, allowability and allocability of costs in accordance with provisions of the applicable Federal cost principles and the terms of this instrument.
- (7) Accounting records that are supported by source documentation.
- (8) Examinations in the form of audits including internal audit. Such audits shall be made by qualified individuals who are sufficiently independent of those who authorize the expenditure of Federal funds to produce unbiased opinions, conclusions or judgments. They shall meet the independence criteria set forth in Chapter 3, Part 3, of the U. S. General Accounting Office publication, "Standards for Audit of Government Organizations Programs, Activities, and Functions." These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms of condition of the instrument.

It is not intended that each Federal Agreement awarded to the recipient be separately examined. Generally, examinations shall be conducted on an organization-wide basis to test the fiscal integrity of financial transactions as well as compliance with the terms and conditions of Federal Agreements. Such tests shall include an appropriate sampling of Federal Agreements. Examinations shall be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. The frequency of these examinations shall depend upon the nature, size and the complexity of the activity. The examinations do not relieve Federal agencies of their audit responsibilities but may affect the frequency and scope of such audits (See General Provision entitled, "Audit Requirement" for more detailed requirement for A-102 recipients.)

The recipient shall make the results of such audits available to the Government upon request and/or with the final voucher submitted under grants or cooperative agreements.

- (9) A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

The recipient shall require its sub-recipients to adopt the standards above except for

the requirements in subparagraph (5) regarding the use of the letters-of-credit method and that part of subparagraph (1) regarding reporting forms and frequencies prescribed in the General Provisions entitled "Financial Reporting Requirements".

(8) Financial Reporting Requirements

- (1) Recipients shall submit an original and two copies of Financial Status Report (Standard Form 26) 30 days after the completion of each quarter of the project with the exception of a final Financial Status Report which shall be due 90 days after project completion. All reports should be prepared on an accrual basis; however, if the recipient's accounting records are not normally kept on the accrual basis, the recipient shall not be required to convert its accounting system, but shall develop such information through best estimates based on an analysis of the documentation on hand. Reports should be submitted to the AO.
- (2) In the event this instrument provides for advances to the recipient the recipient shall submit original and two copies of a Federal Cash Transaction Report (Standard Form 272) 15 working days following the end of each quarter.
- (3) The recipient shall use the Request for Advance or Reimbursement (Standard Form 270) when a Letter of Credit is not authorized by this instrument. An original and two copies shall be submitted not more often than monthly to the designated office.

(9) Monitoring and Reporting Program Performance

- (1) Recipients shall constantly monitor their performance under this grant or cooperative agreement to assure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. This review shall be made for each program, function, or activity in accordance with the requirements set forth in the Schedule.
- (2) Recipients shall submit a quarterly report which includes a brief summary of progress to date, a description of any problem that may impede performance along with proposed corrective action, schedule status of work for subsequent months and the Financial Status Report (or request for advance or reimbursement if used in lieu of the Financial Status Report) required by the General Provision entitled "Financial Reporting Requirement". The report is to be submitted by the 15th day after the end of each 3-month period. No report need be submitted for the final 3 months as they will be covered the final progress review and/or report which will be submitted 3 months after project completion.
- (3) Between the required performance reporting dates, events may occur that have significant impact upon the project or program. In such instances, the recipient shall inform the AO and program office as soon as the following types of conditions become known:
 - i. Problems, delays, or adverse conditions that will materially affect the ability to attain program objective, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated and any Federal assistance needed to resolve the situation.
 - ii. Favorable developments or events that enable time schedule to be met sooner than anticipate or more work units to be produced than originally projected.
- (4) If any performance review conducted by the recipient discloses the need for change in the budget estimates in accordance with the criteria established in the

General Provision entitled "Budget Revision Procedures," the recipient shall submit a request for budget revision.

(10) Budget Revision Procedures

- (1) The budget is the approved financial plan for both the federal and non-Federal shares to carry out the purpose of the instrument. This plan is the financial expression of the project or program as approved during the application and award process. It should be related to performance for program evaluation purposes whenever appropriate and required.
- (2) FEMA shall not be obligated to reimburse the recipient for outlays (costs) in excess of the Federally funded amount of the instrument unless and until the AO executes an amendment to the instrument which increases the Federally funded amount. The Federally funded amount is the amount obligated on the instrument which may be less than or equal to the budgeted Federal share of the instrument.
- (3) This paragraph (3) is applicable only if the recipient is a State, local, or Federally recognized Indian tribal government (as defined by OMB Circular A-102). Recipients shall request prior approvals promptly to the AO when there is reason to believe that a revision will be necessary for any of the following reasons:
 - i. Changes in the scope or the objective of the project or programs:
 - ii. The need for additional Federal funding:
 - iii. The revisions which pertain to the addition of terms requiring approval in accordance with the provisions of OMB Circular A-87.
 - iv. Recipients plan to transfer funds allotted for training allowances (direct payments to trainees) to other categories of expense:
- (4) This paragraph (4) is applicable only if the recipient is *not* a State, local, or Federally recognized Indian tribal government (as defined by OMB Circular A-102):
 - (i) Recipients shall request prior approvals promptly from the AO when there is reason to believe that a revision will be necessary for any of the following reasons:
 - (A) Changes in the scope of the objective of the project or program.
 - (B) The need for additional Federal funding:
 - (C) Expenditures that require approval in accordance with applicable cost principles:
 - (D) Recipients plan to transfer funds allotted for training allowances (direct payments to trainees) to other categories of expense.
 - ii. None of the substantive programmatic work under this instrument may be subcontracted or transferred without prior approval of the AO. This provision does not apply to the purchase of supplies, material, equipment or general support services.
- (5) This paragraph (5) is applicable only if specifically required elsewhere in this instrument. The recipient shall not transfer, without the written approval of the AO, funds among cost categories when the cumulative amount of such transfers exceeds or is expected to exceed five percent of the total budget as last approved by the AO. This same criteria shall apply to the cumulative amount of transfers among programs, functions, and activities or "line items" when budgeted separately for an award, except that FEMA shall permit no transfer that would cause any Federal appropriation, or part thereof, to be used for purposed other than those intended.

- (6) Recipients shall notify the AO promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient by more than \$5,000 or five percent of the Federal award, whichever is greater.
- (7) When requesting approval for budget revisions, recipients shall use the budget forms that were used in the application unless another format is authorized by the AO.
- (8) Within 30 days from the date of receipt of the request for budget revisions, the AO shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 days, the AO shall inform the recipient in writing as to when the recipient may expect the decision.

(11) Closeout Procedures

- (1) The following definitions shall apply:
 - Closeout** – The closeout of this instrument is the process by which FEMA determines that all applicable administrative actions and all required work of the instrument have been completed by the recipient and FEMA.
 - Date of completion** – The date on which all work under the instrument is completed or the date in the award document or any supplement or amendment thereto (including termination notices subject to the General Provision entitled, "Suspension and Termination Procedure"), on which Federal assistance ends.
 - Disallowed costs** – Disallowed costs are those charges to the instrument that the AO determines to be unallowable in accordance with the applicable Federal cost principle or other conditions contained in the instrument.
- (2) The parties shall close out this instrument in accordance with the following procedures:
 - i. Upon request FEMA shall make prompt payments to a recipient for allowable reimbursable costs under the instrument being closed out.
 - ii. The recipient shall immediately refund any balance of unobligated (unencumbered) funds that FEMA has advanced or paid and that is not authorized by FEMA to be retained by the recipient for use in other instruments.
The AO shall initiate a request for refund if the recipient does not forward the balance within 90 days.
 - iii. The recipient shall submit to the AO within 90 days after completion of this instrument all financial and other data required as a condition of this instrument. The AO grant extensions when requested by the recipient.
 - iv. The AO shall make a settlement for any upward or downward adjustments to the Federal share of costs after these reports are received.
 - v. The recipient shall account for any property acquired with Federal funds or received from the Government, in accordance with the provisions of the General Provision entitled, "Property Management Standards."
 - vi. In the event a final audit has not been performed prior to the closeout of the instrument, FEMA shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

(12) Suspension and Termination Procedures

- (1) The following definitions shall apply:
 - Termination** - Termination of this instrument means the cancellation of further Federal assistance, in whole or in part, under the instrument at any time prior to

the date of completion.

Suspension – The suspension of this instrument is an action by the AO that temporarily suspends Federal assistance under the instrument pending corrective action by the recipient or pending a decision to terminate the instrument by FEMA.

- (2) When the recipient has failed to comply with the terms, conditions, or standard to the instrument, the AO may, on reasonable notice to the recipient, suspend the instrument and withhold further payments or prohibit the recipient from incurring additional obligations of funds, pending corrective action by the recipient or a decision to terminate in accordance with paragraph (c). The AO shall allow all necessary and proper costs that the recipient could not reasonably avoid during the period of suspension, provided that they meet the provision of the applicable Federal cost principles.
- (3) This instrument may be terminated for cause or convenience.
 - i. Termination for cause – The AO may terminate this instrument in whole or in part at any time before the date of completion, whenever it is determined that the recipient has failed to comply with the conditions of the instrument. The AO shall promptly notify the recipient in writing of the determination and the reasons for the termination, together with the effective date. Payments made to the recipient or recoveries by FEMA in the event this instrument is terminated for cause shall be in accordance with the legal rights and liabilities of the parties.
 - ii. Termination for convenience – This instrument may be terminated in whole or in part, when both parties agree that the continuation or the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and in the case of partial terminations, the portion to be terminated. The recipient shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The AO shall allow full credit to the recipient for the Federal share of the noncancellable obligations properly incurred by the recipient prior to termination.
- (4) The parties shall promptly settle the terminated instrument in accordance with the applicable requirements of the General Provision entitled “Closeout Procedures.” In addition, the parties shall execute upon settlement a written amendment setting forth the terms and conditions of the settlement agreement.

(13) Property Management Standards

- (1) The following definitions apply for the purpose of this clause.

Real property – Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Personal property – Personal property means property of any kind except real property. It may be tangible – such as equipment, or intangible – such as patents, inventions and copyrights.

Nonexpendable personal property – Nonexpendable personal property means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit except that recipients subject to Cost Accounting Standards Boards regulations may use the CASB stated of \$500 per unit and useful life of two years. A recipient may use its own definition of nonexpendable personal property provided that the definition would at least

include all tangible personal property as defined above.

Expendable personal property – Expendable personal property refers to all tangible personal property other than nonexpendable property.

Excess property – Excess property means property under the control of any Federal agency that as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.

Acquisition cost of purchased nonexpendable personal property –

Acquisition cost of an item or purchased nonexpendable personal property means the new invoice unit price of the property including the costs of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Exempt property – Exempt property means tangible personal property acquired in whole or in part with Federal funds, title to which is vested in the recipient without further obligation to the Federal Government except as provided in subparagraph (4)(I) below. Such unconditional vesting of title will pursuant to any Federal Legislation that provides FEMA with adequate authority.

- (2) Real property – If real property is acquired as a requirement of this instrument, the following shall apply:
 - i. Title to real property shall vest in the recipient, subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed.
 - ii. The recipient shall obtain approval by FEMA for the use of real property in other projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under other Federally sponsored projects. (i.e., grants or other agreements) or programs that have purposes consistent with those authorized for support by FEMA.
 - iii. When the real property is no longer needed as provided in subparagraphs (i) and (ii) above, the recipient shall request disposition instructions from FEMA or its successor Federal sponsoring agency.
- (3) Federally owned nonexpendable personal property – Title to Federally owned property remains vested in the Federal Government. The recipient shall submit annually an inventory listing of Federally owned property in the custody to FEMA. Upon completion of the effort covered by they instrument or when the property is no longer needed, the recipient shall report the property as being available to FEMA for further agency use.
- (4) Other nonexpendable property – When other nonexpendable tangible personal property is acquired by a recipient with project funds, title shall vest in the recipient subject to the following conditions:
 - i. Right to transfer title – For items of nonexpendable personal property having a unit acquisition cost of \$1,000 or more. FEMA reserves the right to transfer the title to the Federal Government or a third party.
- (5) Use of other tangible nonexpendable property for which the recipient has title.
 - i. The recipient shall use the property in the project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original project or program, the recipient shall use the property in connection with its other

- Federally sponsored activities if authorized by FEMA.
- ii. Shared use – During the time that nonexempt nonexpendable personal property is held for use on the project or program for which it was acquired, the recipient shall make it available for use on other project or programs if such other use will not interfere with the work on that project. First preference for such other use shall be given to other projects or programs sponsored by FEMA; or to programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use for other activities not sponsored by the Federal Government shall be permissible if authorized by FEMA.
- (6) Disposition of other nonexpendable property – When the recipient no longer needs the property as provide in (5) above, the property may be used for there activities in accordance with the following standards:
- i. Nonexpendable personal property with a unit acquisition cost of less than \$1,000 – The recipient may use the property for other activities without reimbursement to FEMA or sell the property and retain proceeds.
 - ii. Nonexpendable personal property with a unit acquisition cost of \$1,000 or more – The recipient may retain the property for other uses provided that compensation is made to FEMA. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the property. If the recipient has no need for the property and the property has further use value, the recipient shall request disposition instructions from FEMA.
- (7) Property management standards for nonexpendable property – The recipient's property management standards for nonexpendable personal property shall include the following procedural requirements:
- i. Property records shall be maintained accurately and shall include:
 - A. A description of the property;
 - B. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;
 - C. Source of property, including grant or other agreement number;
 - D. Whether title vests in the recipient or the Federal Government;
 - E. Acquisition date (or date received, if the property was furnished by the Federal Government) and cost;
 - F. Percentage (at end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government);
 - G. Location, use and condition of the property and the date the information was reported;
 - H. Unit acquisition cost;
 - I. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal sponsoring agency for its share.
 - ii. Property owned by the Federal Government must be marked to indicate Federal ownership.
 - iii. A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determining the cause of the difference. The recipient shall, in connection with the inventory, verify the existence, current use, and continued need for the property.

- iv. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented; if the property is owned by the Federal Government, the recipient shall promptly notify FEMA.
 - v. Adequate maintenance procedures shall be implemented to keep the property in good condition.
 - vi. Where the recipient is authorized or required to sell the property, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.
- (8) Expendable personal property – Title to expendable personal property shall vest in the recipient upon acquisition. If there is a residual inventory of such property exceeding \$1,000 in aggregate fair market value upon termination or completion of the instrument and the property is not needed for any other Federally sponsored project or program, the recipient shall retain the property for use on nonfederally sponsored activities or sell it, but must in either case compensate FEMA for its share. The amount of completions shall be computed in the same manner as for nonexpendable personal property.
- i. Intangible property
 - A. Inventions and patents – If any program produces patentable items, patent rights, processes, or inventions in the course of work sponsored by the Federal Government, such fact shall be promptly and fully reported to FEMA. Unless there is a prior agreement between the recipient and FEMA on disposition of such items, FEMA shall determine whether protection of the invention or discovery shall be sought. FEMA will also determine how the rights in the inventory or discovery - including rights under any patent issued thereon - shall be allocated and administered in order to protect the public interest consistent with current Government Patent Policy.
 - B. Copyrights – Except as otherwise provided in the terms and conditions of this instrument, the author or the recipient organization is free to copyright any books, publications, or other copyrightable materials developed in the course or under the instrument. FEMA hereby reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use and to authorize other to use, the work for Government purposes.

(14) Procurement Standards

- (1) All recipients shall adhere to the following standards:
- i. The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using Federal funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which Federal funds are used where, to his knowledge, he or his immediate family, partners, or an organization in which he or his immediate family or partner has a financial interest, real or apparent, or other interest in the firm selected for award. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of substantial monetary value from contractors or potential contractors. To the extent permissible by State and local laws, rules and regulations, such standards shall provide for disciplinary actions to be applied for violations of such by the

- recipients' officers, employees or agents.
- ii. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order for his/her bid/offer to be evaluated by the recipient. Any and all bids/offers may be rejected when it is in the recipient's interest to do so.
 - iii. All recipients shall establish procurement procedures that provide for, at a minimum, the following procedural requirements.
 - (A) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.
 - (B) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand name or equal" descriptions may be used as a means to define the "Brand," performance, or other salient requirements or procurement; and, when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.
 - (C) Positive efforts shall be made by the recipient to use small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts using Federal funds.
 - (D) The type of procuring instruments used, e.g., fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate to the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.
 - (E) Contracts shall be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration should be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.
 - (F) Review and approval by the AO at the recipient's proposed contracts and related procurement documents is required when the procurement is expected to exceed \$10,000 and is to be awarded without competition or any one bid or other is received, the procurement is expected to exceed \$10,000 and specifies a "brand name product," or the recipient's procedures or operation fails to comply with this 13/32(n). The provisions of this paragraph are waived in the event the recipient's procurement

- system has been certified in accordance with the Office of Federal Procurement Policy.
- (G) Some form of price or cost analysis should be made in connections with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element at cost to determine reasonableness, allocability and allowability. Costs or prices based on estimated costs for contracts under this instrument shall be allowed only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles.
 - (H) Procurement records and files for purchases in excess of \$10,000 shall include the following:
 - (1) Basis for contractor selection;
 - (2) Justification for lack of competition when competitive bids or offers are not obtained;
 - (3) Basis for award cost or price;
 - (4) Rationale for the method of procurement; and
 - (5) Selection of contract type.
 - (I) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases.
- (2) If the recipient of the instrument is a State or local government or other entity as defined in OMB Circular A-102, it shall adhere to the following standards:
- i. Contracting with Small and Minority Firms, Women-Owned Business Enterprises and Labor Surplus Area Firms.
 - (A) Affirmative steps must be taken to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:
 - (1) Including qualified small and minority businesses on solicitation lists;
 - (2) Assuring that small and minority businesses are solicited whenever they are potential sources;
 - (3) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation but not to avoid requirements applicable to purchases in excess of \$10,000;
 - (4) Where the requirement permits, establishing delivery schedules which will encourage participation by small and minority businesses;
 - (5) Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required;
 - (6) If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in 1 through 5 above.
 - (B) Recipients shall take similar appropriate affirmative action in support of women-owned business enterprises.
 - (C) Recipients are encouraged to procure goods and services from labor surplus areas.
 - ii. Procurement under this instrument shall be made by one of the

following methods, as described herein: (a) small purchase procedures; (b) competitive sealed bid (formal advertising); (c) competitive negotiations; (d) noncompetitive negotiation.

- (A) Small purchase procedures are those relatively simple and informal procurement methods that are sound and appropriate for a procurement of services, supplies or other property, costing in the aggregate not more than \$10,000. Recipients shall comply with State or local small purchase dollar limits under \$10,000. If small purchase procedures are used for procurement under this instrument, price or rate quotations shall be obtained from an adequate number of qualified sources.
- (B) In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price.
- (1) In order for formal advertising to be feasible, appropriate conditions must be present, including, as a minimum, the following:
- i. specification or purchase description is available.
 - ii. Two or more responsible suppliers are willing and able to compete effectively for the grantee's business.
 - iii. The procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis of price.
- (2) If formal advertising is used for a procurement under this instrument, the following requirements shall apply:
- i. A sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. In addition, the invitation shall be publicly advertised.
 - ii. The invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.
 - iii. All bids shall be opened publicly at the time and place stated in the invitation for bids
 - iv. A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is

lowest. Where specified in the bidding documents factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the recipient indicates that such discounts are generally taken.

- v. Any or all bids may be rejected when there are sound documented business reasons in the best interests of the program.

- (C) In competitive negotiation, proposals are requested from a number of sources, and the Request for Proposal is publicized, negotiations are normally conducted with more than one of the sources submitting orders, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. If competitive negotiation is used for a procurement under a grant, the following requirements shall apply:
 - (1) Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposals shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.
 - (2) The request for proposal shall identify all significant evaluation factors, including price or cost where required and their relative importance.
 - (3) The recipient shall provide mechanisms for technical evaluation of the proposals received, determination of responsible offerors for the purpose of written or oral discussions, and selection for contract award.
 - (4) Award may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors should be notified promptly.
 - (5) Grantees may utilize competitive negotiation procedures for procurement of Architectural/Engineering professional services, whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.

- (D) Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is infeasible under small purchase, competitive bidding (formal advertising) or competitive negotiation procedures. Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:
- (1) The item is available only from a single source;
 - (2) Public exigency or emergency when the requirement will not permit a delay incident to competitive solicitation;
 - (3) FEMA authorizes noncompetitive negotiation; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.
- (E) In order to foster greater economy and efficiency, recipients are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.
- (F) The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. These provisions shall also be applied to subcontracts.
- (1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.
 - (2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
 - (3) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe the bonding requirements provided below:

FEMA may accept the bonding policy and requirements of the recipient provided it has made a determination that the Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

- (A) A bid guarantee from each bidder equivalent to five percent of the bid price. The "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 contract documents as may be required within the time specified.
 - (B) A performance bond on the behalf of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
 - (C) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
- (4) All contracts awarded by recipient and its contractors or subgrantees having a value of more than \$10,000 (\$5,000 Federal share or grants), shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60).
 - (5) All contracts and subgrants in excess of \$2,000 for construction or repair awarded by recipient and subrecipients shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874 as supplemented in Department of Labor regulations 29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to FEMA.
 - (6) When required by the Federal program legislation, all construction contracts awarded by the recipient and subrecipients of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor

regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the AO.

- (7) Where applicable, all contracts awarded by recipient in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workday of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his/her health and safety, as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market; contracts for transportation; or transmission of intelligence.
- (8) Contracts or agreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the field of science or technology in which there

has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions, patents, copyrights, rights in data and materials generated under the contract or agreements are subject to the regulations issued by FEMA and the recipient.

- (9) All negotiated contracts (except those of \$10,000 or less) awarded by recipients shall include a provision to the effect that the recipient, FEMA, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions. Recipients shall require contractors to maintain all required records for three years after the recipient makes final payment and all pending matters are closed.
- (10) Contracts and subgrants or amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended. Violations shall be reported to FEMA and the Regional Office of the Environmental Protection Agency.
- (11) If the recipient is a State or local government, contracts shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

(15) Audit Requirements

- (1) This provision is applicable only if the recipient is a State, local, or Federally recognized Indian tribal government (as defined by OMB Circular A-102).
- (2) Cognizant agency is defined as a Federal agency that is assigned audit responsibilities for a particular recipient organization by the Office of Management and Budget.
- (3) Recipients shall use their own procedures to arrange for independent audits, and to prescribe the scope of audits, provided that the audits comply with the requirements set forth below. Where contracts are awarded for audit services, the contracts shall include a reference to this provision.
- (4) The provisions of this article do not limit the authority of FEMA to make audits of recipient organizations. However, if independent audits arranged for by recipients

- meet the requirements prescribed below, FEMA shall rely on them, and any additional work shall build upon the work already done.
- (5) Audits shall be made in accordance with the General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions," the Guidelines for Financial and Compliance Audits of Federally Assisted Programs, any compliance supplements approved by OMB, and generally accepted auditing standards established by the American Institute of Certified Public Accountants.
 - (6) Audits shall include, at a minimum, an examination of the systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of Federal funds, financial transactions and accounts, and financial statements and reports of recipient organizations. These examinations are to determine whether:
 - i. There is effective control over and proper accounting for revenues, expenditures, assets, and liabilities.
 - ii. The financial statements are presented fairly in accordance with generally accepted accounting principles.
 - iii. The Federal financial reports (including Financial Status Report, Cash Reports, and claims for advances and reimbursements) contain accurate and reliable financial data; and are presented in accordance with the terms of this instrument, and in accordance with the General provision entitled, "Financial Reporting Requirements," of this instrument.
 - iv. Federal funds are being expended in accordance with the terms of applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or on the awards tested.
 - (7) In order to accomplish the purposes set forth above, a representative number of charges to Federal awards shall be tested. The test shall be representative of (1) the universe of Federal awards received, and (2) a cost categories that materially affect the award. The test is to determine whether the charges:
 - i. Are necessary and reasonable for the proper administration of the program.
 - ii. Conform to any limitations or exclusions in the award.
 - iii. Were given consistent accounting treatment and applied uniformity to both Federally assisted and other activities of the recipient.
 - iv. Were net of applicable credits.
 - v. Did not include costs properly chargeable to other Federally assisted programs.
 - vi. Were properly recorded (i.e., correct amount, date) and supported by source documentation.
 - vii. Were approved in advance, if subject to prior approval in accordance with OMB Circular A-87.
 - viii. Were incurred in accordance with competitive purchasing procedures, as set forth in "Procurement Standards" (13.32(n)).
 - ix. Were allocated equitably to benefiting activities, including non-Federal activities.
 - (8) Audits usually will be made annually, but not less frequently than every two years.
 - (9) If the auditor becomes aware of irregularities in the recipient organization, the auditor shall promptly notify the cognizant agency and recipient management officials above the level of involvement. Irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets.
 - (10) The audit report shall include:
 - i. Financial statements including footnotes, of the recipient organization.
 - ii. The auditor's comments on the financial statement which should:
 - (A) Identify the statements examined and the period

- (B) Identify the various programs under which the organization received Federal funds, and the amount of the awards received
 - (C) State that the audit was done in accordance with the standards in paragraph 13.32 (g)(8).
 - (D) Express an opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting principles. If an unqualified opinion cannot be expressed, state the nature of the qualification.
- iii. The auditor's comments on compliance and internal control which should:
 - (A) Include comments on weaknesses in and noncompliance with the systems of internal control, separately identifying material weaknesses.
 - (B) Identify the nature and impact of any noted instances of noncompliance with the terms of agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements and reports.
 - (C) Contain an expression of positive assurance with respect to compliance with requirements for tested items, and negative assurance for untested items.
 - iv. Comments on the accuracy and completeness of financial reports and claims for advance or reimbursement to Federal agencies.
 - v. Comments on corrective action taken or planned by the recipient.
- (11) Work papers and reports shall be retained for a minimum of three years from the date of the audit report unless the auditor is notified in writing by the cognizant agency of the need to extend the retention period. The audit work papers shall be made available upon request to the cognizant agency or its designees and the General Accounting Office or its designees.
 - (12) Recipients shall require subrecipients that are State and local governments or Indian tribal governments to adopt the requirements of paragraphs ("1") through ("11") above. The recipient shall ensure that the subrecipient audit reports are received as required and shall submit the reports to the cognizant agency.

(16) Other Administrative Provisions

The recipient agrees that:

- (1) It shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the recipient receives Federal financial assistance and shall immediately take any measures necessary to effectuate this Agreement.
- (2) It shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) prohibiting employment discrimination where (a) the primary purpose of an instrument is to provide employment of (b) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.
- (3) It shall comply with the provisions of the Age Discrimination Act of 1975, and in accordance with that Act, shall prohibit discrimination on the basis of age.
- (4) It shall comply, to the extent applicable, with Title IX of the Education Amendments of 1972, 20 U.S.C. 1681, et. seq., which provides that no person in the United States shall, on the basis of sex; be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any educational programs or activity receiving Federal financial assistance.

- (5) It shall comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d, P.L. 93-112), and all requirements imposed by or pursuant to the regulations of the Department of Health, Education and Welfare (45 CFR Parts 80, 81, and 84), promulgated under the foregoing statute. It agrees that, in accordance with the foregoing requirements, no otherwise qualified handicapped person, by reason of handicap, should be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, and that it shall take any measures necessary to effectuate the Agreement.
- (6) It shall establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others; particularly those with whom they have family, business, or other ties.
- (7) It shall comply with the flood insurance purchase requirements of Section 102(a) of the Federal Disaster Protection Act of 1973. P.L. 93-234, 87 Stat. 975, approved December 13, 1975, which call for the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards.

The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment or subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

- (8) It will comply with provisions of Executive Order 11288, relating to the prevention, control, abatement of water pollution.
- (9) It shall assist FEMA in its compliance with Executive Order 11988, Flood Plain Management which requires avoidance, to the extent possible, of the long- and short-term adverse impact associated with the occupancy and modification of floodplains and to avoid the direct or indirect support of floodplain development whenever there is a practicable alternative.
- (10) It shall ensure, pursuant to Executive Order 11738, that the facilities under its ownership, lease or supervision, which shall be utilized in the accomplishment of the instrument are not listed on the Environmental Protection Agency (EPA) list of violating facilities and that it shall notify FEMA of the receipt of any communications from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- (11) It shall comply with the provisions of the National Environmental Policy Act of 1969. (P. L. 91-190), and Executive Order 11514, as amended by Executive Order 11991, which promotes efforts to prevent or eliminate damage to the environment and biosphere and requires an Environmental Impact Statement when plans and programs may affect the quality of the environment.
- (12) It shall comply, to the extent applicable, with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by P.L. 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by P.L. 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder.
- (13) It shall assist FEMA in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and

- the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et. seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notifying the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by FEMA to avoid or mitigate adverse effects upon such properties.
- (14) It shall comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act (29 U.S.C. 201), as they apply to employees of institutions of higher education, hospitals, and other nonprofit organizations.
 - (15) It shall comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-648; 42 U.S.C. 4601 et. seq.) which provides for fair and equitable treatment of persons displaced as a result of Federal and Federally assisted programs.

The following assurances apply to State and Local Government recipients (A-102):

- (16) It shall comply with the provisions of the Hatch Act which limits the political activity of employees.
- (17) It will comply with all requirements imposed by the Federal grantor agency concerning special requirements of law, program requirements, and other administrative requirements approved in accordance with A-102.

The following assurances are applicable when construction requirements are present:

- (18) It will have sufficient funds available to meet the non-Federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
- (19) It will require the facility to be designed to comply with the "American Standard Specification for making Building and Facilities Accessible to, and Usable by the Physically Handicapped," number A117.1-1961, as modified. (41 CFR 101-17.703). The applicant will be responsible for conducting the inspections to ensure compliance with these specifications by the contractor.
- (20) It will obtain approval by the appropriate Federal agency on the final working drawings and specifications before the project is advertised or placed on the market for bidding; that it will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications; that it will submit to the appropriate Federal agency for prior approval changes that alter the costs of the project, use or space, or functional layout; that it will not enter into a construction contract(s) for the project or undertake other activities until the conditions of the construction grant program(s) have been met.
- (21) It will cause work on the project to be commenced within a reasonable time after receipt of notification from the approving Federal agency that funds have been approved and that the project will be prosecuted to completion within reasonable diligence.
- (22) It will not dispose of or encumber its title or other interests in the site and facilities during the period of Federal interest or while the Government holds bonds, whichever is the longer.
- (23) It will provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications; that it will furnish progress

- reports and such other information as the Federal grantor agency may require.
- (24) It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the applicable Federal, State and local agencies for the maintenance and operation of such facilities.

Exhibit D**Guidelines for Property Acquisition Projects**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) mandates that property owners receive just compensation for their property and relocation assistance from Federal acquisition programs. The URA also sets specific time limits and places other requirements on the acquiring agency. There are exceptions to the provisions of the URA, however, for voluntary transactions which meet the specific criteria found at 49 CFR Part 24.101 (a). This exception requires that the acquiring agency (subgrantee) inform the property owner in writing:

- a. That it will not use its power of condemnation to acquire the property in the event negotiations fail; and
- b. What it believes to be the fair market value of the property.

FEMA recommends that the property owner and the subgrantee sign a Voluntary Transaction Agreement to ensure that the property owner understands that they are not automatically eligible for additional relocation benefits beyond the purchase price of the property.

For each property identified for acquisition, the subgrantee should establish and document a fair market value. The value must be derived from a reasonable methodology that has been consistently applied throughout the community, such as independent appraisals, opinions of value, or a formula based on tax assessments. FEMA should coordinate with the State and the subgrantee in their determination of whether the valuation should be based on pre- or post-flood market value. However, all appraisals in a given community (ie. the FMA project area) should be based on the same terms.

The acquiring entity (subgrantee) should inform each property owner of what it considers to be the fair market value of the property. The subgrantee may wish to set a time limit with the property owner for the validity of a purchase offer. The subgrantee must conduct a title search for each property to ensure that there are no mortgagees or liens outstanding at the time of sale. The grant agreement should include this stipulation.

Tenants who must relocate as a result of acquisition of their housing are entitled to URA relocation benefits (such as moving expenses, replacement housing rental payments, and relocation assistance advisory services) regardless of the owner's voluntary participation. For details on these requirements, see 49 CFR Part 24, Subpart C.

Title to the property is treated in one of two ways, depending upon the scope of the project:

- 1) Full title is acquired or accepted by the subgrantee; or
- 2) The subgrantee acquires all development rights to the property, with the original owner retaining only the right to make use of the property for farming or quiet enjoyment.

The subgrantee will seek the approval of the Board (grantee) and the FEMA Regional Director before conveying ownership of the property to any other party. All development rights to the property must be retained by the subgrantee. The FEMA Regional Director will only approve the transfer of properties that meet the criteria identified above.

As a condition of receiving the grant, the applicant (subgrantee) shall enter into an agreement with the grantee that assures:

a) the property acquired, accepted, or from which structures are removed must carry a permanent deed restriction providing that the property be maintained for open space, recreational, or wetlands management purposes only;

b) the deed restriction must also stipulate that no future disaster assistance for any purpose from any Federal source will be sought or provided with respect to the property (insurance claims such as NFIP and Federal Crop Insurance are not considered disaster assistance);

c) the deed restriction must also stipulate that no new structures will be erected on the property other than a public facility that is open on all sides or is a rest room and is functionally related to open space (structures that are walled on all sides must meet NFIP minimum requirements);

d) in fee simple transactions, the deed restriction must also stipulate that the new titleholder must obtain the approval of the Board (grantee) and the FEMA Regional Director before conveying ownership of the property to another public entity. Property transfer to private citizens and corporations will not be approved. All development rights to the property must be retained by the subgrantee or other public entity;

e) the subgrantee shall ensure that all structures be removed from the property within 90 days of closing and disposed of in accordance with applicable laws. The FEMA Regional Director can grant an exception to this requirement if extenuating circumstances exist; and

f) the subgrantee accepts responsibility for monitoring and enforcing the deed restrictions and/or easement language.

If any parts of the structure are sold for salvage value, this amount is deducted from the total cost of the project. The subgrantee (or whoever holds legal title to the property) must provide for the continued maintenance of the property once the initial debris removal, vegetative site stabilization, and new landscaping are complete.

The FEMA Regional Director may approve (on a case-by-case basis) the erection of structures which do not meet the criteria above *before* commencement of construction. However, the structure must be constructed in compliance with the community's floodplain management ordinance, meet NFIP minimum requirements, and be compatible with open space uses and floodplain management policies and practices.

Exhibit E

Task Budget

Task	Description	Total Budget
Task 1	Administration, appraisal, title search & closing	\$42,614.90
Task 2	Site acquisition (17 properties)	\$7,321,970.04
Task 3	Structure demolition	\$2,976,480.02
Task 4	Tenant or inhabitant relocation assistance	\$1,612,500.00
Total		\$11,953,564.96

Expense Budget

Expense Category	Total Budget
Salaries and Wages ¹	\$0.00
Fringe ²	\$0.00
Travel	\$0.00
Subcontractor (demolition)	\$2,976,480.02
Other Expenses ³	\$0.00
Overhead ⁴	\$0.00
Property buyout ⁵	\$8,977,084.94
Profit	\$0.00
Total	\$11,953,564.96

¹ Salaries and Wages is defined as the cost of salaries of engineers, draftsmen, stenographers, surveymen, clerks, laborers, etc., for time directly chargeable to this contract.

² Fringe is defined as the cost of social security contributions, unemployment, excise, and payroll taxes, employment compensation insurance, retirement benefits, medical and insurance benefits, sick leave, vacation, and holiday pay applicable thereto.

³ Other Expenses is defined to include expendable supplies, communications, reproduction, postage, and costs of public meetings directly chargeable to this CONTRACT.

⁴ Overhead is defined as the costs incurred in maintaining a place of business and performing professional services similar to those specified in this contract. These costs shall include the following:

- Direct salaries, including that portion of the salary of principals and executives that is allocable to general supervision;
- Indirect salary fringe benefits;
- Accounting and legal services related to normal management and business operations;
- Travel costs incurred in the normal course of overall administration of the business;
- Equipment rental;
- Depreciation of furniture, fixtures, equipment, and vehicles;
- Dues, subscriptions, and fees associated with trade, business, technical, and professional organizations;
- Other insurance; Rent and utilities; and
- Repairs and maintenance of furniture, fixtures, and equipment.

⁵ Property Buyout is defined as the cost of Site Acquisitions, Appraisal, Property Owner Counseling, Title Search and Closing and tenant or inhabitant relocation assistance.

Agreement
BETWEEN
AMERICAN HOUSING FOUNDATION,
Brandywood Housing, Ltd.
AND
The City of Pasadena, Texas

This Agreement ("Agreement") is entered into by and between American Housing Foundation ("AHF"), Brandywood Housing, Ltd. ("Brandywood") and the City of Pasadena, Texas (the "CITY").

The purpose of this AGREEMENT is to establish a binding agreement as to the responsibilities of AHF, Brandywood and the CITY in the delivery of the following described property, to encourage cooperation between AHF, Brandywood and the CITY and to further detail the distinct roles of each party.

I. BACKGROUND

A. It is to the mutual benefit of AHF, Brandywood, and the CITY to receive a Federal Emergency Management Administration ("FEMA") grant, through the Texas Water Development Board ("TWDB"), as a part of the purchase, demolition, restoration of disturbed areas, and construction of drainage improvements as approved by the CITY on the site of seventeen (17) buildings at the property known as Brandywood Apartments located in Pasadena, Texas (the "Property"). The Property includes the following buildings located at 6411 SPENCER HIGHWAY BLDG.1, 6411 SPENCER HIGHWAY BLDG.2, 6411 SPENCER HIGHWAY BLDG.3, 6411 SPENCER HIGHWAY BLDG.4, 6411 SPENCER HIGHWAY BLDG.5, 6411 SPENCER HIGHWAY BLDG.6, 6411 SPENCER HIGHWAY BLDG.8, 6411 SPENCER HIGHWAY BLDG.9, 6411 SPENCER HIGHWAY BLDG.10, 6411 SPENCER HIGHWAY BLDG.12, 6411 SPENCER HIGHWAY BLDG.13, 6411 SPENCER HIGHWAY BLDG.14, 6411 SPENCER HIGHWAY BLDG.15, 6411 SPENCER HIGHWAY BLDG.16, 6411 SPENCER HIGHWAY BLDG.17, 5150 RED BLUFF RD. BLDG.16, and 5150 RED BLUFF RD. BLDG.17.

B. The CITY applied through the TWDB for a FEMA project grant under the Severe Repetitive Loss ("SRL") program to mitigate specific flood problems with seventeen (17) buildings at the Property.

C. FEMA, through the TWDB, has agreed to fund the federal share of the total project costs. The federal share is 90% of the cost, or approximately \$10,758,208.46 which will be escrowed by TWDB. The approval of the grant is contingent upon the CITY's agreeing to pay the remaining 10%, or approximately \$1,195,356.50. This TWDB contract is attached as Exhibit "A" incorporated herein and AHF and Brandywood agree to comply with all conditions contained therein.

The CITY has requested and AHF has agreed to pay the total of the CITY's share in exchange for the CITY's purchase of the Property and the payment to AHF of the costs defined herein. This program implementation will be completed at no cost to the CITY therefore any additional costs will be borne solely by AHF and Brandywood. The payment by the CITY to AHF and Brandywood for purchase of the Property will occur after relocation of all tenants, demolition of the buildings, payment of taxes, approval and/or certification by the TWDB that all terms of the project grant have been satisfied and any other provisions or requirements required by this AGREEMENT.

EXHIBIT "1"

II. Terms

A. Upon execution and approval of this Agreement, the CITY will request that TWDB escrow ninety percent (90%) of the purchase price of the Property and ninety percent (90%) of the cost of the demolition contract with Texas Capital Bank (the "Escrow").

B. AHF will provide the following services (the "Services") and other requirements contained in this AGREEMENT prior to Closing:

1. Upon deposit of the Escrow, AHF or its subcontractor shall perform all FEMA required relocation assistance for the tenants of the Property. AHF shall be entitled to a total relocation payment equal to 90% of the actual incurred costs for eligible relocation expenses from the grant. AHF and/or Brandywood will pay the remaining 10% and any additional costs in excess of the amount allocated by the terms of the grant will also be borne solely by AHF and Brandywood. AHF and/or Brandywood will also bear the cost for surveying the property and any cost associated with preparation of metes and bounds for the tracts of land that the CITY is buying.

2. For this task, AHF will review eligibility for relocation benefits. AHF will obtain information from each tenant to be relocated and calculate benefit amounts to be paid. AHF will prepare an agreement for each eligible tenant and will oversee the payment of benefits. Specific additional scope items will include:

- a. Rent an apartment in the complex to establish presence, on-site
- b. Public meeting to tenants informing them of process
- c. Notice to vacate to all tenants
- d. Coordination of relocation for all tenants, to include:
 - i. Assistance with identifying replacement properties
 - ii. Request for relocation checks payable to eligible tenants
- iii. Oversight of inspections to ensure replacement properties are decent, safe and sanitary (actual cost of inspections are not included in above referenced fee)
 - e. Maintain a hardcopy file for each tenant that received relocation assistance.

C. As tenants in each building are relocated, AHF shall perform or cause to be performed all demolition and improvements required to deliver the site to the CITY in a condition acceptable to the CITY, which acceptance will not be unreasonably withheld. This cost has been determined to be \$1,118,880, 90% of which will be paid by FEMA through TWDB, with the remaining 10% cost borne by AHF and Brandywood and paid from the Escrow upon receipt of invoices in proper form. Any additional costs in excess of the amount allocated by the terms of the grant will be borne solely by AHF and Brandywood. This will include but not be limited to site grading and restoration, sodding of the area, and design and construction of a storm water detention facility on the Property.

D. As part of the demolition, AHF shall perform, or cause to be performed all asbestos testing and abatement, at a total cost of \$1,857,600, which cost shall be paid to AHF 90% by FEMA through TWDB and 10% by AHF and Brandywood, from the Escrow upon receipt of invoices in proper form. Any additional costs in excess of the amount allocated by the terms of the grant will be borne solely by AHF and Brandywood.

E. The remainder of the Brandywood Apartments will be maintained in the normal course of business.

F. The CITY will provide the following:

1. Prompt processing of all requests for reimbursement for relocation, demolition and abatement.
2. All requirements from TWDB or FEMA related to the Project.

III. Closing

A. At Closing, Brandywood shall provide the CITY with a Warranty Deed conveying the Property to the CITY in exchange for payment of the purchase price of \$7,321,970.00, less flood insurance of \$1,506,841.00 and credit for receipted repairs of \$71,552.03, bringing the total purchase price to \$5,886,681.03, 90% (\$5,298,012.93) of which shall be funded by the Escrow by the CITY from funds provided by TWDB and 10% (\$588,688.10) by Brandywood and/or AHF. The Purchase Price is shown in detail on the SRL PILOT PROGRAM Final Mitigation Offer, which must be executed by the CITY and Brandywood and which is attached as Exhibit A-1 hereto. The aforementioned payment by the CITY and execution of the Final Mitigation Offer will not occur until the CITY receives approval and/or certification by the TWDB that all terms of the project grant have been satisfied and any other provisions or requirements required by this AGREEMENT.

B. Brandywood will also deliver to the CITY the Lease Agreement in the form attached hereto as Exhibit "B" leasing back the Property on the terms set forth therein.

C. At Closing, AHF and/or Brandywood will pay all property taxes owing to the CITY and enter into an agreement with the CITY not to protest or appeal City property taxes for so long as Brandywood or its subsidiaries or assigns owns the adjacent property, all as set forth in the side letter attached hereto as Exhibit "C".

D. At Closing, AHF and/or Brandywood will pay under protest all taxes currently due and payable to Harris County.

E. The Closing shall occur within ten (10) days of completion and acceptance of the demolition and abatement of the Property.

IV. TERMINATION

No party shall have the right to terminate this AGREEMENT without cause. Any of the parties may terminate for breach of this AGREEMENT and the CITY may terminate if the grant is terminated by TWDB. In either case the terminating party shall give the other parties written notice by certified mail at least sixty (60) days prior to the date the AGREEMENT is to be terminated.

V. NO DUTY EXCEPT AS EXPRESSLY STATED

AHF and Brandywood shall perform all Services in a careful and workmanlike manner and in accordance with the nationally accepted standards of care, skill and diligence applicable to the Services. Otherwise, there shall be no duty owed by either party to this AGREEMENT except those that are expressly stated herein.

VI. COMPLIANCE WITH LAW

AHF and/or Brandywood shall give all notices and comply with all federal, state, and local laws, ordinances, rules and regulations and the lawful orders of any public authority bearing on the performance of its Services. By execution of this AGREEMENT they warrant and covenant to the CITY that all

Services will be performed in accordance with all applicable federal, state, county and the CITY codes, laws, ordinances, rules and regulations.

VII. INDEMNIFICATION

TO THE EXTENT PERMITTED BY LAW, AHF AND BRANDYWOOD AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS, CONSULTANTS, AND VOLUNTEERS HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES, "DAMAGES" FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, FAILURE TO COMPLY WITH GOVERNMENTAL LAWS OR REGULATIONS, OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY THE BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS MEMORANDUM OF AGREEMENT, OR BY ANY ACT OR OMISSION OF THAT PARTY, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS AND/OR BRANDYWOODS OR VOLUNTEERS, IN THE PERFORMANCE OF THIS AGREEMENT, EXCEPT TO THE EXTENT IT IS CAUSED BY THE NEGLIGENCE OR CONDUCT OF ANY OTHER PARTY INDEMNIFIED HEREUNDER. SUCH OBLIGATION SHALL NOT BE CONSTRUED TO NEGATE, ABRIDGE, OR OTHERWISE REDUCE ANY OTHER RIGHT OR OBLIGATION OF INDEMNITY WHICH WOULD OTHERWISE EXIST AS TO ANY PARTY OR PERSON DESCRIBED IN THIS SECTION. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

VIII. LIMITATION OF AGREEMENT

The CITY, Brandywood and AHF and TWDB as described herein agree and acknowledge that this AGREEMENT is entered into by and between the CITY, Brandywood and AHF only, and is not intended to inure to the benefit of any other party. No party other than the CITY, Brandywood and AHF may claim a benefit pursuant to this AGREEMENT.

IX. ACCESS TO RECORDS

AHF and/or Brandywood agree to provide access by the CITY or any of their duly authorized representatives to any books, documents, papers, and records of the Property which are directly pertinent to this AGREEMENT for the purposes of making audit, examination, excerpts, and transcriptions.

X. RETENTION OF RECORDS

The CITY, Brandywood and AHF agree to retention of all records pertinent to this AGREEMENT for three (3) years after this AGREEMENT is terminated and all other pending matters are closed.

XI. EQUAL EMPLOYMENT OPPORTUNITY

AHF and Brandywood shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or handicap. AHF and Brandywood shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin or handicap. Such action shall include, but not be limited to (1) employment, (2) upgrading, (3) demotion, (4) transfer, (5) recruitment or recruitment

advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training, including apprenticeship. AHF and Brandywood shall include the terms and conditions of this clause in every subcontract unless exempted by the rules, regulations, or order of the Secretary of Labor issued under Executive Order 11246, as amended.

XII. ASSIGNMENT

This AGREEMENT is not assignable unless such assignment shall be consented to in writing by all the parties.

XIII. INTEGRATION AND SEVERABILITY

This AGREEMENT constitutes the entire agreement between the CITY, Brandywood and AHF with respect to the subject matter hereof and supersedes all prior agreements, either written or oral. This AGREEMENT cannot be altered, changed or amended except by written instrument signed by both parties. Should any portion of this AGREEMENT be deemed unenforceable by a court of competent jurisdiction or by operation of law, the remaining portions hereof shall be unaffected and be interpreted as if such unenforceable portions were initially deleted.

XIV. STATE LAW AND VENUE

This AGREEMENT has been executed and delivered in the State of Texas, and shall be construed in accordance with the laws of such State, without regard to the conflict of law provisions of the State of Texas or any other jurisdiction. Any action brought to enforce or interpret this AGREEMENT shall be brought in the court of appropriate jurisdiction in Harris County, Texas.

XV. WAIVER

No waiver of any term or condition of this AGREEMENT by either party shall be deemed to imply or constitute a further waiver of the same term or condition or of any other term or condition. Any such waiver must be in writing and signed by the party granting such waiver.

XVI. CONSTRUCTION

Each party agrees that any court interpreting or considering this AGREEMENT shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who prepared it.

XVII. PARAGRAPH HEADINGS

The paragraph headings used herein are descriptive only and shall have no legal force and effect whatsoever.

XVIII. ADVICE OF COUNSEL

Both parties acknowledge that this AGREEMENT is a legal document and that they have been advised and given the opportunity to seek the advice of legal counsel of their own choosing as to its contents, obligations and effect.

XIX. NO AGENCY RELATIONSHIP

Nothing contained in this AGREEMENT or in the relationship between AHF and the CITY shall be deemed to constitute such relationship as a partnership or joint venture, or constitute the CITY as an employee or a partner of AHF, or create any other relationship between AHF and the CITY, expressed or implied

SIGNED this _____ day of _____, 2009.

SIGNATURES ON FOLLOWING PAGE

AMERICAN HOUSING FOUNDATION

City of Pasadena, Texas

BY: _____
Name:
Title:

BY: _____
Name:
Title:

BRANDYWOOD HOUSING, LTD.

By: _____
Name:
Title:

CITY OF PASADENA, TEXAS

Linda Rorick, City Secretary

Johnny Isbell, Mayor

Approved as to form

Lee Clark, City Attorney

Exhibit A-1

Severe Repetitive Loss (SRL) Pilot Program

Final Mitigation Offer

Grantee: State of Texas, Governor's Division of Emergency Management (GDEM)

Subgrantee: City of Pasadena

Property Owner(s): Brandywood Housing, LTD, a Texas Limited Partnership,

Property Address: 6411 Spencer Hwy Bldg. 1, 6411 Spencer Hwy Bldg. 2, 6411 Spencer Hwy Bldg. 3, 6411 Spencer Hwy Bldg. 4, 6411 Spencer Hwy Bldg. 5, 6411 Spencer Hwy Bldg. 6, 6411 Spencer Hwy Bldg. 8, 6411 Spencer Hwy Bldg. 9, 6411 Spencer Hwy Bldg. 10, 6411 Spencer Hwy Bldg. 12, 6411 Spencer Hwy Bldg. 13, 6411 Spencer Hwy Bldg. 14, 6411 Spencer Hwy Bldg. 15, 6411 Spencer Hwy Bldg. 16, 6411 Spencer Hwy Bldg. 17, 5150 Red Bluff Bldg 16, and 5150 Red Bluff Bldg 17.

Street Address	RL #	Policy #
6411 SPENCER HWY BLDG 1	17589	RL00010982
6411 SPENCER HWY BLDG 2	17590	RL00006828
6411 SPENCER HWY BLDG 3	17591	RL00006829
6411 SPENCER HWY BLDG 4	17592	RL00006830
6411 SPENCER HWY BLDG 5	1462	RL00006831
6411 SPENCER HWY BLDG 6	17593	RL00006832
6411 SPENCER HWY BLDG 8	72401	RL00006833
6411 SPENCER HWY BLDG 9	17596	RL00006834
6411 SPENCER HWY BLDG 10	85796	RL00006835
6411 SPENCER HWY BLDG 12	72399	RL00006837
6411 SPENCER HWY BLDG 13	1464	RL00006838
6411 SPENCER HWY BLDG 14	1465	RL00006839
6411 SPENCER HWY BLDG 15	17598	RL00010980
6411 SPENCER HWY BLDG 16	72396	RL00006840
6411 SPENCER HWY BLDG 17	85795	RL00006841
5150 RED BLUFF RD BLDG 16	88094	RL00006827
5150 RED BLUFF RD BLDG 17	117244	0000105034

See attached Exhibit A for legal description.

This documents the formal Mitigation Offer of Assistance for the SRL program.

1. A mitigation grant has been awarded to the City of Pasadena (herein after referred to as "City") that includes your SRL property.
2. The SRL program is a voluntary program. Neither the GDEM nor the City will use their power of eminent domain to acquire your property for open space purposes if you choose not to participate or if negotiations fail.
3. All information related to you and/or your individual property that is collected during the consultation and offer processes shall be protected consistent with the federal Privacy Act and similar State and local laws and ordinances.
4. The estimated amounts in the Pre-Award Consultation Agreement are finalized in the Mitigation Offer below.
5. The City will complete Section A. for property acquisition or Section B. for mitigation activities other than acquisition.

Section A. Property Acquisition

In order to receive pre-event market value for your property, you sign here to document your eligibility to receive that amount; otherwise, you will receive a Mitigation Offer based on appropriate purchase offer methodology (i.e. current market value, outstanding loans, original purchase price):

"I certify that I am a National of the United States or a qualified alien."

Signature of SRL Property Owner(s) Date

Signature of SRL Property Owner(s) Date

Your Final Mitigation Offer is based on adjusting the valuation of your purchase offer of \$7,321,970.00, by deductions for flood insurance of \$1,506,841.00, and credit for receipted repairs in the amount of \$71,552.03. The methodology used to calculate your property value was outstanding loans.

Final Mitigation Offer: \$5,886,681.03

Federal / non-Federal Cost Share (75 / 25 or 90 / 10): 90%/10%

Cost borne by property owner (10%): \$588,668.10

Net offer to property owner (90%): \$5,298,012.93

You are accountable for maintenance and insurance requirements for the property during the mitigation project (i.e., maintaining flood insurance through property transfer).

Your additional responsibilities may include, receiving funds in a bank account for the project, keeping receipts for the project in accordance with GDEM grant and contract requirements, and other programmatic requirements e.g., timelines for vacating the property and as specified below by the City.

You must vacate the property at time of closing and settlement.

At this time you must sign the attached Statement of Voluntary Participation.

The local government and property owner will initial and date below to document each meeting related to the Mitigation Offer.

Property Owner(s)	Local Government Official(s)	Date
-------------------	------------------------------	------

Property Owner(s)	Local Government Official(s)	Date
-------------------	------------------------------	------

Property Owner(s)	Local Government Official(s)	Date
-------------------	------------------------------	------

Accepting or Declining the Mitigation Offer

You have 45 days from the date of the Mitigation Offer Letter to accept or decline the mitigation offer of assistance by signing the appropriate section below and returning it to Jeffrey S. Ward at 14401 Bookcliff Ct., Purcellville, VA 20132. Failure to respond to the Mitigation Offer within 45 days of the date on this Mitigation Offer constitutes declining the Mitigation Offer.

1. You may request in writing that the Regional Administrator extend your the period of time to consider the mitigation offer beyond 45 days. In your letter you must explain the extenuating circumstances. This request must be submitted before the expiration of the 45 day time period.
2. If you decline the Mitigation Offer made under the SRL program, your property will be subject to an increased flood insurance premium rate. Generally, this increase will occur upon renewal of the insurance policy. You will receive a separate Notice of NFIP Insurance Premium Rate Increase from FEMA.
3. If you decline the Mitigation Offer, you retain the right to appeal the increased flood insurance premium rate only in certain circumstances in accordance with 44 CFR Part 79.7 (d) and Section 5.4 of the SRL Program Guidance.

This offer of mitigation assistance remains open and available to you, even if you decline and/or appeal the offer, as long as the SRL program exists and funds are available.

Accepting the Mitigation Offer

Final Mitigation Offer: \$5,298,012.93

Mitigation Activity: **Acquisition and Demolition**

I, the property owner, accept this Mitigation Offer

Signature of SRL Property Owner(s) or Authorized Representative(s) Date

Signature of SRL Property Owner(s) or Authorized Representative(s) Date

Signature of City Representative

Date

EXHIBIT A-1

PARCEL 1

Metes and Bounds Description
 7.46 Acres (Tract One)
 Fabricus Reynolds Survey Abstract-643
 Harris County, Texas

Being 7.46 acres (324,895 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Beginning at a 5/8 inch steel rod set for the intersection of the northerly right-of-way line of Spencer Road (100 feet wide) and the east right-of-way line of Denkman Street (60 feet wide);

THEN, NORTH, along said east right-of-way line of Denkman Street, 1066.89 feet to a 5/8 inch steel rod set;

THEN, within said 28.7196 acre tract of land the following 15 courses:

1. South 73°13'23" East, 209.57 feet to a 5/8 inch steel rod set;
2. North 17°20'12" East, 19.83 feet to a 5/8 inch steel rod set;
3. South 62°08'03" East, 81.69 feet to a 5/8 inch steel rod set;
4. South 13°15'09" West, 224.80 feet to a 5/8 inch steel rod set;
5. South 71°43'32" East, 36.66 feet to a 5/8 inch steel rod set;
6. South 50°43'45" East, 87.79 feet to a 5/8 inch steel rod set;
7. South 31°31'30" West, 90.99 feet to a 5/8 inch steel rod set;
8. South 57°42'43" East, 148.59 feet to a 5/8 inch steel rod set;
9. North 30°32'13" East, 85.79 feet to a 5/8 inch steel rod set;
10. South 55°29'37" East, 79.64 feet to a 5/8 inch steel rod set;
11. South 27°35'56" West, 195.46 feet to a PK nail with shiner set in concrete;
12. North 64°16'50" West, 89.86 feet to a PK nail with shiner set in concrete;
13. South 25°54'05" West, 271.39 feet to a PK nail with shiner set in concrete;
14. South 70°00'47" East, 88.53 feet to a PK nail with shiner set in concrete;
15. South 26°06'36" West, 267.62 feet to a 5/8 inch steel rod set in the arc of curve to the left of said northerly right-of-way line of Spencer Highway ;

THEN, in a northwesterly direction along the arc of said curve to the left from which the radius point bears South 24°28'53" West, having a radius of 1,982.00 feet, an arc length of 207.11 feet to the POINT OF BEGINNING.

CONTAINING 7.46 acres (324,895 square feet) of land.

Exhibit A-1
 PARCEL 2

Metes and Bounds Description
 0.37 Acres (Tract Two)
 Fabricus Reynolds Survey Abstract-643
 Harris County, Texas

Being 0.37 acres (15,921 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Commencing at a 1/2 inch steel rod found in the east right-of-way line of Denkman Street (60 feet wide), same being the southwest corner of Lot 40, Block 3 of Bramely Addition, a subdivision of record at Volume 36, Page 41 of Harris County Map Records;

THEN, within said 28.7196 acre tract of land the following 8 courses:

1. South 48°11'26" East, 692.16 feet to a 5/8 inch steel rod set for the POINT OF BEGINNING;
2. North 44°37'14" East, 64.53 feet to a 5/8 inch steel rod set;
3. North 20°00'41" East, 57.75 feet to a 5/8 inch steel rod set;
4. North 89°56'49" East, 86.52 feet to a 5/8 inch steel rod set;
5. South 26°49'03" West, 106.31 feet to a 5/8 inch steel rod set;
6. South 63°38'13" East, 94.48 feet to a 5/8 inch steel rod set;
7. South 26°41'15" West, 56.04 feet to a 5/8 inch steel rod set;
8. North 62°01'49" West, 184.70 feet to the POINT OF BEGINNING;

CONTAINING 0.37 acres (15,921 square feet) of land.

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2009, by and between the City of Pasadena, Texas A Home Rule Municipal Corporation and, a body corporate and politic under the laws of the State of Texas ("Landlord") and Brandywood Housing, Ltd., a Texas limited partnership.

The parties agree as follows:

1. PROPERTY AND TERM.

Landlord leases to Tenant the real property described on Exhibit A attached hereto, situated in Pasadena, Texas, (the "Property") together with all improvements thereon, if any, and all rights, easements and appurtenances thereto belonging, for a term beginning on the _____ day of _____, 2009, and ending on the date upon which Brandywood is no longer the owner of the property located directly adjacent to the Property, which shall be effective upon written notice to the City of the transfer of ownership, upon the condition that Tenant performs as provided in this Agreement.

2. RENT.

Tenant agrees, in lieu of rent, to pay the costs of all insurance required by landlord for the use of the property as raw land and any structures and to keep the property mowed and maintained, to the reasonable satisfaction of Landlord.

3. POSSESSION.

Tenant shall be entitled to possession on the first day of the lease term, which shall be deemed to be simultaneous with Landlord's purchase of the Property, and shall yield possession to Landlord at the termination of this Agreement.

4. USE.

Tenant shall use the Property only for open space, recreational, or wetlands management purposes. No new structures may be erected on the Property other than a public facility that is open on all sides or a restroom, functionally related to the open space. Any such structures or alterations to the property by Tenant must be approved in writing in advance by landlord.

EXHIBIT "B"

5. CARE AND MAINTENANCE.

Tenant takes the Property as is. Tenant shall maintain the Property and shall be solely responsible for maintaining the Property in its current condition as a vacant parcel.

If Landlord erects any structures on the Property, Tenant shall not be responsible for the maintenance or repairs of those structures.

6. UTILITIES AND SERVICES.

Tenant shall pay for all utilities and services which may be used on the Property, except the following to be furnished by Landlord: In the event Landlord elects to erect structures on the Property, Landlord shall be responsible for delivery to and payment for such utility services to such structures.

7. SURRENDER.

Upon the termination of this Agreement, Tenant will surrender the Property to Landlord in good and clean condition, except for ordinary wear and tear or damage without fault or liability of Tenant.

8. ASSIGNMENT AND SUBLETTING.

No assignment or subletting, either voluntary or by operation of law, shall be effective without the prior written consent of Landlord, which consent shall not unreasonably be withheld.

9. INSURANCE.

Tenant shall be responsible for maintaining property insurance on the Property and shall name Landlord as an additional insured on such insurance. In the event Landlord elects to erect structures on the Property, Landlord shall provide insurance for such structures and shall name Tenant as an additional insured on such insurance.

10. INDEMNITY.

EXCEPT FOR THE NEGLIGENCE OF LANDLORD, TENANT WILL PROTECT, DEFEND, AND INDEMNIFY LANDLORD FROM AND AGAINST ANY AND ALL LOSS, COSTS, DAMAGE AND EXPENSES OCCASIONED BY, OR ARISING OUT OF, ANY ACCIDENT OR OTHER OCCURRENCE CAUSING OR INFLECTING INJURY OR DAMAGE TO ANY PERSON OR PROPERTY, HAPPENING OR DONE IN, UPON OR ABOUT THE PROPERTY, OR DUE DIRECTLY OR INDIRECTLY TO THE TENANCY, USE OR OCCUPANCY THEREOF, OR ANY PART THEREOF BY TENANT OR ANY PERSON CLAIMING THROUGH OR UNDER TENANT.

11. TERMINATION.

This Agreement may be terminated at the option of Landlord upon thirty (30) days notice to Tenant at any time during the term of the Agreement. Tenant may terminate this Agreement upon thirty (30) days notice in the event of sale or transfer by Tenant of the adjoining property to a third party, unrelated to Tenant. Either such termination shall be effected by written notice and both parties shall thereafter be released from all future obligations hereunder.

12. MECHANICS' LIENS.

Neither Tenant, nor anyone claiming by, through, or under Tenant, shall have the right to file any mechanic's lien against the Property. Tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the Property.

13. DEFAULT, NOTICE OF DEFAULT AND REMEDIES.

A. EVENTS OF DEFAULT Each of the following shall constitute an event of default by Tenant: (1) failure to observe or perform any duties, obligations, agreements, or conditions imposed on Tenant pursuant to the terms of the Agreement; (2) abandonment of the Property. "Abandonment" means the Tenant has failed to perform its duties under the Agreement for a period exceeding sixty (60) days; or (3) Institution of voluntary bankruptcy proceedings by Tenant; Institution of Involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of Tenant under this Agreement; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated within ten (10) days after the appointment of the receiver.

B. NOTICE OF DEFAULT Landlord shall give Tenant a written notice specifying the default and giving the Tenant ten (10) days in which to correct the default. If there is a default that cannot be remedied in the (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

C. REMEDIES In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following: Termination. Landlord may declare this Agreement to be terminated and shall give Tenant a written notice of such termination.

14. NOTICES AND DEMANDS.

All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this Agreement when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid.

15. PROVISIONS BINDING.

Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs administrators, executors and assigns of the parties hereto.

LANDLORD:

City of Pasadena, Texas

By: _____
MAYOR

Approved as to form:

Attest

City Attorney

City Secretary

TENANT:

Brandywood Housing, Ltd.,
A Texas limited partnership

By: _____, its
General Partner

By: _____
Name: _____
Title: _____

EXHIBIT A

PROPERTY DESCRIPTION

PARCEL 1

Metes and Bounds Description
 7.46 Acres (Tract One)
 Fabricus Reynolds Survey Abstract-643
 Harris County, Texas

Being 7.46 acres (324,895 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Beginning at a 5/8 inch steel rod set for the intersection of the northerly right-of-way line of Spencer Road (100 feet wide) and the east right-of-way line of Denkman Street (60 feet wide);

THEN, NORTH, along said east right-of-way line of Denkman Street, 1066.89 feet to a 5/8 inch steel rod set;

THEN, within said 28.7196 acre tract of land the following 15 courses:

1. South 73°13'23" East, 209.57 feet to a 5/8 inch steel rod set;
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12. North 64°16'50" West, 89.86 feet to a PK nail with shiner set in concrete;
13. South 25°54'05" West, 271.39 feet to a PK nail with shiner set in concrete;
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CONTAINING 7.46 acres (324,895 square feet) of land.

PARCEL 2

Metes and Bounds Description
0.37 Acres (Tract Two)
Fabricus Reynolds Survey Abstract-643
Harris County, Texas

Being 0.37 acres (15,921 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

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3. North 20°00'41" East, 57.75 feet to a 5/8 inch steel rod set;
4. North 89°56'49" East, 86.52 feet to a 5/8 inch steel rod set;
5. South 26°49'03" West, 106.31 feet to a 5/8 inch steel rod set;
6. South 63°38'13" East, 94.48 feet to a 5/8 inch steel rod set;
7. South 26°41'15" West, 56.04 feet to a 5/8 inch steel rod set;
8. North 62°01'49" West, 184.70 feet to the POINT OF BEGINNING;

CONTAINING 0.37 acres (15,921 square feet) of land.

4/23/2009

City of Pasadena, Texas
City Hall
1211 Southmore
Pasadena, TX 77502

RE: Letter Agreement between American Housing Foundation ("AHF"), Brandywood Housing, Ltd. ("Brandywood") and the City of Pasadena, Texas (the "City") regarding the payment of ad valorem taxes on accounts 21-157-000-0070, 21-157-000-0018, and 21-157-000-0111

Dear Sirs:

This letter is to serve as an agreement between AHF, Brandywood and the City with respect to payment of the City's ad valorem taxes on the property subject to ad valorem taxes under the above referenced tax account numbers (the "Property").

Brandywood is the current owner of all of the Property. By Agreement, Brandywood has agreed to sell and the City has agreed to purchase a portion of the Property. Brandywood had applied for property tax exemptions on the Property and the applications are currently in litigation

In consideration of the City's agreement to purchase a portion of the Property, AHF and Brandywood have agreed at closing of the purchase of the property, to pay the entire balance of taxes currently due and owing to the City. In addition, AHF and Brandywood have agreed to forego application for a property tax exemption from the City on the remaining portion of the Property for so long as Brandywood is the owner of the Property. If AHF and Brandywood are successful in the currently pending litigation, they will not require the City to repay the taxes which have been paid for City taxes at closing.

If this Letter Agreement is acceptable to you, please sign in the space provided below. If you have any questions, please do not hesitate to contact me.

I look forward to hearing from you.

SIGNATURES ON FOLLOWING PAGE

Sincerely,

AMERICAN HOUSING FOUNDATION

Steve W. Sterquell
CEO

BRANDYWOOD HOUSING, LTD

By: _____
Name: _____
Title: _____

AGREED AND ACCEPTED:

THE CITY OF PASADENA, TEXAS

By: _____
Title: _____
Date: _____

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

Date: _____, 2009

Grantor(s):

Grantors' mailing address:

Grantee: City of Pasadena

Grantee's mailing address:

Consideration: \$10.00 and other good and valuable consideration

Property: Legal Description:

Physical Address:

In reference to the property or properties ("Property") conveyed by the Deed between [*property owner*] participating in the federally-assisted acquisition project ("the Grantor") and the City of Pasadena, ("the Grantee"), its successors and assigns:

WHEREAS, the **Severe Repetitive Loss Pilot Program ("SRL")**, as authorized under Sections 1361(A) of the National Flood Insurance Act of 1968 (NFIA, or "the Act"), 42 USC 4011 et seq., as amended by the National Flood Insurance Reform Act of 1994 (NFIRA); Public Law 103-325, and the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, identifies the use of SRL funds for uses that reduce flood damages to properties insured under the National Flood Insurance Program ("NFIP");

WHEREAS, the mitigation grant program provides a process for a local government, through the State, to apply for federal funds for mitigation assistance to acquire interests in property, including the purchase of structures in the floodplain, to demolish and/or remove the structures, and to maintain the use of the Property as open space in perpetuity;

Whereas, City of Pasadena has applied for and been awarded such funding from the Department of Homeland Security, Federal Emergency Management Agency ("FEMA").

Whereas, the Property is located in the City of Pasadena and the City of Pasadena participates in the National Flood Insurance Program ("NFIP") and is in good standing with NFIP as of the date of the Deed;

WHEREAS, the terms of the mitigation grant program statutory authorities, Federal program requirements consistent with 44 C.F.R. Part 80, the Grant Agreement, and the State-local Agreement require that the Grantee agree to conditions that restrict the use of the land to open space in perpetuity in order to protect and preserve natural floodplain values;

Now, therefore, the grant is made subject to the following terms and conditions:

1. Terms. Pursuant to the terms of the [select mitigation grant program] program statutory authorities, Federal program requirements consistent with 44 C.F.R. Part 80, the Grant Agreement, and the State-local Agreement, the following conditions and restrictions shall apply in perpetuity to the Property described in the attached deed and acquired by the Grantee pursuant to FEMA program requirements concerning the acquisition of property for open space:

a. **Compatible uses.** The Property shall be dedicated and maintained in perpetuity as open space for the conservation of natural floodplain functions. Such uses may include: parks for outdoor recreational activities; wetlands management; nature reserves; cultivation; grazing; camping (except where adequate warning time is not available to allow evacuation); unimproved, unpaved parking lots; buffer zones; and other uses consistent with FEMA guidance for open space acquisition, Hazard Mitigation Assistance, Requirements for Property Acquisition and Relocation for Open Space.

b. **Structures.** No new structures or improvements shall be erected on the Property other than:

- i. A public facility that is open on all sides and functionally related to a designated open space or recreational use;
- ii. A public rest room; or
- iii. A structure that is compatible with open space and conserves the natural function of the floodplain, including the uses described in Paragraph 1.a., above, and approved by the FEMA Administrator in writing before construction of the structure begins.

Any improvements on the Property shall be in accordance with proper floodplain management policies and practices. Structures built on the Property according to paragraph b. of this section shall be floodproofed or elevated to at least the base flood level plus 1 foot of freeboard, or greater, if required by FEMA, or if required by any State, Tribal, or local ordinance, and in accordance with criteria established by the FEMA Administrator.

c. **Disaster Assistance and Flood Insurance.** No Federal entity or source may provide disaster assistance for any purpose with respect to the Property, nor may any application for such assistance be made to any Federal entity or source. The Property is not eligible for coverage under the NFIP for damage to structures on the property occurring after the date of the property settlement, except for pre-existing structures being relocated off the property as a result of the project.

d. **Transfer.** The Grantee, including successors in interest, shall convey any interest in the Property only if the FEMA Regional Administrator, through the State, gives prior written approval of the transferee in accordance with this paragraph.

i. The request by the Grantee, through the State, to the FEMA Regional Administrator must include a signed statement from the proposed transferee that it acknowledges and agrees to be bound by the terms of this section, and documentation of its status as a qualified conservation organization if applicable.

ii. The Grantee may convey a property interest only to a public entity or to a qualified conservation organization. However, the Grantee may convey an easement or lease to a private individual or entity for purposes compatible with the uses described in paragraph (a), of this section, with the prior approval of the FEMA Regional Administrator, and so long as the conveyance does not include authority to control and enforce the terms and conditions of this section.

iii. If title to the Property is transferred to a public entity other than one with a conservation mission, it must be conveyed subject to a conservation easement that shall be recorded with the deed and shall incorporate all terms and conditions set forth in this section, including the easement holder's responsibility to enforce the easement. This shall be accomplished by one of the following means:

- a) The Grantee shall convey, in accordance with this paragraph, a conservation easement to an entity other than the title holder, which shall be recorded with the deed, or
- b) At the time of title transfer, the Grantee shall retain such conservation easement, and record it with the deed.

iv. Conveyance of any property interest must reference and incorporate the original deed restrictions providing notice of the conditions in this section and must incorporate a provision for the property

interest to revert to the State, Tribe, or local government in the event that the transferee ceases to exist or loses its eligible status under this section.

2. **Inspection.** FEMA, its representatives and assigns including the State or Tribe shall have the right to enter upon the Property, at reasonable times and with reasonable notice, for the purpose of inspecting the Property to ensure compliance with the terms of this part, the Property conveyance and of the grant award.

3. **Enforcement.** The Grantee (mitigation grant program subgrantee), the State, FEMA, and their respective representatives, successors and assigns, are responsible for taking measures to bring the Property back into compliance if the Property is not maintained according to the terms of 44 C.F.R. Part 80, the property conveyance, and the grant award. The relative rights and responsibilities of FEMA, the State, the Grantee, and subsequent holders of the property interest at the time of enforcement, shall include the following:

a. The State will notify the Grantee and any current holder of the property interest in writing and advise them that they have 60 days to correct the violation.

i. If the Grantee or any current holder of the property interest fails to demonstrate a good faith effort to come into compliance with the terms of the grant within the 60-day period, the State shall enforce the terms of the grant by taking any measures it deems appropriate, including but not limited to bringing an action at law or in equity in a court of competent jurisdiction.

ii. FEMA, its representatives, and assignees may enforce the terms of the grant by taking any measures it deems appropriate, including but not limited to 1 or more of the following:

a) Withholding FEMA mitigation awards or assistance from the State or Tribe, and Grantee; and current holder of the property interest.

b) Requiring transfer of title. The Grantee or the current holder of the property interest shall bear the costs of bringing the Property back into compliance with the terms of the grant; or

c) Bringing an action at law or in equity in a court of competent jurisdiction against any or all of the following parties: the State, the Tribe, the local community, and their respective successors.

4. **Amendment.** This agreement may be amended upon signatures of FEMA, the State, and the Grantee only to the extent that such amendment does not affect the fundamental and statutory purposes underlying the agreement.

5. **Severability.** Should any provision of this grant or the application thereof to any person or circumstance be found to be invalid or unenforceable, the rest and remainder of the provisions of this grant and their application shall not be affected and shall remain valid and enforceable.

Grantor's Signature _____

Date _____

Name (printed or typed) _____

Grantee's Signature _____

Date _____

Grantee's Name _____

Grantee's Title _____

Exhibit A-1

Severe Repetitive Loss (SRL) Pilot Program

Final Mitigation Offer

Grantee: State of Texas, Governor's Division of Emergency Management (GDEM)

Subgrantee: City of Pasadena

Property Owner(s): Brandywood Housing, LTD, a Texas Limited Partnership,

Property Address: 6411 Spencer Hwy Bldg. 1, 6411 Spencer Hwy Bldg. 2, 6411 Spencer Hwy Bldg. 3, 6411 Spencer Hwy Bldg. 4, 6411 Spencer Hwy Bldg. 5, 6411 Spencer Hwy Bldg. 6, 6411 Spencer Hwy Bldg. 8, 6411 Spencer Hwy Bldg. 9, 6411 Spencer Hwy Bldg. 10, 6411 Spencer Hwy Bldg. 12, 6411 Spencer Hwy Bldg. 13, 6411 Spencer Hwy Bldg. 14, 6411 Spencer Hwy Bldg. 15, 6411 Spencer Hwy Bldg. 16, 6411 Spencer Hwy Bldg. 17, 5150 Red Bluff Bldg 16, and 5150 Red Bluff Bldg 17.

Street Address	RL #	Policy #
6411 SPENCER HWY BLDG 1	17589	RL00010982
6411 SPENCER HWY BLDG 2	17590	RL00006828
6411 SPENCER HWY BLDG 3	17591	RL00006829
6411 SPENCER HWY BLDG 4	17592	RL00006830
6411 SPENCER HWY BLDG 5	1462	RL00006831
6411 SPENCER HWY BLDG 6	17593	RL00006832
6411 SPENCER HWY BLDG 8	72401	RL00006833
6411 SPENCER HWY BLDG 9	17596	RL00006834
6411 SPENCER HWY BLDG 10	85796	RL00006835
6411 SPENCER HWY BLDG 12	72399	RL00006837
6411 SPENCER HWY BLDG 13	1464	RL00006838
6411 SPENCER HWY BLDG 14	1465	RL00006839
6411 SPENCER HWY BLDG 15	17598	RL00010980
6411 SPENCER HWY BLDG 16	72396	RL00006840
6411 SPENCER HWY BLDG 17	85795	RL00006841
5150 RED BLUFF RD BLDG 16	88094	RL00006827
5150 RED BLUFF RD BLDG 17	117244	0000105034

See attached Exhibit A for legal description.

This documents the formal Mitigation Offer of Assistance for the SRL program.

 **AIA** Document A111™ – 1997

Standard Form of Agreement Between Owner and Contractor
*where the basis of payment is the Cost of the Work Plus a Fee with a negotiated
 Guaranteed Maximum Price*

AGREEMENT made as of the Twentieth day of November
 in the year 2008 (Two Thousand Eight)
(In words, indicate day, month and year)

BETWEEN the Owner: American Housing Foundation
(Name, address and other information)
 American Housing Foundation
 1800 Washington, Ste 311
 Amarillo, TX 79102

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is not intended for use in competitive bidding.

AIA Document A201 –1997, General Conditions of the Contract for Construction, is adopted in this document by reference.

This document has been approved and endorsed by The Associated General Contractors of America.

and the Contractor:
(Name, address and other information)
 Mid-Continent Community Development
 1800 Washington
 Suite 206
 Amarillo, TX 79102

The Project is:
(Name and location)
 Brandywood Apartments
 6411 Spencer Highway
 Pasadena, TX 77505

The Architect is:
(Name, address and other information)
 N/A

The Owner and Contractor agree as follows.

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 15. If anything in the other Contract Documents is inconsistent with this Agreement, this Agreement shall govern.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 RELATIONSHIP OF THE PARTIES

The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Contractor's skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 4.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

To be determined.

If, prior to commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

§ 4.2 The Contract Time shall be measured from the date of commencement.

§ 4.3 The Contractor shall achieve Substantial Completion of the entire Work not later than days from the date of commencement, or as follows: 280 Days

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time, or for bonus payments for early completion of the Work.)

ARTICLE 5 BASIS FOR PAYMENT

§ 5.1 CONTRACT SUM

§ 5.1.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor's Fee.

§ 5.1.2 The Contractor's Fee is:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee, and describe the method of adjustment of the Contractor's Fee for changes in the Work.)

Profit (Two hundred forty eight thousand forty & no 100 dollars) \$248,040.00
 Overhead (Two hundred forty eight thousand forty & no 100 dollars)\$248,040.00

§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed * See Below (\$2,976,480.00), subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.

(Insert specific provisions if the Contractor is to participate in any savings.)

*Two million nine hundred seventy six thousand four hundred eighty & no/100 dollars

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

No alternates

§ 5.2.3 Unit prices, if any, are as follows:

No unit prices

§ 5.2.4 Allowances, if any, are as follows:

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

No allowances

§ 5.2.5 Assumptions, if any, on which the Guaranteed Maximum Price is based are as follows:

No Assumptions

§ 5.2.6 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Contractor has provided in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

ARTICLE 6 CHANGES IN THE WORK

§ 6.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201-1997.

§ 6.2 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201-1997 and the terms "costs" and "a reasonable allowance for overhead and profit" as used in Section 7.3.6 of AIA Document A201-1997 shall have the meanings assigned to them in AIA Document A201-1997 and shall not be modified by Articles 5, 7 and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201-1997 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the terms "fee" and "a reasonable allowance for overhead and profit" shall mean the Contractor's Fee as defined in Section 5.1.2 of this Agreement.

§ 6.4 If no specific provision is made in Section 5.1 for adjustment of the Contractor's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1 will cause substantial inequity to the Owner or Contractor, the Contractor's Fee shall be equitably adjusted on the basis of the Fee established for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COSTS TO BE REIMBURSED

§ 7.1 COST OF THE WORK

The term Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7.

§ 7.2 LABOR COSTS

§ 7.2.1 Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Contractor's supervisory and administrative personnel when stationed at the site with the Owner's approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Contractor's principal or other offices shall be included in the Cost of the Work, identify in Article 14 the personnel to be included and whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

§ 7.2.3 Wages and salaries of the Contractor's supervisory or administrative personnel engaged, at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.3 SUBCONTRACT COSTS

§ 7.3.1 Payments made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts.

§ 7.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

§ 7.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Contractor. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

§ 7.5.1 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

§ 7.5.3 Costs of removal of debris from the site.

§ 7.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 7.5.5 That portion of the reasonable expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the Owner.

§ 7.6 MISCELLANEOUS COSTS

§ 7.6.1 That portion of insurance and bond premiums that can be directly attributed to this Contract:

§ 7.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work.

§ 7.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-1997 or other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of

the Contract Documents; and payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17.1 of AIA Document A201-1997 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 7.6.6 Data processing costs related to the Work.

§ 7.6.7 Deposits lost for causes other than the Contractor's negligence or failure to fulfill a specific responsibility to the Owner as set forth in the Contract Documents.

§ 7.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Contractor, reasonably incurred by the Contractor in the performance of the Work and with the Owner's prior written approval; which approval shall not be unreasonably withheld.

§ 7.6.9 Expenses incurred in accordance with the Contractor's standard personnel policy for relocation and temporary living allowances of personnel required for the Work, if approved by the Owner.

§ 7.7 OTHER COSTS AND EMERGENCIES

§ 7.7.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

§ 7.7.2 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.6 of AIA Document A201-1997.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Contractor and only to the extent that the cost of repair or correction is not recoverable by the Contractor from insurance, sureties, Subcontractors or suppliers.

ARTICLE 8 COSTS NOT TO BE REIMBURSED

§ 8.1 The Cost of the Work shall not include:

§ 8.1.1 Salaries and other compensation of the Contractor's personnel stationed at the Contractor's principal office or offices other than the site office, except as specifically provided in Sections 7.2.2 and 7.2.3 or as may be provided in Article 14.

§ 8.1.2 Expenses of the Contractor's principal office and offices other than the site office.

§ 8.1.3 Overhead and general expenses, except as may be expressly included in Article 7.

§ 8.1.4 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.

§ 8.1.5 Rental costs of machinery and equipment, except as specifically provided in Section 7.5.2.

§ 8.1.6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence or failure to fulfill a specific responsibility of the Contractor, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.

§ 8.1.7 Any cost not specifically and expressly described in Article 7.

§ 8.1.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS

§ 9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (1) before making the payment, the Contractor included them in an Application for Payment and received payment therefor from the

Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Contractor shall make provisions so that they can be secured.

§ 9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS

§ 10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or by other appropriate agreements with the Contractor. The Owner may designate specific persons or entities from whom the Contractor shall obtain bids. The Contractor shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Contractor and the Architect, which bids will be accepted. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection.

§ 10.2 If a specific bidder among those whose bids are delivered by the Contractor to the Architect (1) is recommended to the Owner by the Contractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Contractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Contractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 10.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

ARTICLE 11 ACCOUNTING RECORDS

The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract, and the accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's accountants shall be afforded access to, and shall be permitted to audit and copy, the Contractor's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Contract, and the Contractor shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 12 PAYMENTS

§ 12.1 PROGRESS PAYMENTS

§ 12.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 12.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

Payment shall be based on percentage of completion

§ 12.1.3 Provided that an Application for Payment is received by the Architect not later than the Twentieth (20th) day of a month, the Owner shall make payment to the Contractor not later than the Fifth (5th) day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than Fifteen (15) days after the Architect receives the Application for Payment.

§ 12.1.4 With each Application for Payment, the Contractor shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor; less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

§ 12.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 12.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Contractor on account of that portion of the Work for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 12.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Contractor's Fee, less retainage of Ten percent (10 %). The Contractor's Fee shall be computed upon the Cost of the Work described in the two preceding Clauses at the rate stated in Section 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Subparagraph, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work in the two preceding Clauses bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract the aggregate of previous payments made by the Owner;
- .5 Subtract the shortfall, if any, indicated by the Contractor in the documentation required by Section 12.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and
- .6 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 12.1.8 Except with the Owner's prior approval, payments to Subcontractors shall be subject to retainage of not less than Ten percent (10 %). The Owner and the Contractor shall agree upon a mutually acceptable procedure for review and approval of payments and retention for Subcontractors.

§ 12.1.9 In taking action on the Contractor's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 12.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections or that the Architect has made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

§ 12.2 FINAL PAYMENT

§ 12.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 12.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 12.2.3 The Owner's accountants will review and report in writing on the Contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the Contractor. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Contractor's final accounting, and provided the other conditions of Section 12.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's accountants, either issue to the Owner a final Certificate for Payment with a copy to the Contractor, or notify the Contractor and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-1997. The time periods stated in this Section 12.2.3 supersede those stated in Section 9.4.1 of the AIA Document A201-1997.

§ 12.2.4 If the Owner's accountants report the Cost of the Work as substantiated by the Contractor's final accounting to be less than claimed by the Contractor, the Contractor shall be entitled to demand arbitration of the disputed amount without a further decision of the Architect. Such demand for arbitration shall be made by the Contractor within 30 days after the Contractor's receipt of a copy of the Architect's final Certificate for Payment; failure to demand arbitration within this 30-day period shall result in the substantiated amount reported by the Owner's accountants becoming binding on the Contractor. Pending a final resolution by arbitration, the Owner shall pay the Contractor the amount certified in the Architect's final Certificate for Payment.

§ 12.2.5 If, subsequent to final payment and at the Owner's request, the Contractor incurs costs described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor such costs and the Contractor's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Contractor has participated in savings as provided in Section 5.2, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Contractor.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 The Contract may be terminated by the Contractor, or by the Owner for convenience, as provided in Article 14 of AIA Document A201-1997. However, the amount to be paid to the Contractor under Section 14.1.3 of AIA Document A201-1997 shall not exceed the amount the Contractor would be entitled to receive under Section 13.2 below, except that the Contractor's Fee shall be calculated as if the Work had been fully completed by the Contractor, including a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 13.2 The Contract may be terminated by the Owner for cause as provided in Article 14 of AIA Document A201-1997. The amount, if any, to be paid to the Contractor under Section 14.2.4 of AIA Document A201-1997 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

§ 13.2.1 Take the Cost of the Work incurred by the Contractor to the date of termination;

§ 13.2.2 Add the Contractor's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

§ 13.2.3 Subtract the aggregate of previous payments made by the Owner.

§ 13.3 The Owner shall also pay the Contractor fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Contractor that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Contractor shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the

legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

§ 13.4 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201-1997 except that the term "profit" shall be understood to mean the Contractor's Fee as described in Sections 5.1.2 and Section 6.4 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Where reference is made in this Agreement to a provision AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

§ 14.3 The Owner's representative is:
(Name, address and other information.)

Steve Sterquell
President
American Housing Foundation
1800 Washington, Ste 311
Amarillo, Texas 79102

§ 14.4 The Contractor's representative is:
(Name, address and other information.)

Larry D. Bunn Jr.
President
Mid-Continent Community Development Corporation
1800 Washington, Ste 206
Amarillo, Texas 79102

§ 14.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days' written notice to the other party.

ARTICLE 15 ENUMERATION OF CONTRACT DOCUMENTS

§ 15.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

§ 15.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A111-1997.

§ 15.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

§ 15.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated N/A, and are as follows:

Document

Title

Pages

§ 15.1.4 The Specifications are those contained in the Project Manual dated as in Section 15.1.3, and are as follows: *(Either list the Specifications here or refer to an exhibit attached to this Agreement.)*

Section

Title

Pages

§ 15.1.5 The Drawings are as follows, and are dated
is shown below:

(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Date
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REPRODUCTION

§ 15.1.6 The Addenda, if any, are as follows:

Number	Date	Pages
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REPRODUCTION

REPRODUCTION

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 15.

§ 15.1.7 Other Documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents, such as a list of alternates that are intended to form part of the Contract Documents. AIA Document A201--1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

REPRODUCTION

REPRODUCTION

ARTICLE 16 INSURANCE AND BONDS

(List required limits of liability for insurance and bonds. AIA Document A201-1997 gives other specific requirements for insurance and bonds.)

A payment and performance bond can be obtained at 2% of the cost of the Contract to be paid by the owner.

REPRODUCTION

REPRODUCTION

REPRODUCTION

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER *(Signature)*

CONTRACTOR *(Signature)*

Steve W. Sterquell, President
(Printed name and title)

Larry D. Bunn, Jr., President
(Printed name and title)

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

This agreement is made and entered into by and between the **American Housing Foundation**, a Texas Corporation, and **Jeffrey S. Ward & Associates, Inc.**, hereinafter referred to as the "Consultant".

Job Description: Acquisition and Relocation Services

Primary purpose: To assist and advise on the acquisition of 17 buildings of the Brandywood apartment complex and relocation of all tenants as part of a FEMA funded grant. This grant is funded under FEMA's Severe Repetitive Loss (SRL) program.

Note: 90% of the costs indicated below are eligible for reimbursement under the SRL grant and the remaining 10% will be borne by the American Housing Corporation.

Scope of Work

Acquisition and Relocation Services
<p>Review and Oversight of Title Company Activities The Contractor will ensure that the Title Company activities are performed in a timely manner and in accordance with the terms of the contract. The Contractor will review Title Search and Title Insurance Commitments to ensure that they meet the requirements of the contract. If problems are encountered, the Contractor will seek resolution from the Title Company.</p>
<p>Determine Final Offer Amount Information provided by the community will be reviewed and an amount of compensation will be recommended. The Contractor will analyze the appraisal and/or indebtedness to extract the needed information for the preparation of the Statement of Determination of Compensation and Offer to Sell Real Property. Duplication of Benefits information will be reviewed and proper deductions from value will be made.</p> <p>Note: Duplication of Benefits data is only as good as the data provided by the Community and/or the homeowner. Contractor will not be responsible for duplication of benefits data not known or withheld at the time of the development of the Determination of Compensation. Every effort will be made to obtain complete and accurate Duplication of Benefits data up to the point of settlement of the property.</p>
<p>Prepare Determination of Compensation and Offer to Sell Real Property Utilizing the data developed or obtained in the task above, the Contractor will prepare the following documents: (1) Letter to owner explaining the acquisition process and their rights and options, to be signed by the Community official, (2) a Statement of Determination of Compensation to be signed by the Community official, and; (3) an Offer to Sell Real Property agreement.</p>
<p>Negotiate with Owner Owner will be scheduled for a personal meeting at which time the letter explaining the acquisition process and the owner's rights and options will be reviewed by the Contractor. The Statement of Determination of Compensation and Offer to Sell Real Property will also be explained and presented by the Contractor. If duplication of benefits deductions are made and the owner has documentation to support a revision to the deductions or to support reimbursement, appropriate adjustments will be made.</p>

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Prepare Draft Deed

HTC 95005

The Contractor will prepare or provide a sample Deed in a form that meets the requirements of the FEMA Section 404 program and/or the appropriate Grant agency. The Deed will be suitable for recording with the Recorder of Deeds in the appropriate County. This Deed will recite the true consideration to be paid, will identify the interest in the land to be acquired and will include appropriate deed restrictions as directed by FEMA and/or the Grant agency.

Oversee and Coordinate Settlement

The title company will be responsible for scheduling closing with the owner and for the preparation of all documents necessary for closing. These activities will be monitored to ensure that they are performed in a timely manner and that all matters are properly coordinated. A listing will be prepared and provided to the Client prior to each closing which identifies the amount needed for disbursement by the title company at the closing. The listing will identify owner name, address of property and amount of compensation. The client will be advised to deposit the needed funds in the Title Company escrow prior to closing.

Prepare and Maintain Hard Copy Case File

A hard copy case file will be prepared and submitted to the client for the primary property purchase and for each tenant. This file will contain at a minimum: the application package from the owner; a copy of the appraisal; a copy of the letter; a copy of the Determination of Compensation; a copy of the Offer to Sell and any revisions thereto; a copy of the final title insurance policy; and a copy of the recorded Deed. Tenant files will include all documentation to support the eligibility determination, relocation agreement, and all appropriate tenant notification documentation. Notes regarding owner and tenant meetings and discussions will be included in the case file as appropriate.

Determine Relocation Benefits for Eligible Tenants

Although the owner will be made a voluntary offer to sell, tenants will not have the option of staying if they owner sells. For this reason, FEMA requires the tenants be provided relocation assistance. This assistance and the oversight/facilitation thereof, are allowable costs under the grant.

For this task, the Contractor will review eligibility for relocation benefits. The Contractor will obtain information from each and calculate benefit amounts to be paid. The Contractor will prepare an Agreement for each eligible owner or tenant and will oversee the payment of benefits. Specific additional scope items will include:

1. Rent an apartment in the complex to establish presence, on-site
2. Public meeting to tenants informing them of process (in coordination with owner and City)
3. Notice to vacant to all tenants
4. Coordination of relocation for all tenants, to include:
 - a. Assistance with identifying replacement properties
 - b. Request for relocation checks payable to eligible tenants
 - c. Oversight of inspections to ensure replacement properties are decent, safe, and sanitary (actual cost of inspections are not included in above referenced fee)
 - d. Maintain a hardcopy file for each tenant that received relocation assistance

Processing of Request for Reimbursements and Status Reporting

Contractor will facilitate the request for transfer of funds from Texas Water Development Board to the City of Pasadena for all cost elements – either as an advance on contract or on a cost reimbursable basis.

Contractor will hold weekly status meetings with all stakeholders and will prepare all required status reports.

Price for Basic Acquisition Services and Relocation Services: There are 258 units in 17 buildings to be acquired. Consistent with the grant budget, the price to handle all above tasks for all 17 buildings and all tenants is \$258,000. Contractor proposes to handle the billing for this work in the following manner.

- 10% at notice to proceed (used to set up office, on-site, to begin relocation coordination)
- 15% when the property is 25% vacant
- 25% when the property is 50% vacant
- 25% when the property is 75% vacant
- 15% when the property is 100% vacant
- 10% more when ownership is transferred

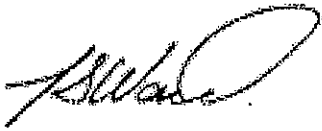
General Contract Provisions

- The American Housing Foundation will provide space and necessary equipment for on-site work in connection with the acquisition and relocation services.
- Consultant will invoice American Housing Foundation for services as costs are incurred. Checks will be made payable to Jeffrey S. Ward & Associates, Inc. at 14401 Bookcliff Ct., Purcellville, VA 20132. Federal Tax ID Number 01-0722967.
- This contract is terminable at the will of either party.

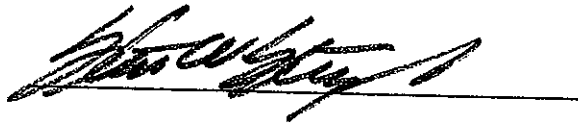
PASSED AND APPROVED this 24 day of November, 2008.

CONSULTANT

American Housing Foundation



Jeffrey S. Ward, President



DECLARATION OF LAND USE RESTRICTIVE COVENANTS
FOR LOW-INCOME HOUSING CREDITS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS FOR LOW-INCOME HOUSING TAX CREDITS (this "Declaration"), dated as of December 4, 1996, is made by and between Brandywood Housing, Ltd. (together with its successors and assigns, the "Project Owner") and The Texas Department of Housing & Community Affairs, an instrumentality of the State of Texas and a public corporation (together with any successor to its rights, duties and obligations, the "Department"), and is given by Project Owner as a condition precedent to [the determination that the Project, as defined herein, satisfies the requirements of the State of Texas's Qualified Allocation Plan] the allocation of low-income housing tax credits (the "Tax Credits"), pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto (the "Code"), by the Department. This Declaration incorporates the extended low-income housing commitment required by Section 42(h)(6) of the Code and is promulgated in accordance with the provisions of Chapter 2306, Tex. Gov. Code, (the "Act"), as may be amended from time to time.

WITNESSETH:

39
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WHEREAS, the Project Owner is or shall be the Project Owner of a low income rental housing development, known as or to be known as Brandywood Housing Cooperative (the "Project Improvements"), on real property located in the City of Pasadena, County of Harris, State of Texas, more particularly described in Exhibit A hereto (the "Project Land") (the Project Improvements and the Project Land being collectively referred to herein as the "Project");

WHEREAS, the Department has been designated by the Governor of the State of Texas as the housing credit agency for the State of Texas for the allocation of Tax Credits;

WHEREAS, the Project Owner has applied to the Department for an allocation of Tax Credits to the Project in an amount not to exceed Three Hundred Ninety Thousand Nine Hundred Thirty Seven Tax Credit dollars (\$ 390,937);

WHEREAS, the Project Owner has represented to the Department in the Project Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules (the "Department Rules"), that the Project Owner shall lease 70 % of the units in the Project to individuals or families whose income is 60 % or less of the area median gross income (including adjustments for family size), as more specifically provided herein;

WHEREAS, the Department has determined that the Project would support an allocation of Tax Credits in the amount of \$ 390,624;

WHEREAS, the Project Owner has represented to the Department in the Application that it will impose additional rent restrictions _____ (Optional, check if applicable);

WHEREAS, the Project Owner is subject to the regulatory powers of the Department and other terms and conditions of chapter 2306, Tex. Gov. Code;

WHEREAS, the Code requires as a condition precedent to the allocation of Tax Credits that the Project Owner execute, deliver and record in the real property records of the county in which the Project is located this Declaration in order to create certain covenants running with the land for the purpose of enforcing the requirements of Section 42 of the Code by regulating and restricting the use, occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Project Owner, under this Declaration, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the Project Land for the Term stated herein, are binding upon all subsequent owners and operators of the Project during such Term, and are not merely personal covenants of the Project Owner.

NOW, THEREFORE, in consideration of the premises set forth above, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Project Owner and the Department agree as follows:

SECTION 1 - DEFINITIONS

(a) Unless the context otherwise requires, and in addition to those terms defined in the recitals set forth above, capitalized terms used in this Declaration shall have the following meanings:

"Act" means the Texas Government Code, Chap. 2306, as amended or any corresponding provision or provisions of succeeding law as it or they may be amended from time to time.

"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary of Housing and Urban Development for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 3(i) hereof.

"Board" means the governing Board of the Department.

"Compliance Period" means the period of 15 consecutive taxable years beginning with the first taxable year of the Credit Period, unless a longer period shall be elected at Appendix A hereto.

"Credit Period" means, with respect to any building in the Project, the period of ten taxable years beginning with the taxable year in which such building is placed in service or (at the election of the Owner) the following taxable year.

"Department Compliance Monitoring Procedures" means those procedures and requirements adopted or imposed by the Department, and modified by the Department from time to time, for the purpose of discharging its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code to monitor compliance by the Project Owner and the Project with the provisions of Section 42 of the Code and to notify the Service of instances of noncompliance.

"Extended Use Period" means the period beginning with the first day of the Compliance Period and ending on the date which is 15 years after the end of the Compliance Period, unless a later date shall be set forth at Appendix A hereto or unless terminated earlier in accordance with Section 5 hereof.

"Gross Rent" means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

"Income" means the income of a Tenant determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

"Low-Income" means, with respect to any Tenant, an income level not exceeding 50% or 60% of Area Median Gross Income, adjusted for family size, as provided in Section 4 hereof, unless an alternative income level shall be set forth at Appendix A hereto.

"Low-Income Tenant" means a Tenant who, when the Tenant originally occupied the Unit, had an Income qualifying as Low-Income. For so long as the Tenant occupies the particular Unit, the Tenant will remain a Low-Income Tenant if the Tenant's Income, upon the most recent income certification, does not exceed 140% of the applicable Low-Income level.

"Low-Income Unit" means a Unit in the Project that is occupied by a Low-Income Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

"Minimum Applicable Fraction" means the percentage with respect to a building in the Project, calculated as the lesser of the percentage of Units in such building which are Low-Income Units or the percentage of floor space of all Units in such building which is in Low-Income Units, all calculated as required pursuant to Section 42(c)(1) of the Code, which serves as the basis for the Department's allocation of Tax Credits to the building as provided in Section 4(c) hereof.

"Rent-Restricted" means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code.

"Secretary" means the Secretary of the Treasury of the United States.

"Service" means the United States Internal Revenue Service and any successor thereto.

"State" means the State of Texas.

"Tenant" means the individual or individuals entitled to occupy a Unit in the Project by lease or other legal relationship with the Project Owner.

"Term" shall have the meaning set out in Section 5 hereof.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy housing used on a nontransient basis may be treated as one or more Units.

(b) Any term or phrase which is used in this Declaration and not defined herein shall have the meaning, if any, assigned thereto in Section 42 of the Code, and if no meaning is assigned thereto in Section 42 of the Code, the meaning, if any, assigned in the Department Rules. Any term or phrase which is defined herein shall, unless the context shall clearly indicate otherwise, be interpreted in a manner consistent with the provisions and requirements of Section 42 of the Code.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

(a) The Project Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Project Owner shall immediately transmit to the Department an executed original of the recorded Declaration showing the date, deed book and page numbers of record. The Project Owner agrees that the Department will not issue the Internal Revenue Service Form 8609, evidencing final allocation of the Tax Credits, unless and until the Department has received the recorded executed original of the Declaration.

(b) The Project Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project Land, encumbering the Project Land for the Term of this Declaration and binding upon the Project Owner's successors in title and all subsequent owners and operators of the Project Land, and (ii) shall bind the Project Owner (and the benefits shall inure to the Department and any past, present or prospective Tenant of the Project) and its respective successors and assigns during the Term of this Declaration. The Project Owner hereby agrees that any and all requirements of the laws of the State of Texas to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project Land. For the Term of this Declaration, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Declaration; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

(c) The Project Owner shall obtain the written consent of any existing lienholder of record (each an "Existing Lienholder") on the Project to this Declaration and the requirements hereof, including specifically the requirements of Section 5(b)(1) and Section 5(c) with respect to provisions which survive or may be revived after foreclosure, and such consent shall be in a form promulgated by the Department from time to time and shall be a condition precedent to the issuance by the Department of Internal Revenue Service Form 8609, evidencing final allocation of the Tax Credits. The Project Owner represents and warrants to the Department that attached hereto as Addendum A and made a part hereof is an executed and acknowledged Lienholder's Consent from each Existing Lienholder, if any, as of the effective date hereof.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE PROJECT OWNER

The Project Owner hereby represents, covenants and warrants as follows:

- (a) The Project Owner (i) is a Limited Partnership, duly organized and validly existing under the laws of the State of Texas, and is duly authorized and qualified to transact in the State any and all business contemplated by this Declaration and the Department Rules; (ii) possesses all requisite power, authority, licenses and permits to own its properties and assets and to conduct its business; and (iii) has all legal right, power and authority to execute and deliver this Declaration.
- (b) The execution and performance of this Declaration by the Project Owner (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulation, or any order of any court or other department of the State or governmental body, (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Project Owner is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.
- (c) The Project Owner has, at the time of execution and delivery of this Declaration, good and indefeasible fee simple title to [or a leasehold interest extending at least ten years beyond the end of the Extended Use Period in] the premises constituting the Project, free and clear of any lien or encumbrance, except those created by any loan documents relating to the Project, those which are created pursuant to this Declaration and those which are otherwise permitted encumbrances, as specifically set forth at Exhibit B hereto.
- (d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Project Owner threatened, against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.
- (e) The Project constitutes or will constitute, and the Project Owner covenants, that commencing with the last day of the first year of the Credit Period and continuing throughout the Term of this Declaration, it shall maintain the Project as, a "qualified low-income housing project", as defined in Section 42(g) of the Code.
- (f) Each Unit in the Project contains separate and complete physical facilities and fixtures for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project) which is to be used on other than a transient basis as provided in Section 42(i)(3) of the Code.
- (g) The Project Owner will comply fully and at all times with the requirements of Texas Law and the Federal Fair Housing Act.
- (h) During the Term of this Declaration, the Project Owner covenants, agrees and warrants that each Low-Income Unit is and will remain suitable for occupancy to the extent required by Texas Law and under regulations prescribed by the Secretary, taking into account local health, safety, and building codes.

(i) The Project Owner covenants that it will not sell, transfer or exchange any portion of any building in the Project unless it sells, transfers or exchanges the entire building to the same person. Subject to the requirements of Section 42 of the Code and this Declaration, the Project Owner may sell, transfer or exchange the entire Project or any building in the Project at any time, provided that the Project Owner shall require, as a condition precedent to any such sale, transfer or exchange, that the successor owner and operator assume, in writing, in an Assumption Agreement acceptable to the Department, the Project Owner's obligations hereunder and under Section 42 of the Code, which Assumption Agreement shall be delivered to the Department in executed, recordable form prior to any such sale, transfer or exchange. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. The Project Owner agrees that the Department may void any sale, transfer or exchange of the Project if the successor owner and operator fails to execute and deliver an Assumption Agreement or if the Project Owner or the successor owner and operator otherwise acts in contravention of this Section 3(i).

(j) The Project Owner agrees to notify the Department in writing prior to any sale, transfer or exchange of the entire Project or any building therein, and to provide to the Department the name(s) and address(es) and financial reports, as applicable, of the prospective successor owner and operator of the Project or building, so the Department can determine the economic viability of such prospective successor and such Project or building.

(k) The Project Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project or permit the use of any Unit for any purpose other than rental housing during the Term of this Declaration, unless required by law.

(l) The Project Owner represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.

(m) The Project Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(n) The Project Owner agrees, warrants, and covenants to comply with all law, ordinances, statutes, codes, orders, rules, regulations and decrees of any Governmental Authority applicable to the Owner of the Project, including, without limitation, the following: the Civil Rights Act of 1964 (42 U.S.C. 2000(d)); Executive Order 11-63, as amended by Executive Order 12259; Executive Order 11246; Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.); Fair Credit Reporting Act (15 U.S.C. 1681 et seq.); Fair Housing Act (42 U.S.C. 3601 et seq.); the Americans with Disabilities Act of 1990 (P.L. 101-336; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.); Section 3 of the Housing and Urban Development Act of 1968; Executive Orders 11625, 12432 and 12138, as amended; the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 et seq.); the Davis-Bacon Act (40 U.S.C. § 276a et seq.); Sections 103 and 107 of the Work Hours and Safety Standards Act. (40 U.S.C. § 327 et seq.); the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. § 4201 et seq.); the Housing and Community Development Act of 1974; the National Environmental Policy Act (42 U.S.C. § 4321 et seq.); ("NEPA"); the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4321 et seq.); the State of Texas Senate Bill 1356; Title 8, and Chapter 92 of the Texas Property Code; Solid Waste Disposal Act TEX. HEALTH & SAFETY CODE Ann. Ch. 361 (Vernon's 1992); Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act. TEX. HEALTH & SAFETY CODE Ann. Ch. 363 (Vernon's 1992); County Solid Waste Control Act. TEX. HEALTH & SAFETY CODE Ann. Ch. 364 (Vernon's 1992); Texas Clean Air Act, TEX. HEALTH AND SAFETY CODE Ann. Ch. 382 (Vernon's 1992); and Hazardous Communication Act, TEXAS HEALTH AND SAFETY CODE Ann. Ch. 502 (Vernon's 1992); and such Governmental Requirements as may be from time to time amended or superseded and all of their implementing regulations, as may be amended.

SECTION 4 - INCOME RESTRICTIONS/RENTAL RESTRICTIONS

The Project Owner represents, warrants and covenants throughout the Term of this Declaration and in order to satisfy the requirements of Section 42 of the Code that:

(a) (1) _____ At least 20% or more of the Units in the Project [are and] will continuously be maintained as both Rent-Restricted and occupied by individuals whose income is 50% or less of Area Median Gross Income.

(2) At least 40% or more of the Units in the Project [are and] will continuously be maintained as both Rent-Restricted and occupied by individuals whose income is 60% or less of Area Median Gross Income.

(Check applicable percentage election)

(b) The determination of whether a Tenant is a Low-Income Tenant shall be made by the Project Owner at least annually on the basis of the current income of such Low-Income Tenant. If, upon any such annual certification, the Tenant of a Low-Income Unit who was, at the last annual income certification, a Low-Income Tenant, is found no longer to be a Low-Income Tenant, such Unit will continue to be treated as a Low-Income Unit until the next available Unit of comparable or smaller size in the Project is rented to a person who is not a Low-Income Tenant. A Low-Income Unit that has been vacated will continue to be treated as a Low-Income Unit, provided that (i) reasonable attempts are made to rent the Unit and (ii) no other Units of comparable or smaller size in the Project are rented to persons who are not Low-Income Tenants. In no case will a Unit be treated as a Low-Income Unit if all the Tenants of the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code.

(c) The Project will contain 698 Units, of which at least 489 will be Low-Income Units. The amount of Tax Credits allocated to the Project is based on the requirement that the Minimum Applicable Fraction for each building in the Project will be at least 70 percent or as specified, building-by-building, at Appendix A hereto. During the Term of this Declaration, Units at the Project shall be leased and rented or made available to members of the general public who qualify as Low-Income Tenants, such that each building in the Project shall at all times satisfy the Minimum Applicable Fraction for such building. The Project Owner's failure to ensure that each building in the Project complies with such requirement will cause the Department to report such fact to the Service and may result in the reduction and recapture by the Service of Tax Credits, as well as other enforcement action.

(d) The Project and the Project Owner are subject to additional and/or modified requirements, if any, set forth at Appendix A, which requirements are incorporated herein and made a part hereof.

(e) The Project Owner will not refuse to lease a Unit at the Project to a prospective Tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective Tenant as the holder of such voucher or certificate.

SECTION 5 - TERM OF DECLARATION

(a) This Declaration shall become effective with respect to a building in the Project on the first day of the Compliance Period for such building and shall terminate on the last day of the Extended Use Period, unless this Agreement is earlier terminated pursuant to Section 5(b) hereof (the "Term").

(b) Notwithstanding subsection (a) above, this Declaration shall terminate:

(1) with respect to any building in the Project, on the date such building is acquired by foreclosure (or instrument in lieu of foreclosure), unless the Secretary or his delegate determines that such acquisition is part of an arrangement with the taxpayer a purpose of which is to terminate such period; or

(2) following the end of the Compliance Period, if the Project Owner has properly requested that the Department assist in procuring a "Qualified Contract", as defined in the Code, for the acquisition of a building and the Department is unable to present a Qualified Contract. To properly request the Department's assistance in procuring a Qualified Contract for the acquisition of a building, the Project Owner must submit a written request to the Department no earlier than one (1) year prior to the expiration of the Compliance Period, or on the last day of any subsequent year of the Extended Use Period. The Department will have one (1) year from the date of the Project Owner's written request to find a buyer to acquire the Project Owner's interest in the building. The Department will attempt to procure a Qualified Contract for the acquisition of any building only once during the Extended Use Period.

(c) If this Declaration is terminated pursuant to subsection (b) above and notwithstanding anything herein to the contrary, the Tenant of any Low-Income Unit on the date of such termination shall be entitled to occupy such Unit in accordance with the provisions of this Declaration for a period of three years following such termination date, provided, however, that upon a showing of good cause, such Tenant's tenancy may be terminated or such Tenant evicted.

SECTION 6 - ENFORCEMENT, ADMINISTRATION AND COMPLIANCE

(a) The Project Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42 of the Code and this Declaration. Moreover, the Project Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary in the opinion of the Department) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, the Service, or the United States Department of Housing and Urban Development, from time to time, pertaining to the Project Owner's obligations under Section 42 of the Code and affecting the Project.

(b) The Project Owner acknowledges that the primary purpose for requiring compliance by the Project Owner with the restrictions provided in this Declaration is to assure compliance of the Project and the Project Owner with Section 42 of the Code, AND BY REASON THEREOF, THE PROJECT OWNER, IN CONSIDERATION FOR RECEIVING THE TAX CREDITS FOR THIS PROJECT, HEREBY AGREES THAT THE DEPARTMENT AND ANY INDIVIDUAL WHO MEETS THE APPLICABLE INCOME LIMITATION UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER TENANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE PROJECT OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Project Owner hereby further specifically acknowledges that the beneficiaries of the Project Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(c) The Project Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the Department and all persons interested in Project compliance under Section 42 of the Code.

(d) The Project Owner acknowledges that the Department is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Project Owner's and the Project's compliance with the requirements of Section 42 of the Code, and (ii) to notify the Service of any noncompliance which is found. The Project Owner agrees (I) to maintain records that substantiate, and document such compliance, (II) to take all actions required by the Department pursuant to the Department Compliance Monitoring Procedures to assist or cooperate with the Department in monitoring such compliance, and (III) to pay the fee prescribed by the Department with respect to such monitoring.

(e) The Project Owner agrees that the Department may enforce all state and federal law through this Declaration, and utilize for such purpose any and all remedies available to the Department including but not limited to administrative or judicial action, appointment of trustee or receiver, or assume the management and operations of the Development.

(f) The Project Owner agrees the Department may, at reasonable times and upon adequate notice at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

(g) The Project Owner agrees the Department may, at reasonable times and upon adequate notice, examine all books and records relating to the operations, capitalization, income, expenses and other financial and regulatory matters of the Project or the Project Owner.

(h) The Project Owner agrees that the Department may at any time order it and/or its managing agent or Project manager to do whatever is necessary to comply with or refrain from violating an applicable law, ordinance, Department rule, or term of an agreement regarding the Project, and that the Department may file and prosecute a complaint against a managing agent, Project manager, or the Project Owner for a violation of any applicable law or ordinance.

(i) Upon a determination by the Department that the Project Owner has failed to maintain the Project in good and habitable condition and suitable for occupancy as hereinabove required, the Project Owner agrees, upon the Department's direction, to establish a reserve for replacement and repairs to the Project in such initial amount and with such monthly deposits as the Department may direct. Such reserve shall be held for the benefit of the Project Owner by such party as the Department shall direct, and disbursements shall be made therefrom only upon approval by the Department.

(j) The Project Owner agrees to indemnify and hold harmless the Board members, Department officers, directors and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Department as a result of any material inaccuracy in any of the representations and warranties contained in this Declaration, or as a result of any action by the Project Owner, including claims by third parties.

(k) The Project Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against the Department which arise out of any of the matters relating to this Declaration, Project Owner will cooperate fully with the Department in the defense or other disposition thereof.

SECTION 7 - FEES

(a) In order to compensate the Department for its responsibilities pursuant to the Act and Section 42(m)(1)(B)(iii) of the Code, the Project Owner shall pay to the Department an annual administrative fee for the first twelve month period of this Declaration in the amount of \$15 per Unit required to be held available under Section 4(c) hereof, but in no event shall the fee be less than \$100.

(b) If the Department shall find the Project not to be in compliance with the terms hereof, the Project Owner shall pay to the Department (i) an additional administrative fee in an amount prescribed from time to time by the Department, which amount for the first twelve month period of this Declaration, shall not exceed \$15 per Unit required to be held available under Section 4(c) hereof, for additional monitoring and enforcement activities undertaken with respect to the Project and (ii) all amounts required to reimburse the Department for its expenses in performing such additional monitoring and enforcement activities. The administrative fee payable in the event of noncompliance shall be in addition to, and distinct from, the amount due pursuant to Section 7(a), as well as any reimbursements of costs and legal fees to which the Department may be entitled as a result of judicial enforcement action, and such fee shall be payable without respect to whether the Department undertakes or succeeds in judicial enforcement activities, and any right to be compensated therefor, for a period of up to three years following its most recent finding of noncompliance with respect to the Project.

(c) For each successive twelve month period following the initial twelve month period of this Declaration, the administrative fees payable to the Department hereunder shall be the amounts established for the most recent administrative fee, multiplied by the increase in the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the United States Department of Labor (or generally recognized successor to such Index) for the same twelve month period of time.

(d) Notwithstanding anything in Sections 7(a) and (c) of this Declaration to the contrary, Project Owner shall not be required to pay an annual administrative fee during the Term of this Declaration if prior to the issuance by the Department of Internal Revenue Service Form 8609, Project Owner has paid to the Department with respect to the Project a lump sum compliance monitoring fee for the entire Term as set forth in the Department Rules and the application submission procedures manual produced by the Department in connection with the allocation of Tax Credits. Provided, however, Project Owner will be required to pay any additional administrative fees owed from time to time during the Term of this Declaration in accordance with Section 7(b) hereof.

(e) The Project Owner agrees that it will pay the annual administrative fee at the times required by the Department therefor and that it will pay all additional charges, fees, and expenses assessed hereunder by the Department within ten (10) days of receipt of written notice of any such assessment.

SECTION 8 - MISCELLANEOUS

(a) Severability. This Declaration is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Declaration or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Declaration and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

(b) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, delivered by hand, or delivered by any other method permitted by law, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Department:

Texas Department of Housing & Community Affairs
507 Sabine, Suite 400
P.O. Box 13941 Capital Station
Austin, Texas 78711-3941
Attn: Low Income Housing Tax Credit Program

To the Project Owner:

Brandywood Housing, Ltd.
1800 S. Washington, Suite #311
Amarillo, TX 79102
Attn: Dale Cook

The Department, and the Project Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) Amendment. This Agreement may not be amended or modified except by written instrument signed by Project Owner and approved by Department, or their respective heirs, successors or assigns, which instrument shall not be effective until it is recorded in the real property records in the county where the Property is located. Upon request by the Department, the Project Owner agrees that it will take all actions necessary to effect any amendment of this Declaration which may be necessary in the Department's sole discretion to comply with the Code, and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Tax Credits.

(d) Subordination of Declaration. This Declaration and the restrictions hereunder are subordinate to all loans and loan documents, if any, relating to the Project, except as provided in Sections 5(b)(1) and 5(c) hereof and in the Consent and Subordination of Existing Lienholder, with respect to each existing lienholder, attached hereto.

(e) Governing Law. This Declaration shall be governed by the laws of the State of Texas, and, where applicable, the laws of the United States of America.

(f) Survival of Obligations. The obligations of the Project Owner as set forth herein and in the Application shall survive the allocation of the Tax Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

(g) Interpretation. The Department's interpretation of this Declaration shall be controlling for purposes of determining whether (i) the Compliance Period and/or Credit Period shall have commenced, (ii) this Declaration shall have been terminated in accordance with Section 5 hereof, and (iii) the Additional Use Restrictions elected at Appendix A hereto, if any, shall have been complied with.

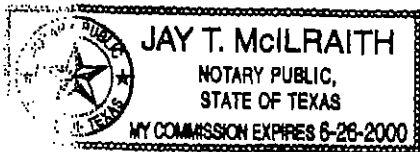
IN WITNESS WHEREOF, the Project Owner has caused this Declaration to be signed by its duly authorized representative, as of the day and year first written above.

PROJECT OWNER:
Brandywood Housing, Ltd.
By: Lana J. Peterson
Name: Lana J. Peterson
Title: Secretary, Brandywood Housing Corporation/GP

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
By: Daisy Stiner
Name: Daisy Stiner
Title: Director of Housing Programs

STATE OF Texas
COUNTY OF Pott

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Lana J. Peterson, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, being informed of the contents of such document, executed the same voluntarily. Given under my hand, official seal this 15 day of December, 1998.

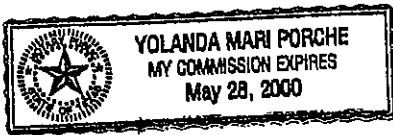


J. T. McIlraith
Notary Public
My Commission expires: 6/26/2000

STATE OF Texas

COUNTY OF TARRANT

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that DAISY STINER, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, being informed of the contents of such document, executed the same voluntarily. Given under my hand, official seal this 30 day of DECEMBER, 19 96.



[Signature]
Notary Public
My Commission expires: _____

Ret



806/372-7500
Fax: 806/372-7508

JAY T. McILRAITH

P.O. Box 7606
Amarillo, Texas 79114-7606

5/HF32960750

EXHIBIT A
LEGAL DESCRIPTION

METER & BOUND DESCRIPTION

A 28.7196 ACRE TRACT OF LAND OUT OF THE 57.1617 ACRE TRACT OF LAND AS RECORDED IN VOLUME 7072, PAGE 31 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS, BEING ALSO OUT OF THE FABRICUS REYNOLDS SURVEY, ABSTRACT 643, HARRIS COUNTY TEXAS. SAID 28.7196 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8 inch iron rod found at the intersection of the north right-of-way line of Spencer Road (100 feet wide) with the east right-of-way line of Denkman (60 feet wide), being also the southwest corner of the herein described tract of land;

THENCE, North along the east right-of-way line of said Denkman, also being the west boundary line of the herein described tract of land, a distance of 1489.50 feet to a 5/8 inch iron rod set for corner;

THENCE, N 89°45'33" E, departing said east right-of-way line of Denkman and along the northerly boundary line of the herein described tract of land, a distance of 894.21 feet to a 5/8 inch iron rod found for corner;

THENCE, S 0°11'14" W, a distance of 104.53 feet to an "X" in concrete found for corner;

THENCE, S 89°48'31" E, a distance of 834.39 to a 5/8 inch iron rod found on the westerly right-of-way line of Red Bluff Road;

THENCE, S 19°19'46" E, along the said westerly right-of-way line of Red Bluff Road, a distance of 235.08 feet to 3/8 inch iron rod found for corner;

THENCE, N 89°45'57" W, departing said westerly right-of-way line of Red Bluff Road, a distance of 800.87 feet to a 5/8 inch iron rod set for corner;

THENCE, S 27°07'30" W, a distance of 372.73 feet to a 5/8 inch iron rod found for corner;

THENCE, N 62°58'22" W, a distance of 52.92 feet to a 5/8 inch iron rod found for corner;

THENCE, S 27°07'45" W, a distance of 364.05 feet to a 5/8 inch iron rod found for corner;

THENCE, N 63°10'40" W, a distance of 40.02 feet to a 5/8 inch iron rod found for corner;

THENCE, S 27°07'30" W, a distance of 731.72 feet to an "X" in concrete found on the northerly right-of-way line of said Spencer Road;

THENCE, along the said northerly right-of-way line of Spencer Road, a curve with an arc distance of 273.49 feet having to the left a central angle of 7°54'21" and a radius of 1982.06 feet with a chord that bears N 67°43'51" W, a distance of 273.27 feet returning to the POINT OF BEGINNING of the herein described tract of land and containing 28.7196 Acre (1,251,024 square feet) of land.

APPENDIX A

ADDITIONAL USE RESTRICTIONS

Check all items which apply.

Additional Occupancy Restrictions

At least ___ Units in the Project must be occupied by Tenants at or below ___% of Area Median Gross Income.

Longer Compliance Period and Extended Use Period

The Compliance Period shall be a period of ___ consecutive taxable years and the Extended Use Period shall be a period of ___ consecutive taxable years, each commencing with the first year of the Credit Period.

Material Participation by Qualified Nonprofit Organization

Throughout the Compliance Period, a "qualified nonprofit organization" within the meaning of Section 42(h)(5)(C) of the Code shall own an interest in the Project and shall materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Project.

Right of First Refusal to Tenant or Qualified Nonprofit Organizations for developments allocated credits in the 1995B cycle and later.

If at any time after the fifteenth year of the Compliance Period, the Project Owner shall determine to sell the Project, the Project Owner shall, prior to any such sale, notify the Department of its intent to sell the Project. If, within the 90-day period following receipt of such notice, the Department shall identify one or more qualified nonprofit organizations, within the meaning of Section 42(h)(5)(C) of the Code, or tenant organizations, any of which shall make a *bona fide* offer to purchase the Project for a purchase price equal to the sum of (i) the principal amount of outstanding indebtedness secured by the Project (other than indebtedness incurred within the 5-year period immediately preceding the date of said notice) and (ii) all Federal, State and local taxes incurred or payable by the Project Owner as a consequence of such sale, the Project Owner shall sell the Project pursuant to such offer. If the Project shall, in accordance with the Declaration, have a Minimum Applicable Fraction of less than 1, the *bona fide* offer from a tenant or qualified nonprofit organization to purchase the Project shall be no less than the sum of (I) the purchase price calculated in accordance with the preceding sentence multiplied by the Minimum Applicable Fraction and (II) the fair market value of the non-Low-Income Units. If the Department or the Project Owner shall receive *bona fide* offers to purchase the Project from more than one tenant or qualified nonprofit organization, the Project Owner shall sell the Project to the tenant or qualified nonprofit organization selected by the Department on such basis as it shall determine appropriate. The Department shall have the right to adopt procedures for (i) identifying tenant or qualified nonprofit organizations willing to purchase the Project, (ii) evaluating *bona fide* offers to purchase the Project, and (iii) determining the purchase price of the Project pursuant to the provisions of this paragraph. The tenant or nonprofit organization's exercise of the right of first refusal shall not terminate the Extended Use Period under the terms of this Declaration.

Right of First Refusal to Tenant or Qualified Nonprofit Organizations for allocations prior to the 1995B cycle

If at any time after the fifteenth year of the Compliance Period, the Project Owner shall determine to sell the Project, the Project Owner shall, prior to any such sale, notify the Department of its intent to sell the Project. If, within the 90-day period following receipt of such notice, the Department shall identify one or more qualified nonprofit organizations, within the meaning of Section 42(h)(5)(C) of the Code, or tenant organizations, any of which shall make a *bona fide* offer to purchase the Project for fair market value, the Project Owner shall sell the Project pursuant to such offer. If the Department or the Project Owner shall receive *bona fide* offers to purchase the Project from more than one tenant or qualified nonprofit organization, the Project Owner shall sell the Project to the tenant or qualified nonprofit organization selected by the Department on such basis as it shall determine appropriate. The Department shall have the right to adopt procedures for identifying tenant or qualified nonprofit organizations willing to purchase the Project or evaluating *bona fide* offers to purchase the Project. The tenant or nonprofit organization's exercise of the right of first refusal shall not terminate the Extended Use Period under the terms of this Declaration.

APPENDIX A

ADDITIONAL USE RESTRICTIONS (CONTINUED)

Community Based Board

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall be governed by a community based board, the majority of whose members live in the Project's community.

Supportive Services

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide the following services: _____

Senior Projects

Throughout the Compliance Period, unless otherwise permitted by the Department at least 80% of the Units must be restricted to households in which at least one family member is 55 years of age or older OR 100% of the Units must be restricted to households in which all household members are 62 years of age or older."

Handicapped Accessibility

Throughout the Compliance Period, unless otherwise permitted by the Department at least 2% of the Units must be equipped for persons with physical or mental disabilities, at least 3% of the Units must be equipped for persons with physical or mental disabilities OR 5% of the Units must be equipped for persons with physical or mental disabilities. Equipped means that all the features that make the units fully usable by such persons are installed in the units upon completion of construction or rehabilitation and are designed to meet ANSI standards.

Housing for Agricultural Workers

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide housing for agricultural workers.

Transitional Housing for the Homeless

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide transitional housing for homeless persons, on a non-transient basis, with supportive services designed to assist Tenants in locating and retaining permanent housing.

Public Housing Waiting Lists

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project Owner shall consider prospective Tenants referred to from the waiting list of the Housing Authority of Pasadena

11
Note: The Federal Fair Housing Act requires, generally, that projects which are limited to occupancy by older persons either (i) be restricted to households in which all members are 62 years or older or (ii) provide significant facilities and services for the elderly or meet certain other requirements and be limited to households in which at least one member is 55 years or older. See 24 C.F.R. §§100.300-100.304 for exact requirements. All tax credit projects must comply with these requirements, as applicable under Federal law, in addition to the Declaration.

APPENDIX A

MINIMUM APPLICABLE FRACTION BY BUILDING

Building Number	Building Identification Number (BIN)	Minimum Applicable Fraction
23	XXX TX-95-00200	70
25	XX TX-95-00202	70
27	XX TX-95-00204	70
50	XX TX 95-00227	70
51	XX TX-95-00228	70
	6	
	7	
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	9	
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	30	

RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF DALLAS, TEXAS, AT THE TIME OF RECORDING THIS INSTRUMENT WAS FOUND TO BE INADVERTENTLY FOR THE BEST INTERESTS OF THE COUNTY OF DALLAS, TEXAS, BECAUSE OF ILLEGIBILITY OF THE ORIGINAL PHOTO COPY, DISCOVERED ON 11/15/11.

HTC 95005
511-32-2715

FILED

96 DEC 31 AM 10:13

Beverly B. Kaufman

COUNTY CLERK
HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS REPEALED AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS }
COUNTY OF HARRIS }
I hereby certify that this instrument was FILED in File Number
Sequence on the date and at the time stamped hereon by me; and was
duly RECORDED, in the Official Public Records of Real Property of
Harris County, Texas on

DEC 31 1996



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY TEXAS

TDHCA # Name:

EXHIBIT 4 A. Unit Information (In the table below, enter the requested information for the entire project.)*

1	2	3	4	5	6	7	8	9
Unit Type	Number of Bedrooms	Number of Units	Size of Unit in Sq. Ft.	Total Sq. Ft. (Col. 3 x Col. 4)	Gross Rent Per Unit	Utility Allowance Per Unit	Tenant Paid Rent Per Unit (Col. 6 - Col. 7)	Total Monthly Rent (Col. 3 x Col. 8)
Low Income Residential Units								
A	1	103	552	56,856	344	44	300	30,900
B	1	26	662	17,212	354	44	310	8,060
C	1	50	670	33,500	394	44	350	17,500
D	1	57	720	41,040	384	44	340	19,380
E	2	6	832	4,992	480	55	425	2,550
F	2	87	913	79,431	505	55	450	39,150
G	2	36	924	33,264	480	55	425	15,300
H	2	69	950	65,550	480	55	425	29,325
I	2	55	1,060	58,300	520	55	465	25,575
J	3	9	1,220	10,980	646	66	580	5,220
K	3	12	1,340	16,080	696	66	630	7,560
L	3	2	1,550	3,100	716	66	650	1,300
Total		512		420,305				201,820
Market Rate Residential Units								
A	1	41	552	22,632	344	44	300	12,300
B	1	10	662	6,620	354	44	310	3,100
C	1	24	670	16,080	394	44	350	8,400
D	1	19	720	13,680	384	44	340	6,460
E	2	2	832	1,664	480	55	425	850
F	2	29	913	26,477	505	55	450	13,050
G	2	12	924	11,088	480	55	425	5,100
H	2	23	950	21,850	480	55	425	9,775
I	2	19	1,060	20,140	520	55	465	8,835
J	3	3	1,220	3,660	646	66	580	1,740
K	3	4	1,340	5,360	696	66	630	2,520
L-	3		1,550	0	716	66	650	0
Total		186		149,251				72,130
Grand Total		698		569,556				273,950

*The unit type distribution and total square footage figures must tie with those shown in Exhibit 4, C.

POTENTIAL GROSS ANNUAL RENTAL INCOME		3,287,400
Provision for Vacancy & Collection Loss	% of Potential Gross Income: <input type="text"/>	-
Rental Concessions		-
Deduct for Employee & Other Non-Rental Units	Number of non-income units: <input type="text"/>	-
EFFECTIVE GROSS ANNUAL RENTAL INCOME		= 3,287,400
Other Non-Rental Income	Source 1. <input type="text"/>	+
	Source 2. <input type="text"/>	+
	Source 3. <input type="text"/>	+
EFFECTIVE GROSS ANNUAL INCOME		= 3,287,400

SUMMIT HOUSING PARTNERS, L.L.C.

May 4, 2009

Robbye Meyer
Multifamily Finance Production Division
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

**RE: Ceiling Fan Deficiency Follow-up
Village Park Apartments – TDHCA File No: 05629/05629B – CMTS: 4331**

Robbye,

We greatly appreciate your working with us towards an alternative solution to the installation of ceiling fans at Village Park. Due to the exorbitant cost and inconvenience to the residents related to the fan installation, we would like to propose the installation of new microwave oven/range hood combinations above the ranges in each unit as a substitution. We have determined that the installation is feasible and are currently pricing. Based on the installation costs at other projects, I expect this cost to come in somewhere between \$135K and \$165K depending on what circuitry has to be added.

In addition, the original agency write-up for the April Board Meeting noted we have some additional amenities on site that had not been proposed as substitutions as part of our amendment request or claimed on the original application. We would like to offer these amenities as additional substitutes for the fans. Pictures of these amenities are attached. They include:

- An Equipped Computer Learning Center
- Furnished Community Room

We understand that the substitutions/waivers described above are subject to TDHCA Board approval. Thank you again for working with us towards a resolution. Please let me know if you have any questions or need additional information.

Sincerely,
Summit Housing Partners, LLC



Tom Champion

105 Tallapoosa Street, Third Floor • Montgomery, Alabama 36104
Telephone: 334.954.4458 • Facsimile: 334.954.4496







VILLAGE PARK APARTMENTS
CURRENT STATISTICS AND AMENDMENT REQUEST SUMMARY
 May 21, 2009

Location:	Houston, TX
Number of Units:	418
Rent Restrictions:	85% (355 units) proposed in Application / 87% (364 units) as built
Number of Residents:	899 (352 under 18)
Current Occupancy:	90%
Occupancy in Sub-Market:	87
UPCS Physical Assessment Score:	92

Deficiency

Building count in application does not match count in cost certification

Proposed Substitution/Comment

*Buildings can be counted in two ways as some are semi attached by breezeways. Survey and site plan have not changed since application submission.

Ceiling fans are located in all unit living areas but not in bedrooms per requirement
 Ceiling Fan Bid: \$839,425

*Install new Microwave/Range Hood combination above ranges in all units
 *New in-place Equipped Computer Learning Center offered as additional substitute (+4 points).
 *In-place Furnished Community Room offered as additional substitute (+2 points)

Accessible Walking Path
 (-2 points)

*New in-place Children's Activity Center/Kid's Club after school program offered as substitute (+6 points)

Community Garden
 (-2 points)

*Community Garden will be constructed (+ 2 points)

Sports Court
(-4 points)

- *Pre-existing volleyball court was removed based on resident feedback and replaced with playground equipment.
- *In-place Soccer area offered as substitute (+4 points)
- *Will re-install volleyball court if desired by Board.

Two Children's Playgrounds

- *New Children's Playground was installed in a 57 x 31 foot area outside where the original playground is located.

Full Perimeter Fence with Controlled Gate Access (-6 points)

- *Full Perimeter Fence with Guardhouse as built (+4 points)
- *In-Place Public Telephones offered as substitute (+4 points)

627 Parking Places noted in Application

- *There are 551 parking places on site per the original ALTA/ACSM survey and construction plans.

Proposed Applicable Fraction was 85% /
Applicable Fraction as submitted in cost
Certification is 87%

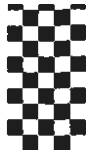
- *Management was able to qualify 87% (364 rent restricted & 54 market units) rather than the proposed 85% (355 rent restricted & 63 market rate units)

Notes

- 1 – Accepted Amendment Proposal would result in a +12 amenity point increase from Application.
- 2 – Please see attached for Social Services detail.

Service Coordinator:
Carla Pena and Property Staff

- 1. Education/Scholastic Tutoring**
 - Cedar Brook Elementary
- 2. After School Program**
 - UOI
- 3. Community Safety-Personal Protection/Crime Watch**
 - (Local Fire and Police Departments)
- 4. Back to School Supplies**
 - Village Park Property Staff
- 5. ESL through**
 - Spring Branch ISD
- 6. Crafts**
 - UOI
- 7. Social/Seasonal activities such as:**
(Monthly Community Meetings, National Night Out, & all Holiday celebrations)
- 8. Youth Prayer Rally**
 - First Baptist Church
- 9. Summer Lunch Program**
- 10. Youth Programs**
 - Second Baptist
- 11. Computer Facilities**
 - Consulado Mexicano
- 12. Counseling Services**
 - The Work Source
- 13. Financial Planning**
 - Wholesale Mortgages (Claudia Guzman)
- 14. Budgeting**
 - Wholesale Mortgages (Claudia Guzman)
- 15. Homebuyer Education**
 - Wholesale Mortgages (Claudia Guzman)
- 16. Credit Counseling**
 - Wholesale Mortgages (Claudia Guzman)



05629

GEORGE CAGLE CONSTRUCTION, INC
DBA CAGLE CONTRACTORS
M. GEORGE CAGLE, PRESIDENT
3171 ROSEMONT COURT
MILLBROOK, AL 36054
OFFICE #334-285-2877 FAX #334-285-1389 CELL#334-799-5355

Send to: Summit Asset Management	From: George Cagle <i>gc</i>
Attention: Tom Champion	Date: 05-28-09
Office Location: Montgomery, Al	Office Location:
Fax Number: 334-954-4496	Phone Number:

- ↪ **Urgent**
- ☑ **Reply ASAP**
- ☑ **Please comment**
- ☑ **Please Review**
- ☑ **For your Information**

Total pages, including cover: 2

Comments:

Eagle Contractors

3171 Rosemont Court
Millbrook, Al 36054
Phone (334) 285-2877
Fax (334) 285-1389
emj1560@aol.com

May 29, 2009

To: Summit Asset Management
105 Tallapoosa Street
Montgomery, Al 36104
Phone 334-956-4458
Fax 334-954-4496

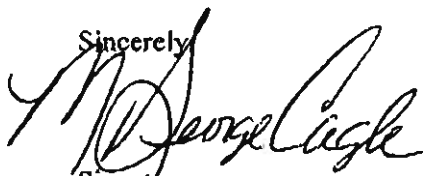
Attn: Tom Champion

Re: Microwave Installation Proposal for Village Park Apartments - 8701 Hammerly Blvd. ,
Houston, TX 77080

Scope of Work as Follows:

Install 418 microwave hood @ 320.00 ea. \$133,760.00

Total Project Cost Labor and Materials \$133,760.00

Sincerely

Signature

SUMMIT ASSET MANAGEMENT, L.L.C.

105 Tallapoosa Street, Suite 300
Montgomery, Alabama 36104

Telephone: 334.954.4458
Telecopier: 334.954.4496

February 13, 2009

Ben Sheppard
Multifamily Finance Production Division
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

Kimbal Thompson
Inspection Specialist
Real Estate Analysis Division
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

Rosalio Banuelos
Cost Certification Specialist
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

**RE: Deficiency Letter Follow-up Notice Response
Village Park Apartments – TDHCA File No: 05629/05629B – CMTS: 4331 (Administrative
Deficiencies)**

Gentlemen,

As you are aware, Summit Asset Management, LLC (the "Developer") has received letters concerning Administrative Deficiencies at the above referenced community. The deficiencies addressed in this letter concern application deficiencies, which were committed to in the property's original LIHTC application but not present at the time of inspection and/or arose as part of the cost certification review.

In response to the application deficiencies, the Developer is providing this letter addressing each deficiency in detail, with a written certification and other supporting documentation as evidence that corrective action either has been taken, or requesting waivers/approval for substitutions.

As you know our goal is to provide quality affordable housing to the residents of Village Park Apartments. We believe our acquisition; rehabilitation and management efforts at the property have, and will continue to accomplish this goal. We sincerely apologize to the Agency any discrepancies between the original application and

final product at Village Park. However, we believe the final product is actually superior to the one contemplated in the application.

We greatly appreciate your efforts to help us achieve compliance and ultimately the issuance of 8609s. As part of our efforts to facilitate this process, we are not asking for any additional credits for the costs associated with additional work detailed below.

Please see the response below which follows the outline of the Agencies Deficiency Letter Follow-Up notice dated December 18, 2008:

- **Deficiency #1:** The application identified 29 residential buildings as one of the representations to be included in the development. At inspection, only 26 were reported as observed.

Response/Corrective Action: There are 25 residential buildings at the property. Volume 1, Tab 2 Activity Overview shows buildings labeled 1-26 with no unit mix for building for #10. Volume 3, Tab 1, Part B references 26 residential buildings and 4 non-residential buildings. Prior to Village Park Apartments Partners, Ltd. taking ownership of the Project, Building #10 was damaged in a fire and not re-built. The ALTA/ACSM Land Title survey attached as Exhibit A shows 25 residential buildings and 4 non-residential buildings at Village Park Apartments.

Please accept this as our formal request to amend the application as required to indicate 25 residential buildings and 4 non-residential buildings.

- **Deficiency #2:** The application identified Ceiling Fans as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

Response/Corrective Action: Ceiling fans are included in the living areas at the property but are not included in the bedrooms. As-built, no ceiling fixtures exist in any bedroom type, and installation of ceiling fans in all bedrooms would require replacement of approximately 240 electrical panels. The cost of ceiling fan installation and electrical panel replacement would be \$839,425, or \$2,008/unit. Also, the property operates under an Asbestos O&M Program and there could be additional costs associated with demolition and renovation activities; plus additional costs associated with tenant relocation. Given the extensive cost and potential relocation of residents, the Developer does not believe ceiling fan installation is feasible at the property and respectfully requests TDHCA waive this requirement of the 2005 Qualified Allocation Plan. Please see Exhibit B for a clarification from the architect as to the extent of the work required for the addition of ceiling fans in all bedrooms along with a bid from the general contractor for the required work.

With the ceiling fan installation infeasible, the Developer is proposing to build a pavilion with picnic tables and barbecue grills for the residents in accordance with TDHCA specifications. The total cost of building the pavilion (inclusive of the Community Garden discussed in Deficiency 4 below) is approximately \$76,877. Please see Exhibit C for a plan and bid for this replacement amenity. It will take approximately 45 days from permitting to complete this addition. Please note that this deficiency was not intentional on the part of the Developer, but was a result of a misunderstanding in that the requirement for ceiling fans was assumed to be met in that all of the units had ceiling fans. The mistake was regarding the requirement that all the bedrooms have them also.

Please accept this as our formal request to amend the application to waive the requirement for ceiling fans in all bedrooms, and accept the pavilion as a replacement amenity that will enhance the quality of life for the residents (+2 point amenity).

- **Deficiency #3:** The application identified Accessible Walking Path as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

Response/Corrective Action: Accessible walking path was included in both the Bond application and the LIHTC application. The Developer included Accessible Walking Path and believed it to be distinct from the ¼ mile walking trail presented in the application. The Developer mistakenly interpreted Accessible Walking Path as being the accessible concrete walkways winding through the property. The developer proposes to provide a children's activity center as a replacement amenity. Our staffed "Kids Club" is an after school program that provides activities from 2:30 to 5:00 along with lunch and snacks in the summer time.

Please accept this as our formal request to amend the application to delete the "accessible walking path" amenity (-1 point), and add the "children's activity center amenity" (+3 points). Please see Exhibit D for photos of the children's activity center.

- **Deficiency #4:** The application identified Community Garden as one of the amenities to be included in the Development. At inspection, the amenity was reported as not observed.

Response/Corrective Action: A community garden will be constructed at the property and will be accessible to all residents. The total cost of building the community garden and pavilion discussed under Deficiency 2 above is approximately \$76,877. Please see Exhibit B for a site plan and bid for the addition of this amenity.

- **Deficiency #5:** The application identified Sports Court as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

Response/Corrective Action: A sports court was included in both the Bond application and the LIHTC application. A volleyball court was present at the time of application submittal, but was removed post-closing after surveying community interests. The volleyball court was located adjacent to the children's playground and was replaced with additional children's playground equipment. In lieu of a volleyball court; a soccer area was put in on the other side of the existing playground based on the resident survey. The Developer respectfully requests the substitution of the soccer area for the volleyball court in order to meet the sports court amenity requirement. Please see Exhibit E for photos of the new playground equipment where the volleyball court was located, and of the soccer area.

- **Deficiency #6:** The application identified Two Children's playgrounds equipped for 5-12year olds, two tot lots, or one of each as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

Response/Corrective Action: Two Children's playgrounds equipped for 5-12year olds, two tot lots, or one of each was included in both the Bond application and the LIHTC application, and are included on-site. Post-closing, additional playground equipment was installed in a 57' by 31' bordered area that was where the volleyball court was located. The original playground in located in an adjacent bordered area with dimensions of 99' by 95'. The Developer believes the installation of the new playground equipment is distinct from the existing playground and satisfies the requirement. Please see Exhibit E for photos of the new equipment where the volleyball court was.

In addition to the possible amendment issues above that were identified during the final inspection, Mr. Banuelos asked that we address the following possible amendment issues identified in his cost certification review:

- **Deficiency A:** The Application identified efficiency units. There were no efficiency units noted on the Cost Certification rent schedule.

Response/Corrective Action: There are 4 efficiency units on site. Please see Exhibit F for a revised cost certification rent schedule identifying these units as efficiency units rather than small 1 bedroom units.

- **Deficiency B:** The Application identified controlled gate access as an amenity. This amenity was not observed during the inspection.

Response/Corrective Action: "Full perimeter fencing with controlled gate access" was marked on the application. "Full perimeter fencing without controlled gate access" should have been marked. The developer believes this was misinterpreted by our staff as the entry to the site does have a guard shack.

Please accept this as our formal request to amend the application as required to delete "full perimeter fencing with controlled gate access" (-3 points), and add "full perimeter fencing without controlled gate access" (+2points). To replace the lost point we would also like to substitute "public telephone(s) available to tenants 24 hours a day" (+2 points) as an amenity. Please see Exhibit G for photos of the guard shack and fencing. Photos of the public phones will follow this letter.

- **Deficiency C:** The Application identified 627 parking places while the Cost Certification only identified 551 parking places.

Response/Corrective Action: This was clearly an error on the application. There are 551 parking places on site per the ALTA/ACSM Land Title Survey of the property.

Please accept this as our formal request to amend the application to indicate there are 551 parking places on site.

Deficiency D: The Application set aside was 85% (355) LIHTC units and 15% (63) market rate units. The set aside per the Cost Certification rent schedule is 86% (364) LIHTC units and 14% (54) market rate units.

Response/Corrective Action: The Partnership and Developer are very sensitive to avoiding the forced relocation of residents. The Application identified the anticipated number of LIHTC and market rate units at the time of submission. The cost certification rent schedule reflects the actual and final unit mix at the property based on the final tax credit qualifying of the existing residents. The Partnership was able to qualify 86%, or 364 LIHTC units reserving them for qualified households, and 14%, or 54 units for market rate households.

Based on the responses above, there should be a net increase in points scored by the project. While we are not asking for additional application changes, the Developer would like to note that there are additional amenities being offered to the residents at the property that were not referenced in the original application, but would qualify for additional points such as the equipped computer learning center (2 points) and the furnished community room (1 point). Please see Exhibit H for photos of these amenities.

We understand that the substitutions/waivers described above will be subject to TDHCA Board approval, and if approved, the owner will immediately begin the work detailed; which should be completed in 45-60 days. Should the Board approve our requests, we hope that we can proceed with the process of cost certification and issuance of 8609s. Should the work not be completed prior to the next compliance inspection, we understand we could be subject to the filing of 8823s. In the current housing tax credit environment, our LIHTC syndicator is eager to receive 8609s to pass along to our ultimate investor partner in the property. While we intend and desire to abide by all program guidelines, we also want our ultimate investor to be satisfied in hopes that it leads to their continued reinvestment in the LIHTC program.

Thank you again for working with us towards a resolution of these deficiencies. Please let me know if you have any questions or need additional information. We look forward to working with you in the future to preserve affordable housing in Texas.

Sincerely,
Summit Asset Management, L.L.C.



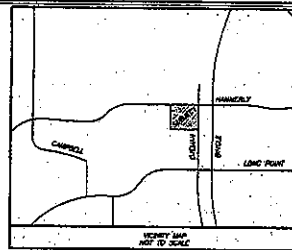
Tom Champion

EXHIBIT A

GP NO: 05-134849 FIDELITY NATIONAL TITLE
 ADDRESS: 8701 HAMMERLY BOULEVARD
 HOUSTON, TEXAS 77060
 BORROWER: VILLAGE PARK APARTMENTS PARTNERS, LTD.

THIS PROPERTY DOES NOT LIE WITHIN THE
 100-YEAR FLOOD PLAIN AS ESTABLISHED
 BY THE U.S. DEPT. OF HOUSING AND URBAN
 DEVELOPMENT.
 COMMUNITY PANEL NO. 48216 0645 J
 MAP RECORD NO. 11/8/85
 ZONE 3

HAMMERLY BOULEVARD
(BY MAX. PUBLIC ROAD)



12.7052 ACRES
VILLAGE PARK APARTMENTS
 ACCORDING TO THE MAP OR PLAN THEREOF RECORDED
 IN VOLUME 139, PAGE 96 OF THE MAP RECORDS
 OF HARRIS COUNTY, TEXAS
 (SEE ATTACHED METES AND BOUNDS)

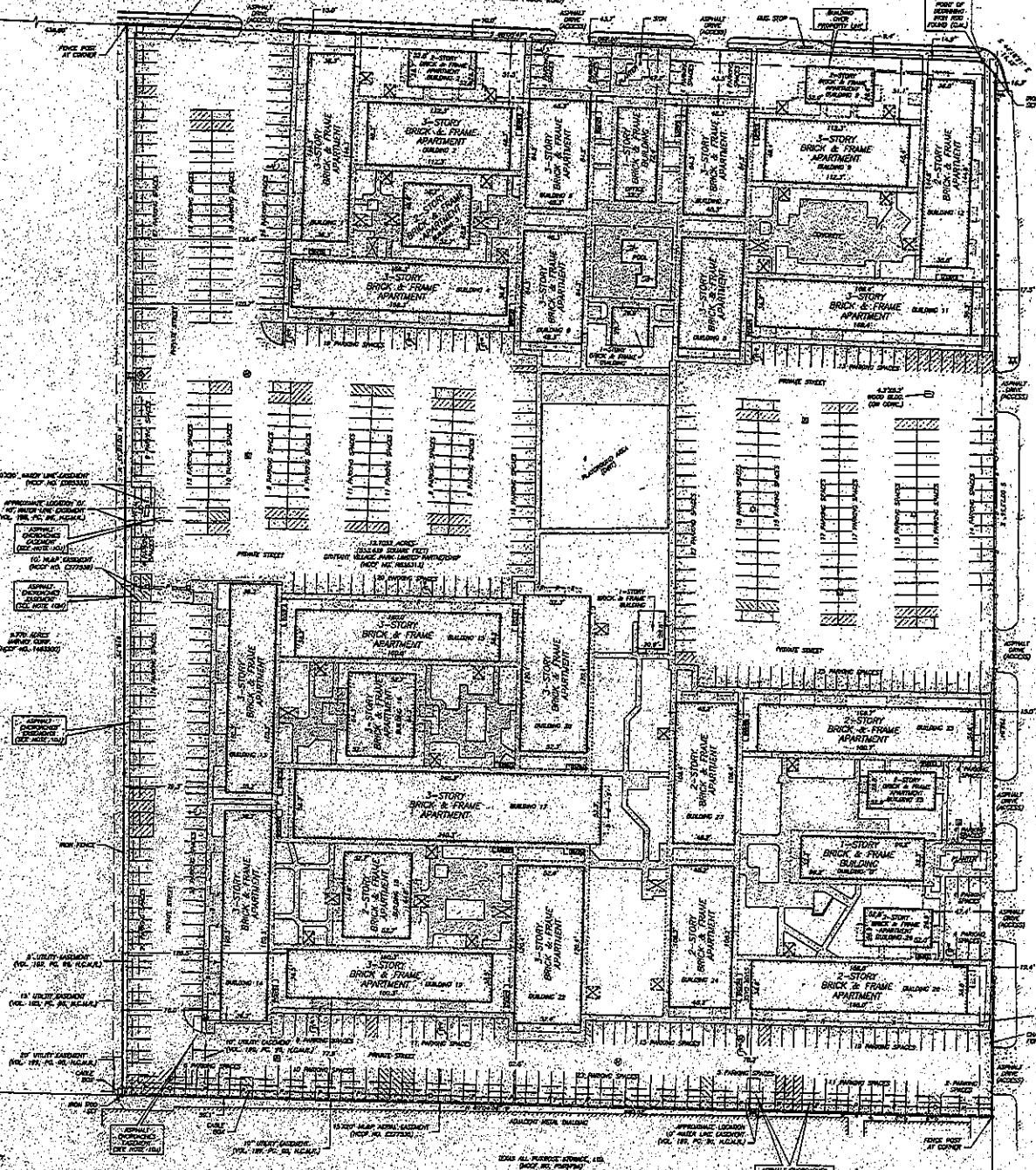


PARKING SPACES	
REGULAR	1' x 20'
BIKE	5' x 8'

- LEGEND:**
- ROAD / FENCE
 - POLE / POST
 - CHANGING POWER UNIT
 - CHIMNEY
 - ASPHALT
 - POLE POLE
 - LOW POLE
 - POLE MOUNT
 - WELL
 - WATER
 - WATER METER
 - 2000 GAL. (SEE NOTE 10)
 - 5000 GAL. (SEE NOTE 10)
 - 5000 GAL. (SEE NOTE 10)

GENERAL NOTES:

- THE SURVEY WAS MADE ON THE GROUND BETWEEN SEPTEMBER 29, 2005 AND OCTOBER 01, 2005 AND CORRECTLY SHOWS THE AREA OF THE SUBJECT PROPERTY, THE LOCATION AND TYPE OF ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS SITUATED ON THE SUBJECT PROPERTY, AND ANY OTHER MATTERS SITUATED ON THE SUBJECT PROPERTY.
- EXCEPT AS SHOWN ON THE SURVEY, THERE ARE NO VISIBLE EASEMENTS OR RIGHTS OF WAY OF WHICH THE UNDERSIGNED HAS BEEN ADVISED.
- THERE ARE NO OBSERVABLE ABOVE GROUND ENCROACHMENTS (A) BY THE IMPROVEMENTS ON THE SUBJECT PROPERTY UPON ADJOINING PROPERTIES, STREETS OR ALLEYS, OR (B) BY THE IMPROVEMENTS ON ADJOINING PROPERTIES, STREETS OR ALLEYS UPON THE SUBJECT PROPERTY.
- THE LOCATION OF EACH EASEMENT, RIGHT OF WAY, SERVITUDE AND OTHER MATTER AFFECTING THE SUBJECT PROPERTY AND LISTED IN THE TITLE INSURANCE COMMITMENT ISSUED MARCH 23, 2006 BY FIDELITY NATIONAL TITLE INSURANCE COMPANY, NATIONAL TITLE SERVICES, WITH AN EFFECTIVE DATE OF MARCH 26, 2006 WITH RESPECT TO THE SUBJECT PROPERTY HAS BEEN SHOWN ON THE SURVEY TOGETHER WITH APPROPRIATE RECORDING REFERENCES TO THE EXTENT THAT SUCH MATTERS CAN BE LOCATED. THE PROPERTY SHOWN ON THE SURVEY IS THE PROPERTY DESCRIBED IN THAT TITLE COMMITMENT. THE LOCATION OF ALL IMPROVEMENTS ON THE SUBJECT PROPERTY IS IN ACCORD WITH MINIMUM DETAIL, PROVISIONS AND RESTRICTIONS OF RECORD REFERENCED IN SUCH TITLE COMMITMENT.
- THE SUBJECT PROPERTY HAS ACCESS TO AND FROM A DULY DEDICATED AND ACCEPTED PUBLIC STREET OR HIGHWAY.
- THE SUBJECT PROPERTY DOES NOT SERVE ANY ADJOINING PROPERTY FOR DRAINAGE, UTILITIES, OR INGRESS OR EGRESS.
- THE RECORD DESCRIPTION OF THE SUBJECT PROPERTY FORMS A MATHEMATICALLY CLOSED FIGURE.
- NO PORTION OF THE PROPERTY SHOWN ON THE SURVEY LIES WITHIN A SPECIAL HAZARD AREA AS DESCRIBED ON THE FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH THE SUBJECT PROPERTY IS LOCATED. THE PARTIES LISTED ABOVE ARE ENTITLED TO RELY ON THE SURVEY AND THIS CERTIFICATE AS BEING TRUE AND ACCURATE.



OJEMAN ROAD

SURVEYOR'S CERTIFICATION:

THE UNDERSIGNED, BEING A REGISTERED SURVEYOR OF THE STATE OF TEXAS CERTIFIED TO BOYDTON CAPITAL CORPORATION-TAX CREDIT FUND LPA, A LIMITED PARTNERSHIP, BOYDTON VILLAGE PARK APARTMENTS PARTNERS, LPA, A LIMITED PARTNERSHIP, CRESTSTONE SERVING CORPORATION, INC., FANNING, INC. ITS SUCCESSORS AND ASSIGNS, FIDELITY NATIONAL TITLE INSURANCE COMPANY, NATIONAL TITLE SERVICES, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, JP MORGAN CHASE BANK, TRUSTEE AND RECORDS BANK AS FOLLOWS:

- THIS MAP OR PLAN AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALIENATION LAND TITLE SURVEYS," PROMULGATED AND ADOPTED BY THE AMERICAN LAND TITLE ASSOCIATION AND THE AMERICAN SOCIETY OF SURVEYING AND MAPPING IN 1989 AND THIS SURVEY MEETS THE REQUIREMENTS FOR AN URBAN SURVEY AS DEEMED THEREON, EXCEPT ITEMS 5, 6, 7(R1), 7(B2), 7(B3), 7(C, 11E, 12, 14, 15 & 16).
- THE SURVEY WAS MADE ON THE GROUND BETWEEN SEPTEMBER 29, 2005 AND OCTOBER 01, 2005 AND CORRECTLY SHOWS THE AREA OF THE SUBJECT PROPERTY, THE LOCATION AND TYPE OF ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS SITUATED ON THE SUBJECT PROPERTY, AND ANY OTHER MATTERS SITUATED ON THE SUBJECT PROPERTY.
- EXCEPT AS SHOWN ON THE SURVEY, THERE ARE NO VISIBLE EASEMENTS OR RIGHTS OF WAY OF WHICH THE UNDERSIGNED HAS BEEN ADVISED.
- THERE ARE NO OBSERVABLE ABOVE GROUND ENCROACHMENTS (A) BY THE IMPROVEMENTS ON THE SUBJECT PROPERTY UPON ADJOINING PROPERTIES, STREETS OR ALLEYS, OR (B) BY THE IMPROVEMENTS ON ADJOINING PROPERTIES, STREETS OR ALLEYS UPON THE SUBJECT PROPERTY.
- THE LOCATION OF EACH EASEMENT, RIGHT OF WAY, SERVITUDE AND OTHER MATTER AFFECTING THE SUBJECT PROPERTY AND LISTED IN THE TITLE INSURANCE COMMITMENT ISSUED MARCH 23, 2006 BY FIDELITY NATIONAL TITLE INSURANCE COMPANY, NATIONAL TITLE SERVICES, WITH AN EFFECTIVE DATE OF MARCH 26, 2006 WITH RESPECT TO THE SUBJECT PROPERTY HAS BEEN SHOWN ON THE SURVEY TOGETHER WITH APPROPRIATE RECORDING REFERENCES TO THE EXTENT THAT SUCH MATTERS CAN BE LOCATED. THE PROPERTY SHOWN ON THE SURVEY IS THE PROPERTY DESCRIBED IN THAT TITLE COMMITMENT. THE LOCATION OF ALL IMPROVEMENTS ON THE SUBJECT PROPERTY IS IN ACCORD WITH MINIMUM DETAIL, PROVISIONS AND RESTRICTIONS OF RECORD REFERENCED IN SUCH TITLE COMMITMENT.
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- THE SUBJECT PROPERTY DOES NOT SERVE ANY ADJOINING PROPERTY FOR DRAINAGE, UTILITIES, OR INGRESS OR EGRESS.
- THE RECORD DESCRIPTION OF THE SUBJECT PROPERTY FORMS A MATHEMATICALLY CLOSED FIGURE.
- NO PORTION OF THE PROPERTY SHOWN ON THE SURVEY LIES WITHIN A SPECIAL HAZARD AREA AS DESCRIBED ON THE FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH THE SUBJECT PROPERTY IS LOCATED. THE PARTIES LISTED ABOVE ARE ENTITLED TO RELY ON THE SURVEY AND THIS CERTIFICATE AS BEING TRUE AND ACCURATE.

Robert V. Barentos
 ROBERT V. BARENTOS
 PROFESSIONAL LAND SURVEYOR
 NO. 5584
 DRAWING NO. 05-10077
 OCTOBER 04, 2005
 REVISED: DECEMBER 16, 2005
 REVISED: DECEMBER 30, 2005
 REVISED: JANUARY 24, 2006
 REVISED: FEBRUARY 17, 2006
 REVISED: FEBRUARY 21, 2006
 REVISED: APRIL 05, 2006
 (REVISED CERTIFICATION)
 REVISED: APRIL 11, 2006
 (REVISED CERTIFICATION)



05629

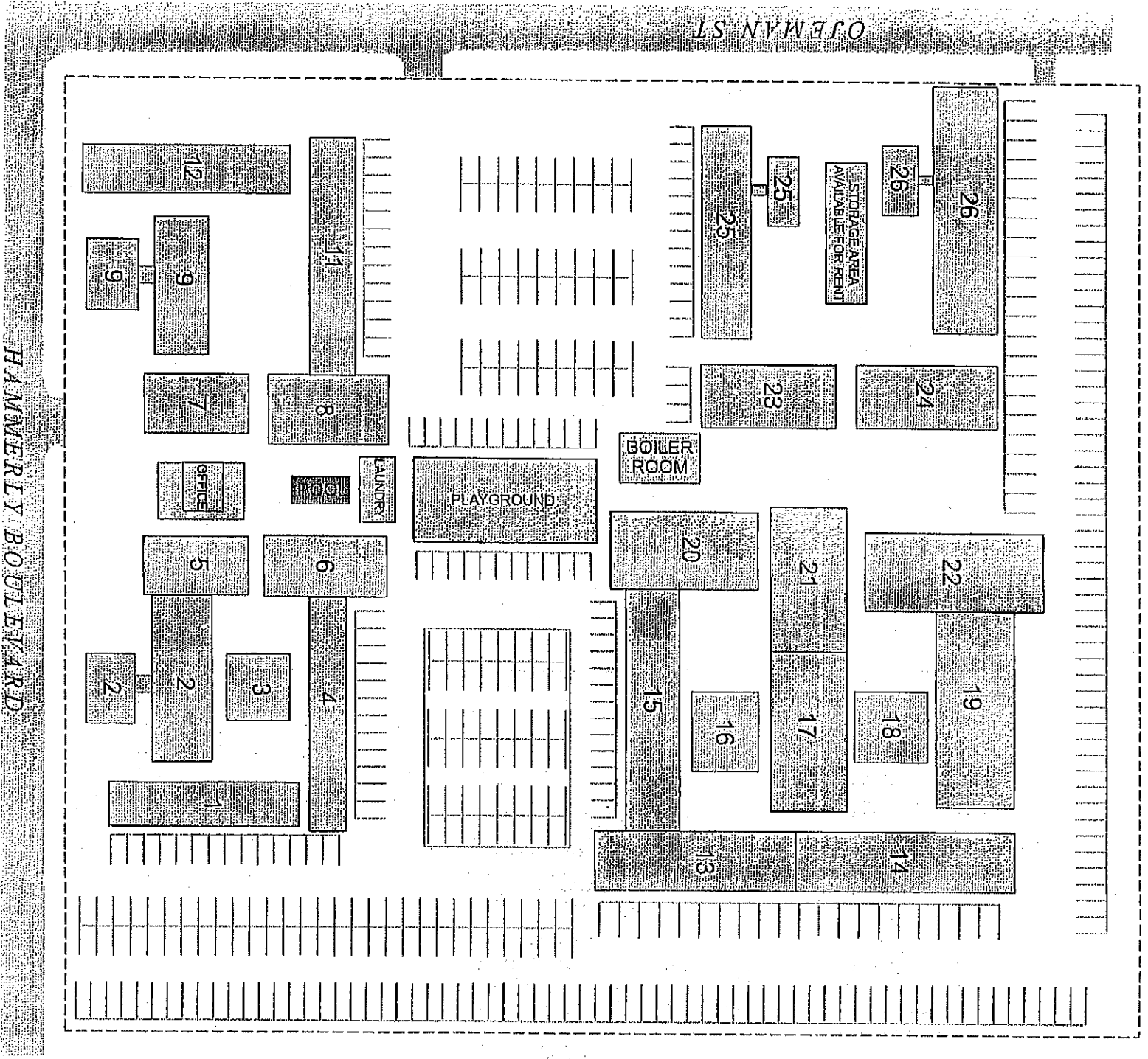
RECORD BEARING NO. 139, PAGE 96, N.C.M.A.

PRECISION SURVEYORS
 PROFESSIONAL LAND SURVEYS

1-800-LANDSURVEY 251-486-1200
 1-800-322-1387 FAX 251-496-1687
 1425 MORGAN, SUITE 400 HOUSTON, TEXAS 77059

DRAWN BY: RC

Application



Site 1 plan

EXHIBIT B

Donald C. Brown AIA, Architect
260 Commerce Street, Suite 200
Montgomery, Alabama 36104
(334) 834-8340
(334) 834-8343 Fax

November 11, 2008

Hunter McKenzie
Summit America
105 Tallapoosa Street, Suite 30
Montgomery AL, 36104

Re: Village Park Apartments
Houston, Texas.

Mr. McKenzie,

The purpose of this letter is to define the scope of work necessary to provide a new ceiling fan in the living room and bedroom of each unit for Village Park Apartments. There are a total of 1,394 new ceilings fans that will need to be provided.

In order to provide new ceiling fans, the existing circuit will need to be extended to handle the extra electrical load caused by the new fan. Some of the existing circuits can not be extended to handle the extra load and these panels with insufficient circuits will need to be replaced with new panels. 230 units will require new electrical panels. Also, arc fault breakers will need to be provided for all circuits receiving new fans. These should also be provided at the new panels as well.

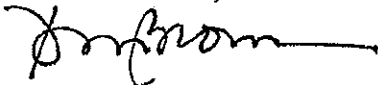
New electrical wiring will be required from the new fan to the existing or new electrical panel where there is not an existing fixture box. Gypboard repairs and touch-up paint will be necessary where new wiring is provided. The option of providing surface mounted wire mould was considered in an effort to minimize gypboard repairs; however, per the contractor, the additional cost of wire mould relative to the additional gypboard repairs would cost roughly the same.

72 of the fans can be installed at an existing fixture box or light fixture. These fans will still require arc fault breakers; although, the existing circuits should be able to remain the same with no new electrical wiring required.

In summary, 1,394 fans will need to be installed with 72 fans that can be installed at an existing fixture box. All fans will need new arc fault breakers and 230 units will need new electrical panels. Because of the existing capacity at some of the panels and because of code requirements, this additional work will be necessary.

Sincerely,

Donald C. Brown, AIA



Donald C. Brown Architect
260 Commerce Street, Suite 200
Montgomery, AL 36104

Village Park-Fan Installation

Village Park Ceiling Fans

El Bravo

Efficiency

Description	QTY		Total
Install New Panel (Incl Arch Fault)	0	\$ 781.25	\$ -
Install New Arch Fault (No Panel Needed)	1	\$ 93.75	\$ 93.75
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	1	\$ 368.75	\$ 368.75
S/R & Paint Repairs	1	\$ 68.75	\$ 68.75
Permitting	1	\$ 6.25	\$ 6.25
			\$ 537.50
	# of Units		4
	TOTAL	\$	2,150.00

\$ 2,150.00

San Luis

1 BR 18A

Description	QTY		Total
Install New Panel (Incl Arch Fault)	0	\$ 781.25	\$ -
Install New Arch Fault (No Panel Needed)	2	\$ 93.75	\$ 187.50
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	2	\$ 368.75	\$ 737.50
S/R & Paint Repairs	2	\$ 68.75	\$ 137.50
Permitting	2	\$ 6.25	\$ 12.50
			\$ 1,075.00
	# of Units		240
	TOTAL	\$	258,000.00

\$ 258,000.00

El Rey

1 BR 18A

Description	QTY		Total
Install New Panel (Incl Arch Fault)	0	\$ 781.25	\$ -
Install New Arch Fault (No Panel Needed)	2	\$ 93.75	\$ 187.50
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	2	\$ 368.75	\$ 737.50
S/R & Paint Repairs	2	\$ 68.75	\$ 137.50
Permitting	2	\$ 6.25	\$ 12.50
			\$ 1,075.00
	# of Units		56
	TOTAL	\$	60,200.00

\$ 60,200.00

Village Park-Fan Installation

La Catalina

2 BR 1BA

Description	QTY		Total
Install New Panel (Incl Arch Fault)	1	\$ 781.25	\$ 781.25
Install New Arch Fault (No Panel Needed)	0	\$ 93.75	\$ -
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	3	\$ 368.75	\$ 1,106.25
S/R & Paint Repairs	3	\$ 68.75	\$ 206.25
Permitting	3	\$ 6.25	\$ 18.75
			\$ 2,112.50
# of Units			30
		\$	63,375.00

\$ 63,375.00

La Estrella

2BR 1BA

Description	QTY		Total
Install New Panel (Incl Arch Fault)	0	\$ 781.25	\$ -
Install New Arch Fault (No Panel Needed)	2	\$ 93.75	\$ 187.50
Install New Fan(Existing Fixture Box)	2	\$ 156.25	\$ 312.50
Install New Fan w/ Circuit	1	\$ 368.75	\$ 368.75
S/R & Paint Repairs	1	\$ 68.75	\$ 68.75
Permitting	2	\$ 6.25	\$ 12.50
			\$ 950.00
# of Units			36
		\$	34,200.00

\$ 34,200.00

Del Sol

2BR 1BA

Description	QTY		Total
Install New Panel (Incl Arch Fault)	1	\$ 781.25	\$ 781.25
Install New Arch Fault (No Panel Needed)	0	\$ 93.75	\$ -
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	3	\$ 368.75	\$ 1,106.25
S/R & Paint Repairs	3	\$ 68.75	\$ 206.25
Permitting	1	\$ 6.25	\$ 6.25
			\$ 2,100.00
# of Units			8
		\$	16,800.00

\$ 16,800.00

Village Park-Fan Installation

El Monterey

2BR 2BA

Description	QTY		Total
Install New Panel (Incl Arch Fault)	1	\$ 781.25	\$ 781.25
Install New Arch Fault (No Panel Needed)	0	\$ 93.75	\$ -
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	3	\$ 368.75	\$ 1,106.25
S/R & Paint Repairs	3	\$ 68.75	\$ 206.25
Permitting	3	\$ 6.25	\$ 18.75
			\$ 2,112.50
# of Units			48
		\$	101,400.00

\$ 101,400.00

La Casa Blanca

2BR 2BA

Description	QTY		Total
Install New Panel (Incl Arch Fault)	1	\$ 781.25	\$ 781.25
Install New Arch Fault (No Panel Needed)	0	\$ 93.75	\$ -
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	3	\$ 368.75	\$ 1,106.25
S/R & Paint Repairs	3	\$ 68.75	\$ 206.25
Permitting	3	\$ 6.25	\$ 18.75
			\$ 2,112.50
# of Units			72
		\$	152,100.00

\$ 152,100.00

El Palacio

3BR 2BA

Description	QTY		Total
Install New Panel (Incl Arch Fault)	1	\$ 781.25	\$ 781.25
Install New Arch Fault (No Panel Needed)	0	\$ 93.75	\$ -
Install New Fan(Existing Fixture Box)	0	\$ 156.25	\$ -
Install New Fan w/ Circuit	3	\$ 368.75	\$ 1,106.25
S/R & Paint Repairs	3	\$ 68.75	\$ 206.25
Permitting	1	\$ 6.25	\$ 6.25
			\$ 2,100.00
# of Units			72
		\$	151,200.00

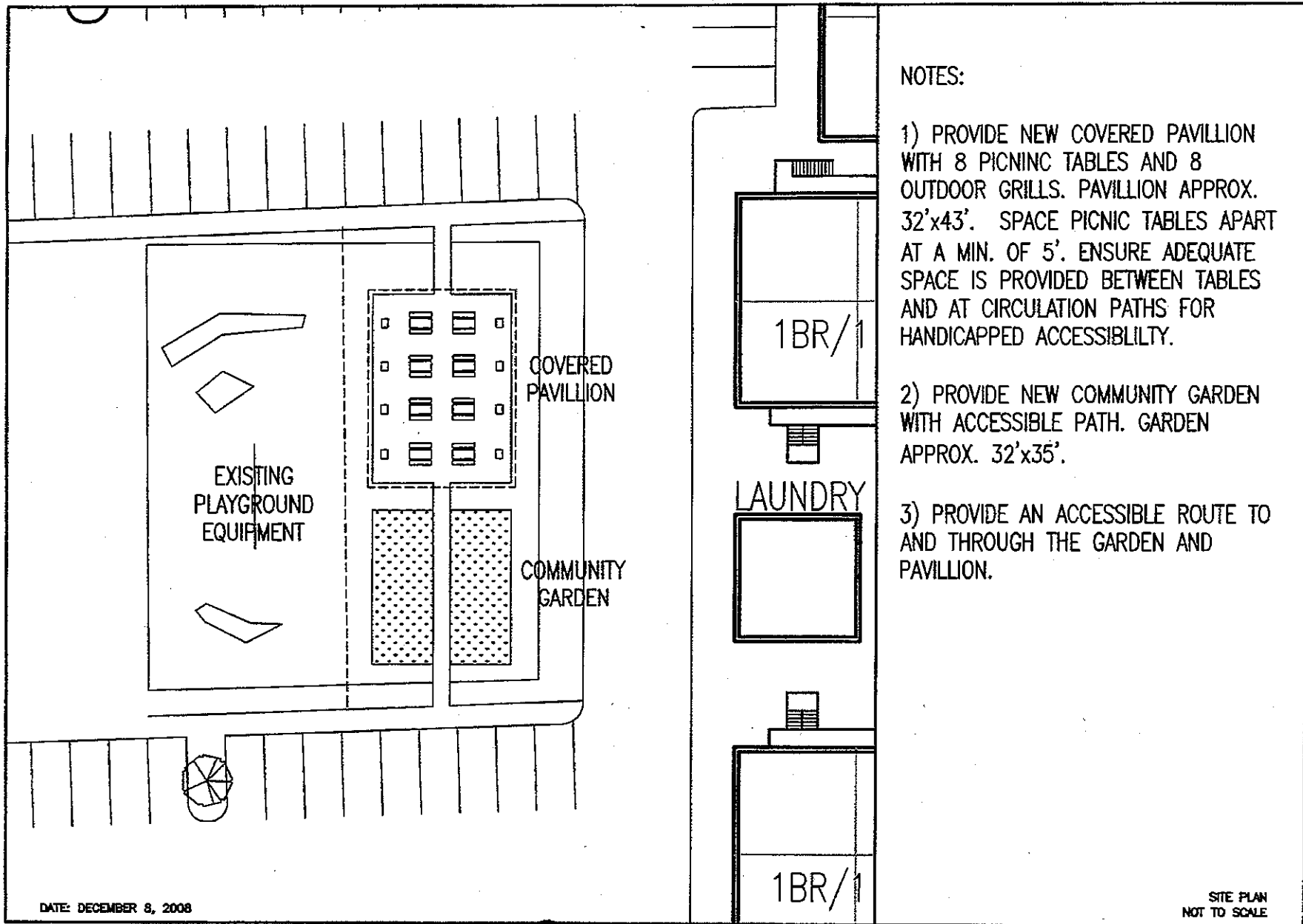
\$ 151,200.00

BID TOTAL

\$ 839,425.00

EXHIBIT C

05629



NOTES:

- 1) PROVIDE NEW COVERED PAVILLION WITH 8 PICNINC TABLES AND 8 OUTDOOR GRILLS. PAVILLION APPROX. 32'x43'. SPACE PICNIC TABLES APART AT A MIN. OF 5'. ENSURE ADEQUATE SPACE IS PROVIDED BETWEEN TABLES AND AT CIRCULATION PATHS FOR HANDICAPPED ACCESSIBILTY.
- 2) PROVIDE NEW COMMUNITY GARDEN WITH ACCESSIBLE PATH. GARDEN APPROX. 32'x35'.
- 3) PROVIDE AN ACCESSIBLE ROUTE TO AND THROUGH THE GARDEN AND PAVILLION.

DATE: DECEMBER 8, 2008

SITE PLAN
NOT TO SCALE

Brown Chambliss Architects
 200 Commerce Street, Suite 200
 Montgomery, Alabama 36104-2283
 P: 334.834.2340 F: 334.834.2340
 www.browncambliss.com

VILLAGE PARK APARTMENTS
 HOUSTON TEXAS

A-1

COMMUNITY GARDEN & PAVILLION SCOPE AND SPECIFICATIONS - VILLAGE PARK APTS.

VILLAGE PARK APTS.
8701 HAMMERLY
HOUSTON, TX 77077

Submitted by:
Brad Bowers
Penco Construction Co.
December 17, 2008

NEW COMMUNITY PAVILLION & GARDEN**COVERED PAVILLION**

Excavate & Prepare Soil For New Slab	1,376 SF
Pour New 4" Reinforced Slab With Footings	1,376 SF
Provide & Install 6"x6"x12' Treated Columns	10 EA
Provide & Install New 2"x12"x10 Support Beams	18 EA
Provide & Install New Roof Trusses	742 LF
Provide & Install New Roof Decking	1,680 SF
Provide & Install New Composition Shingle Roofing	18 SQ
Provide & Install New Plywood Siding	190 SF
Provide & Install New Plywood Soffit	1,584 SF
Provide & Install New Fascia	165 LF
Pour New 4" Concrete Walkway	36 SF
Provide & Install New Outdoor Charcoal Grill	8 EA
Provide & Install New Picnic Tables	8 EA

COMMUNITY GARDEN

Excavate & Remove 8" Existing Soil For New Gard	910 SF
Import New Topsoil	22 CY
Provide & Install New Landscape Logs	384 LF
Provide & Install New Hose Bib	2 EA
Pour New 4" Concrete Walkway	200 SF

GENERAL

Paint Covered Pavillion Complete	1 EA
Permit	1 EA
Haul Debris - Per Truck Load	1 LD

OUR PRICE FOR THIS WORK IS \$76,877.00

*This bid is based on Brown Chambless Architects site plan drawing and Penco's design of the structure. Bid does not include complete engineered drawings or drainage plan which will be required for permitting purposes.

PENCO CONSTRUCTION COMPANY

COMMUNITY GARDEN & PAVILLION SCOPE AND SPECIFICATIONS - VILLAGE PARK APTS.**NOTES:**

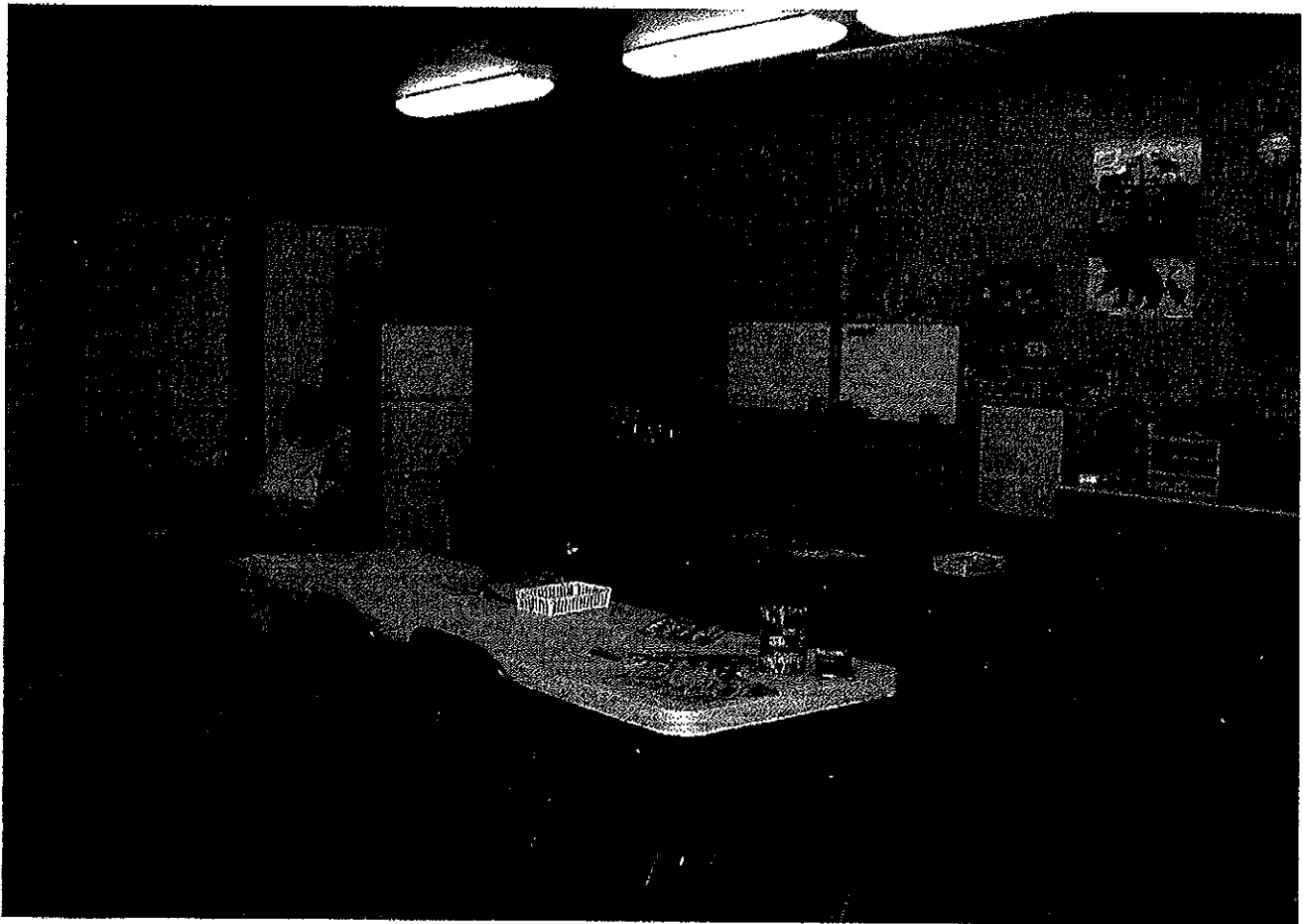
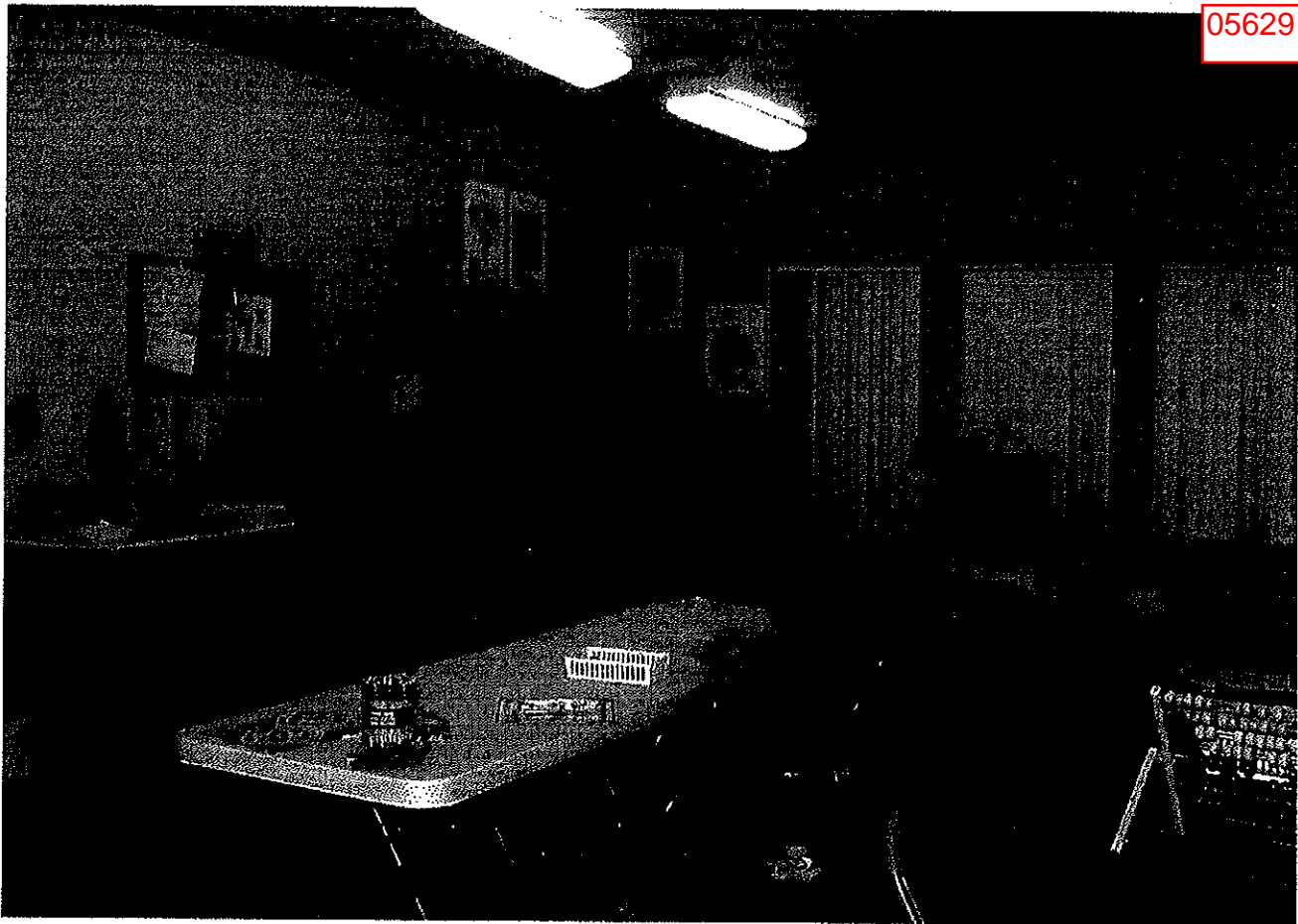
1. All work performed by Penco shall be compliant with all applicable building codes and regulations. However, all design and specifications, including compliance of same applicable government codes and regulations, shall be the responsibility of the Owner.

2. If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner, (2) changes ordered in the Work by Owner or Government agency or entity, (3) labor disputes, fire or other natural disasters, transportation stoppages, (4) effects of storms and other adverse weather conditions, or (5) any other unusual or unavoidable casualties or other causes beyond the Contractor's control, then the Contract Time or Time of Completion shall be deemed extended by a written Change Order for such reasonable time as to accommodate delays occasioned by any of the events described in (1) through (5) of this paragraph, and in no event shall the Contractor be liable to Owner for delays which result from an event described in (1) through (5) of this paragraph.

4. Estimate amount will be good for 30 days.

EXHIBIT D

05629



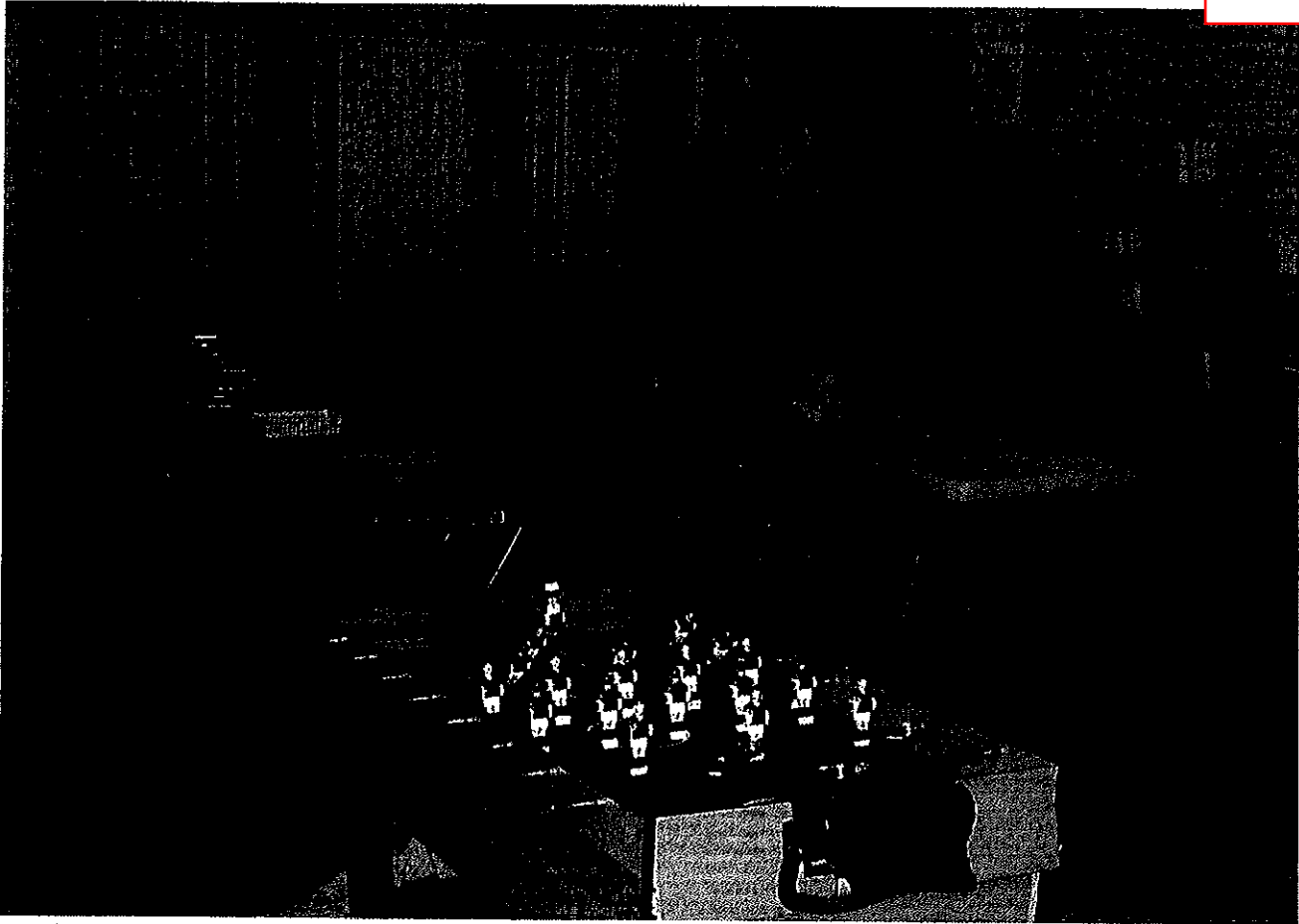
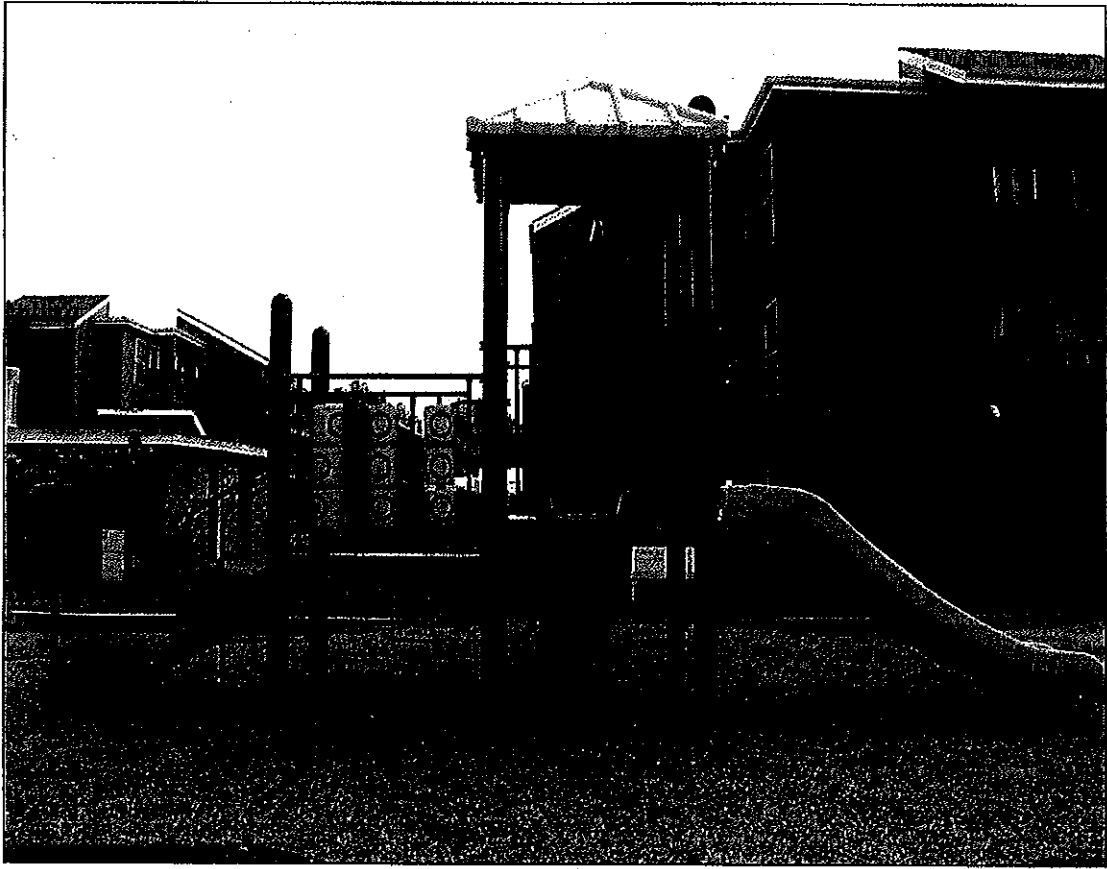
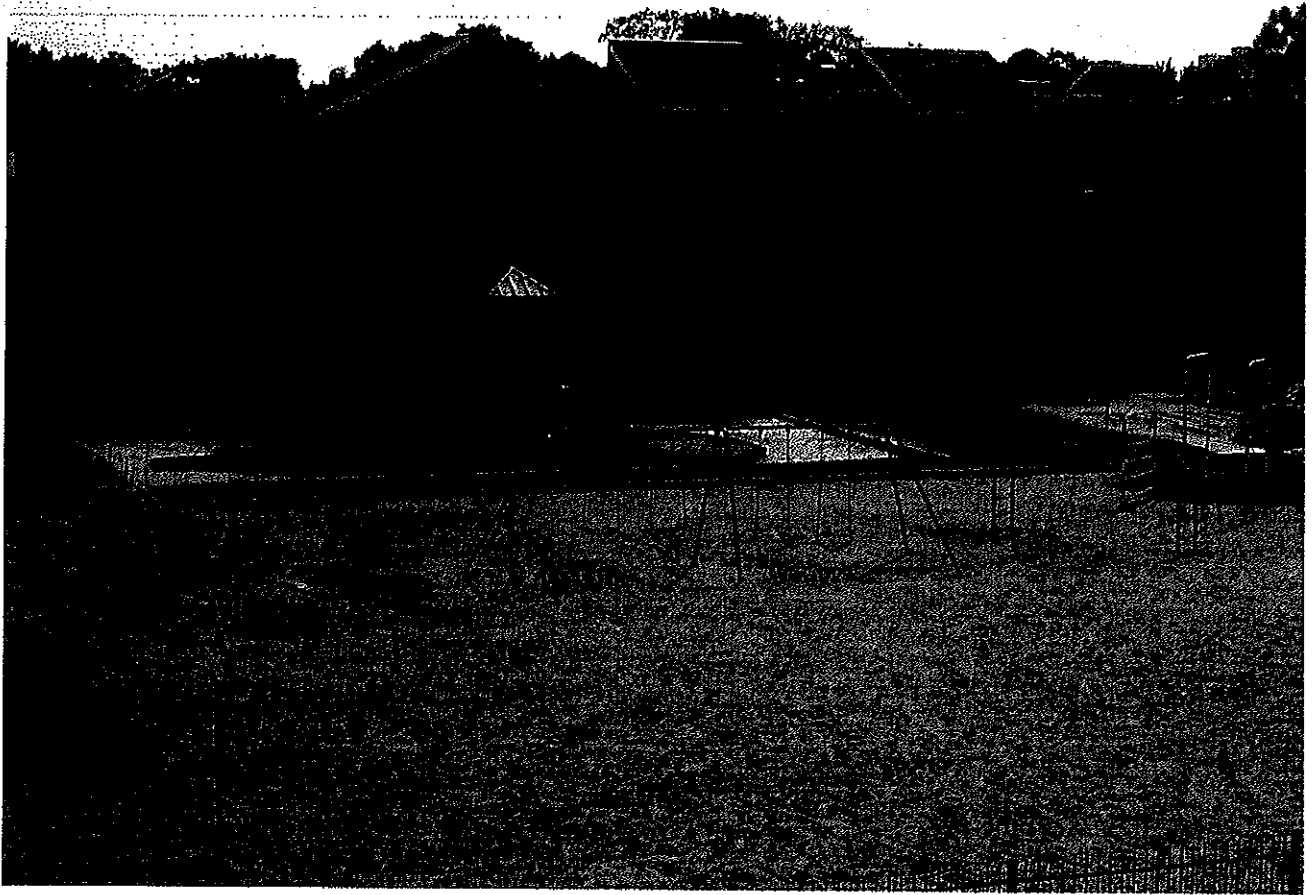
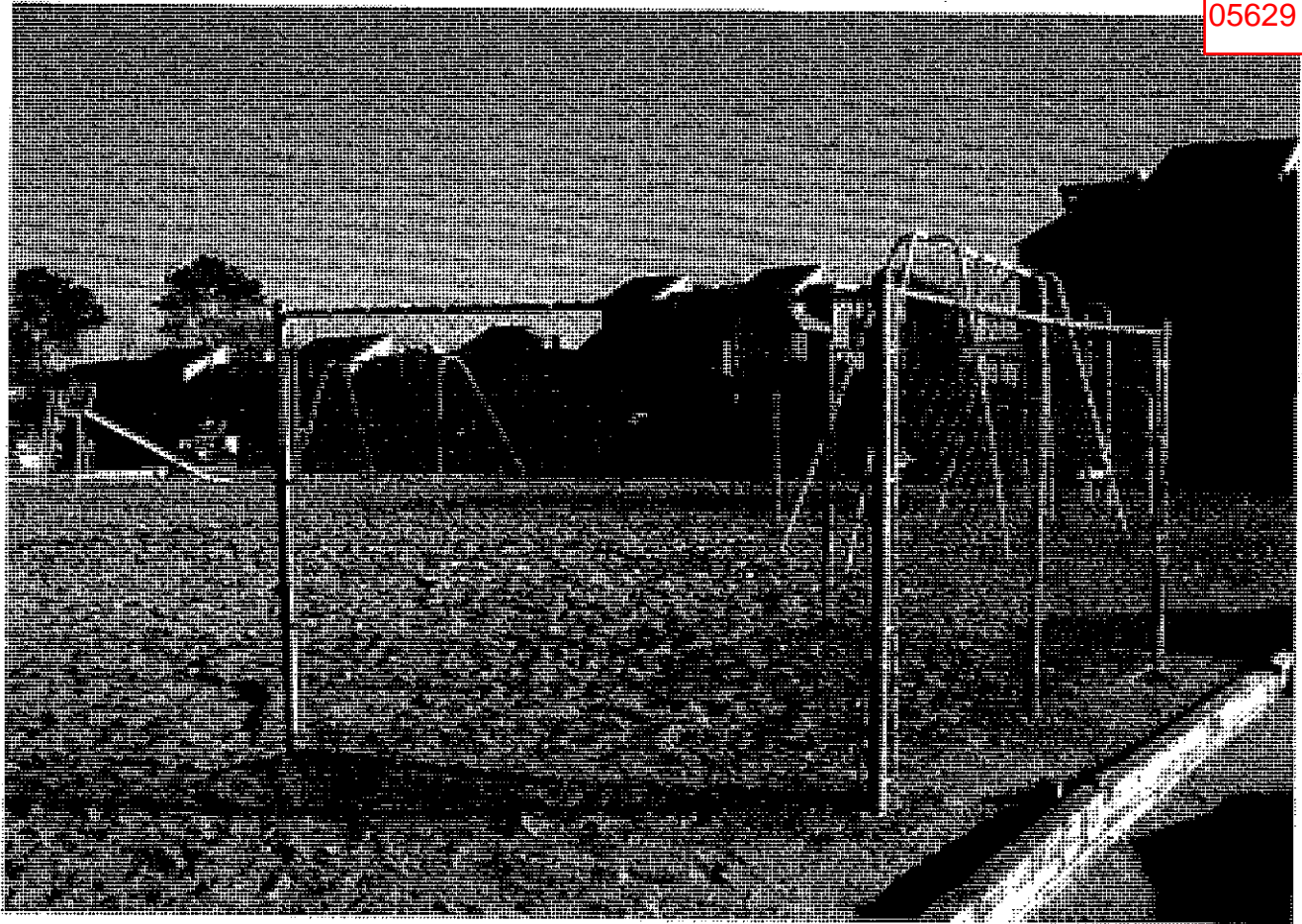


EXHIBIT E







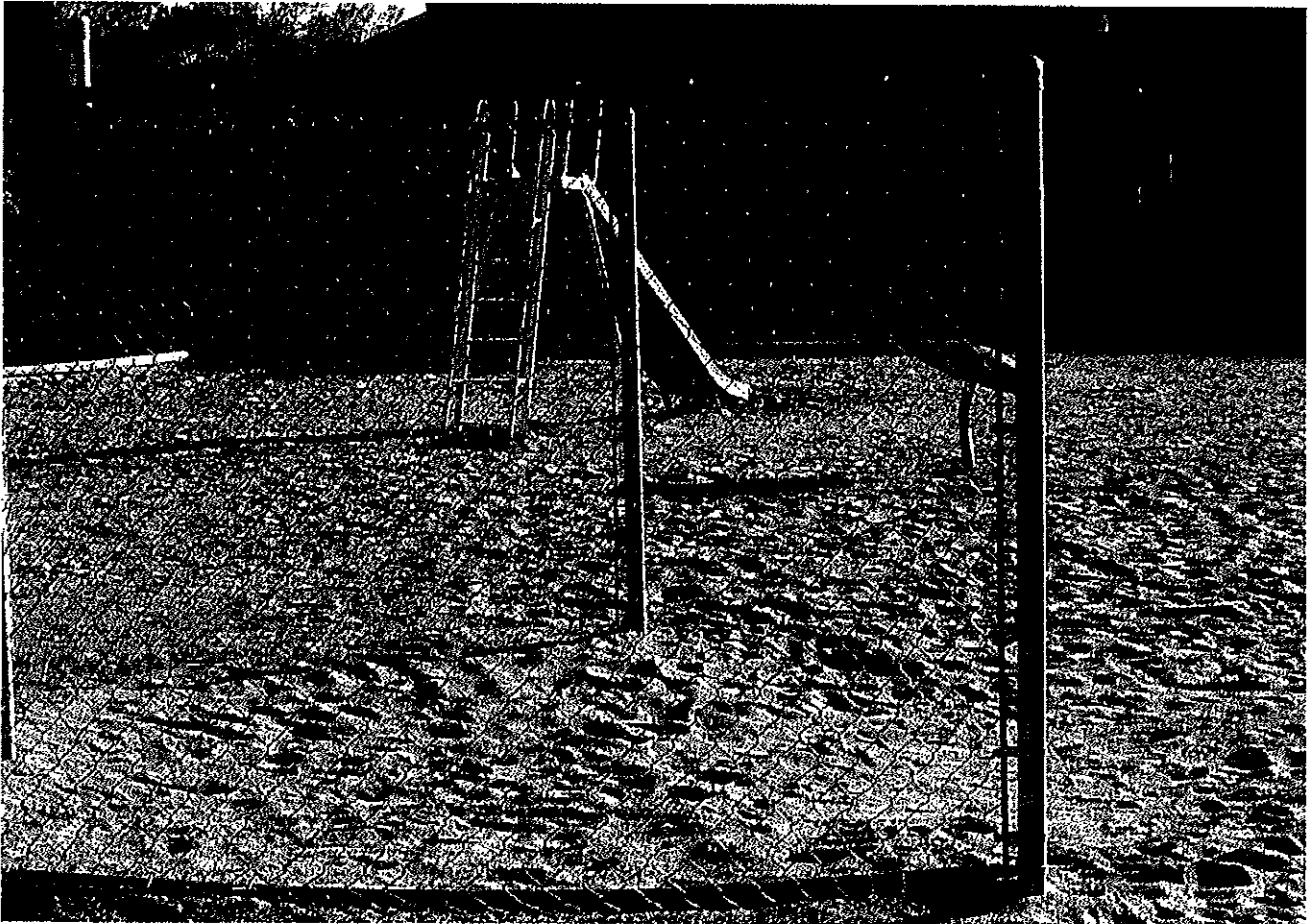
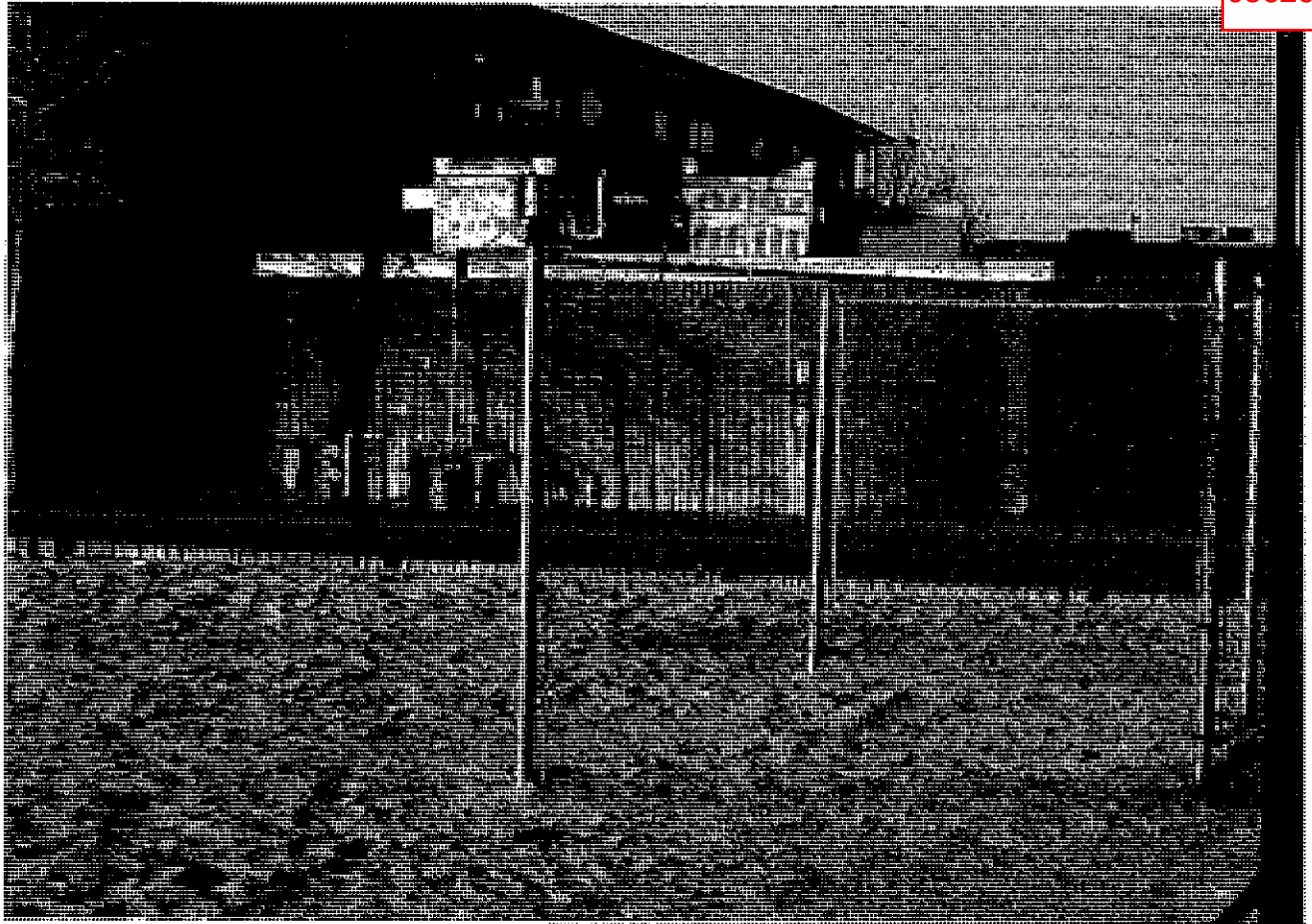
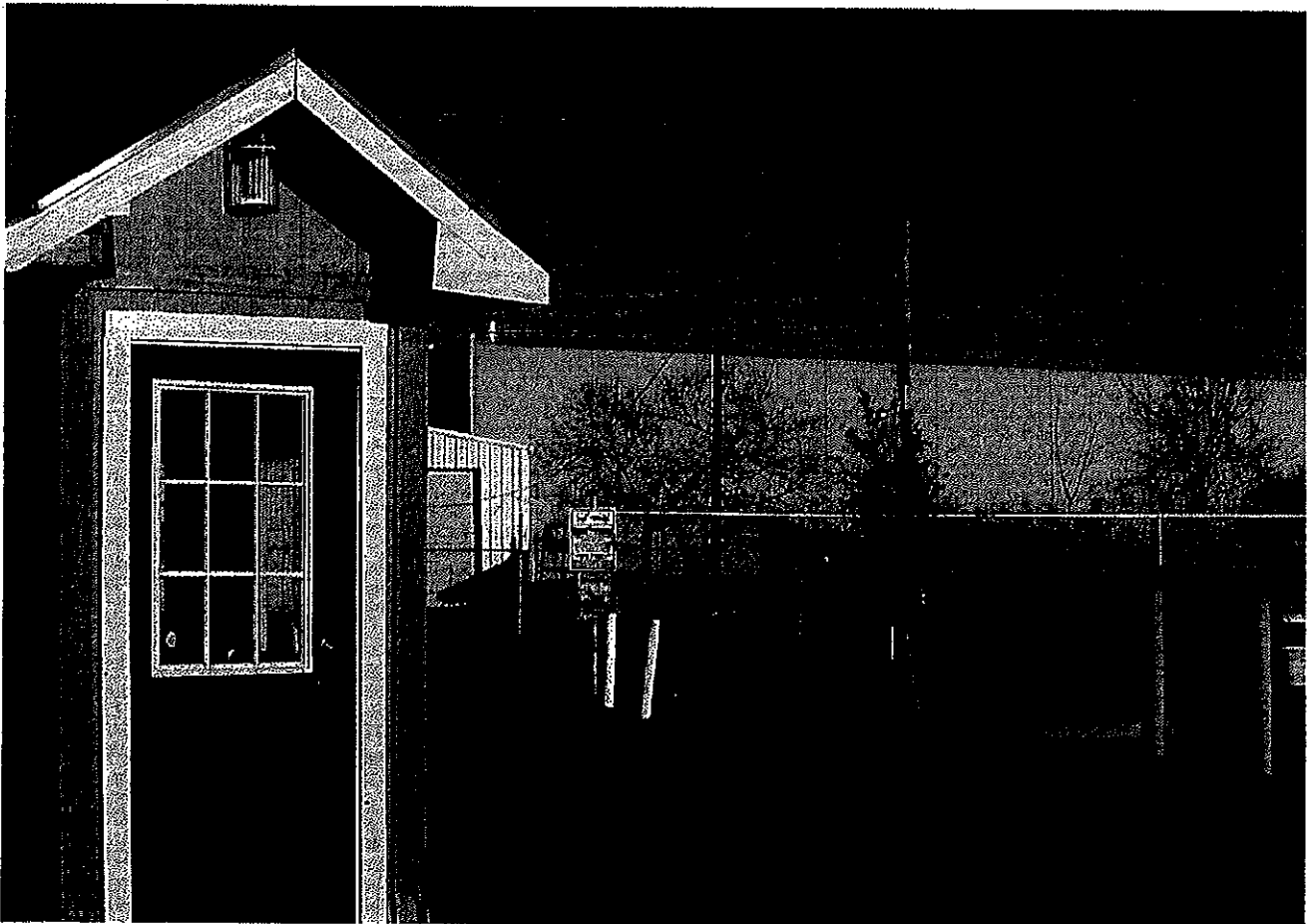


EXHIBIT G

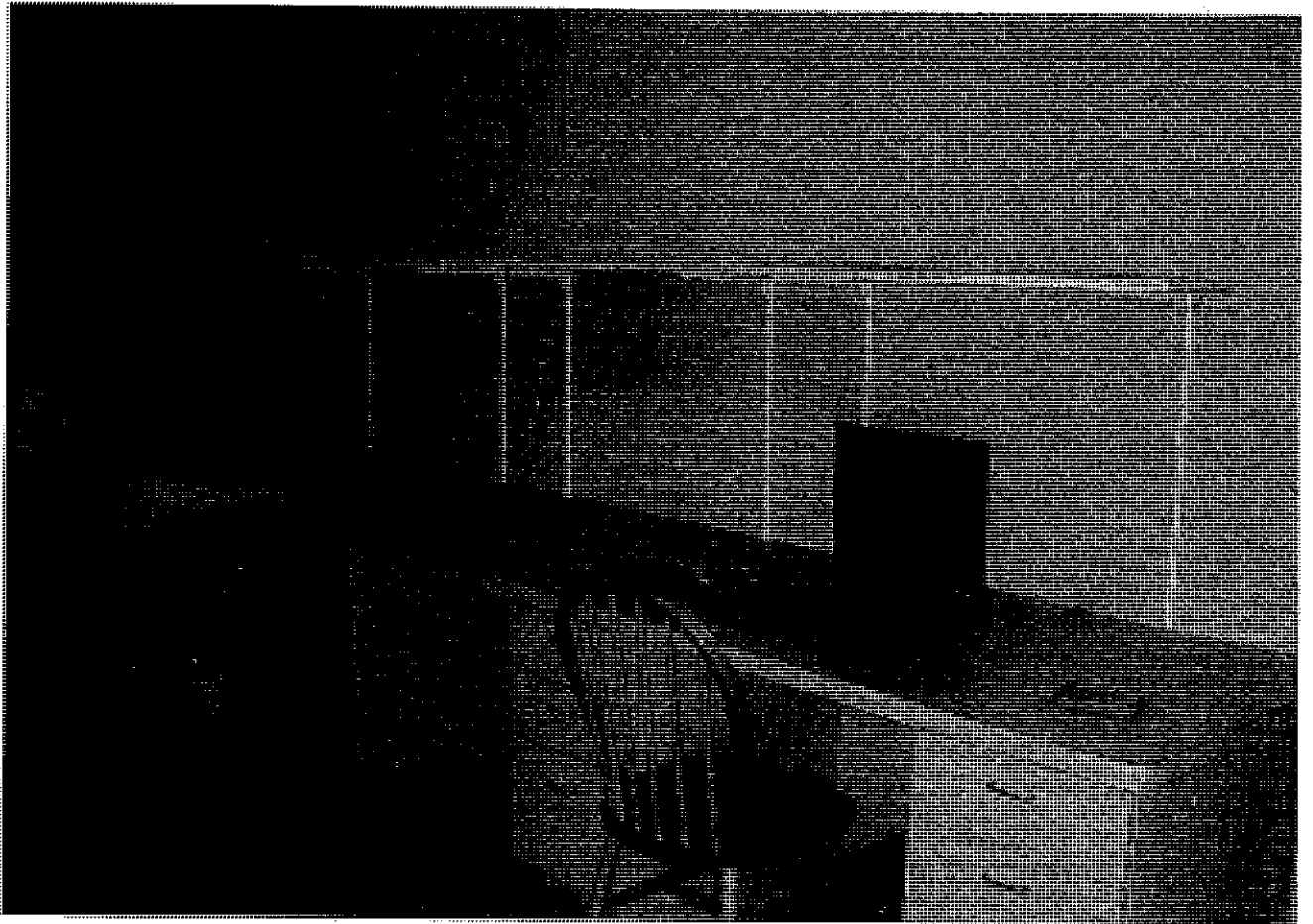
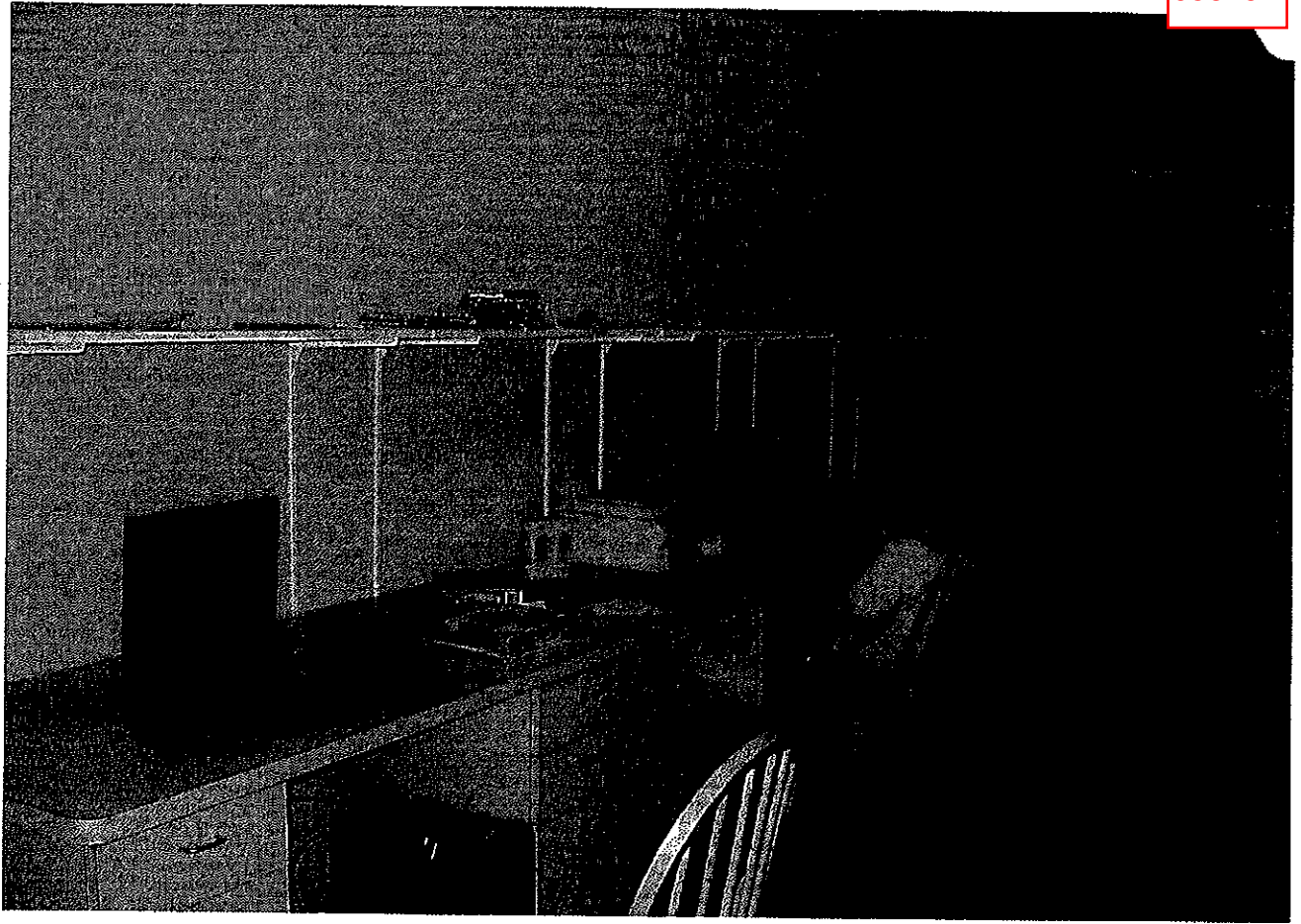
05629

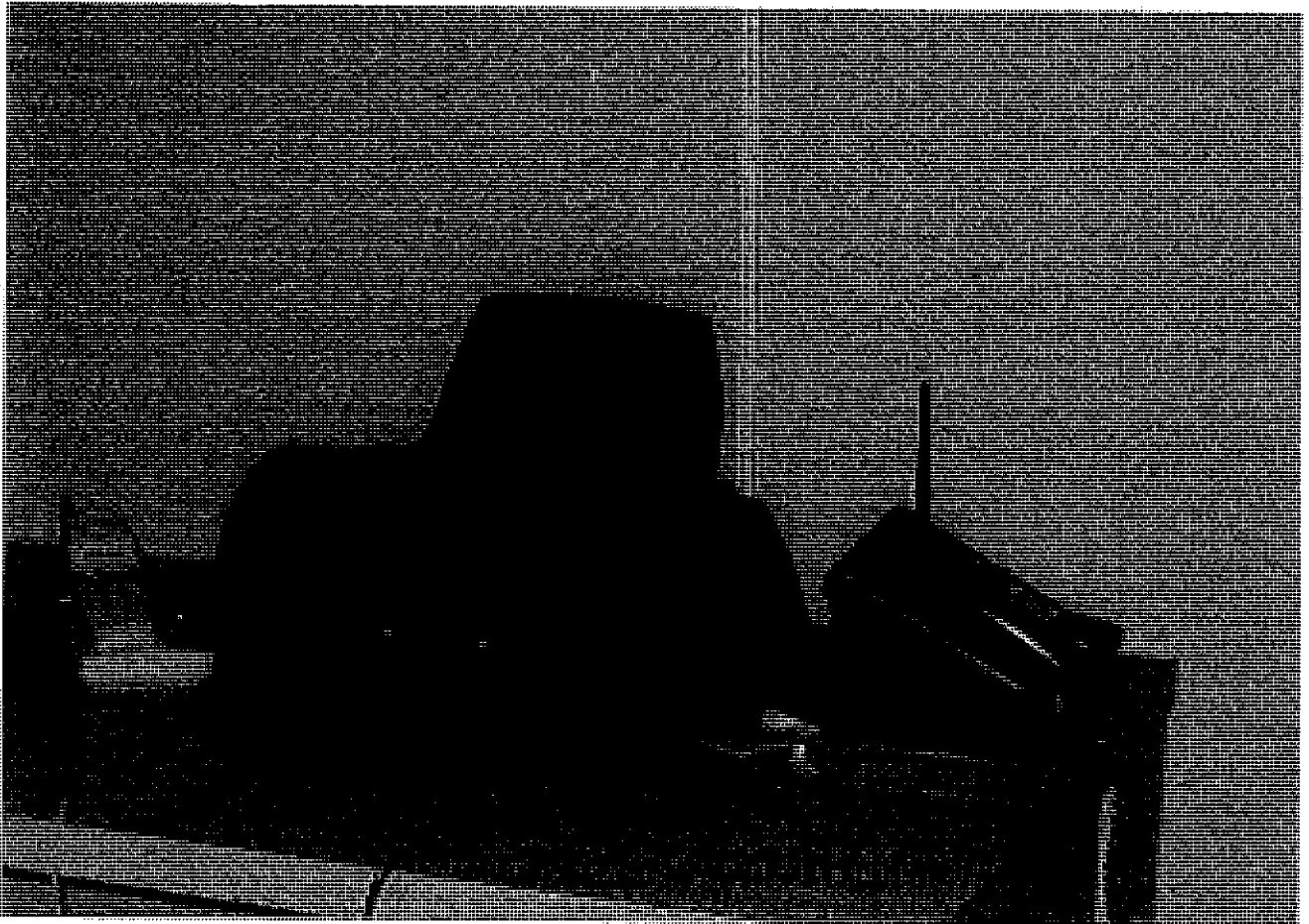
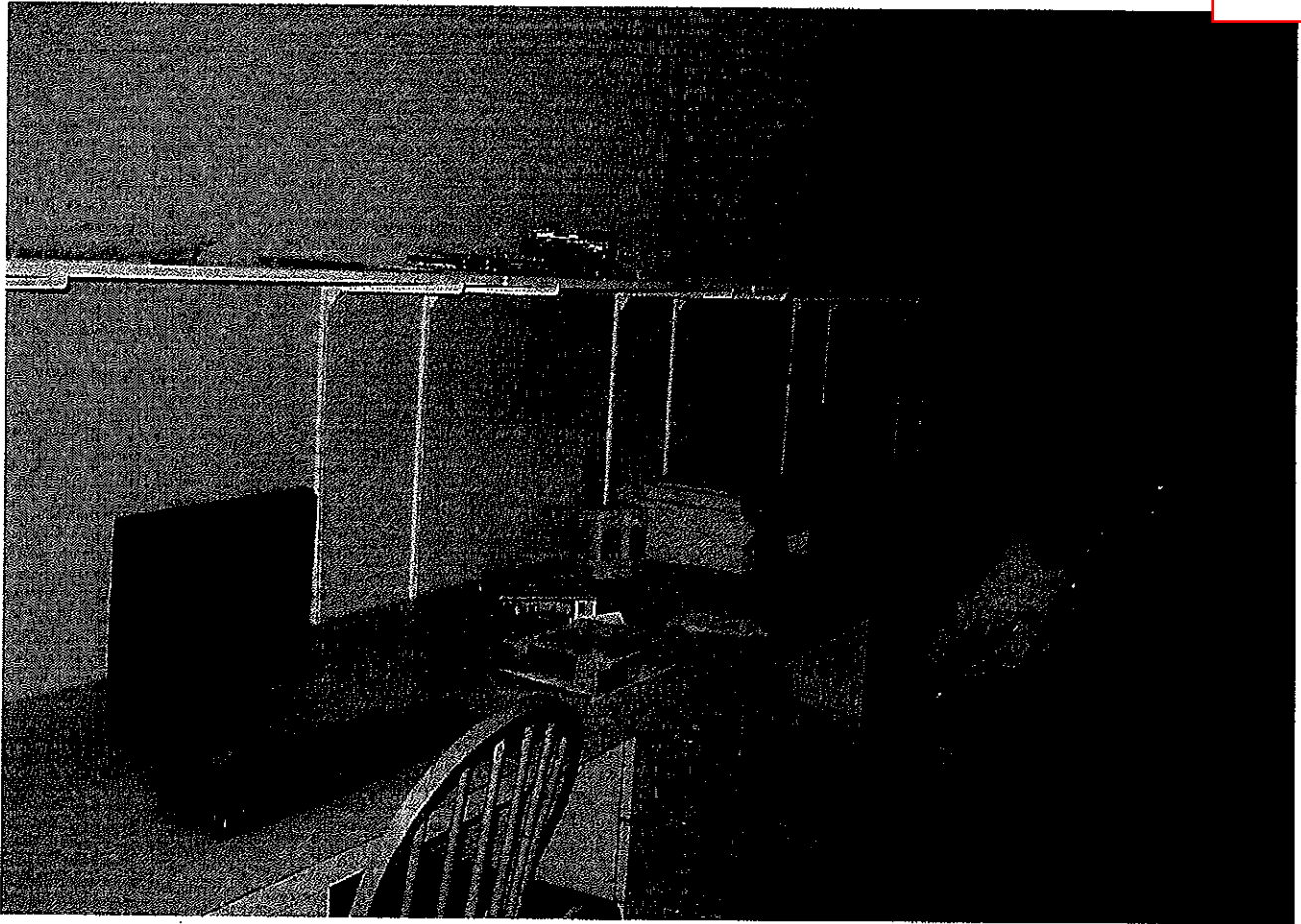


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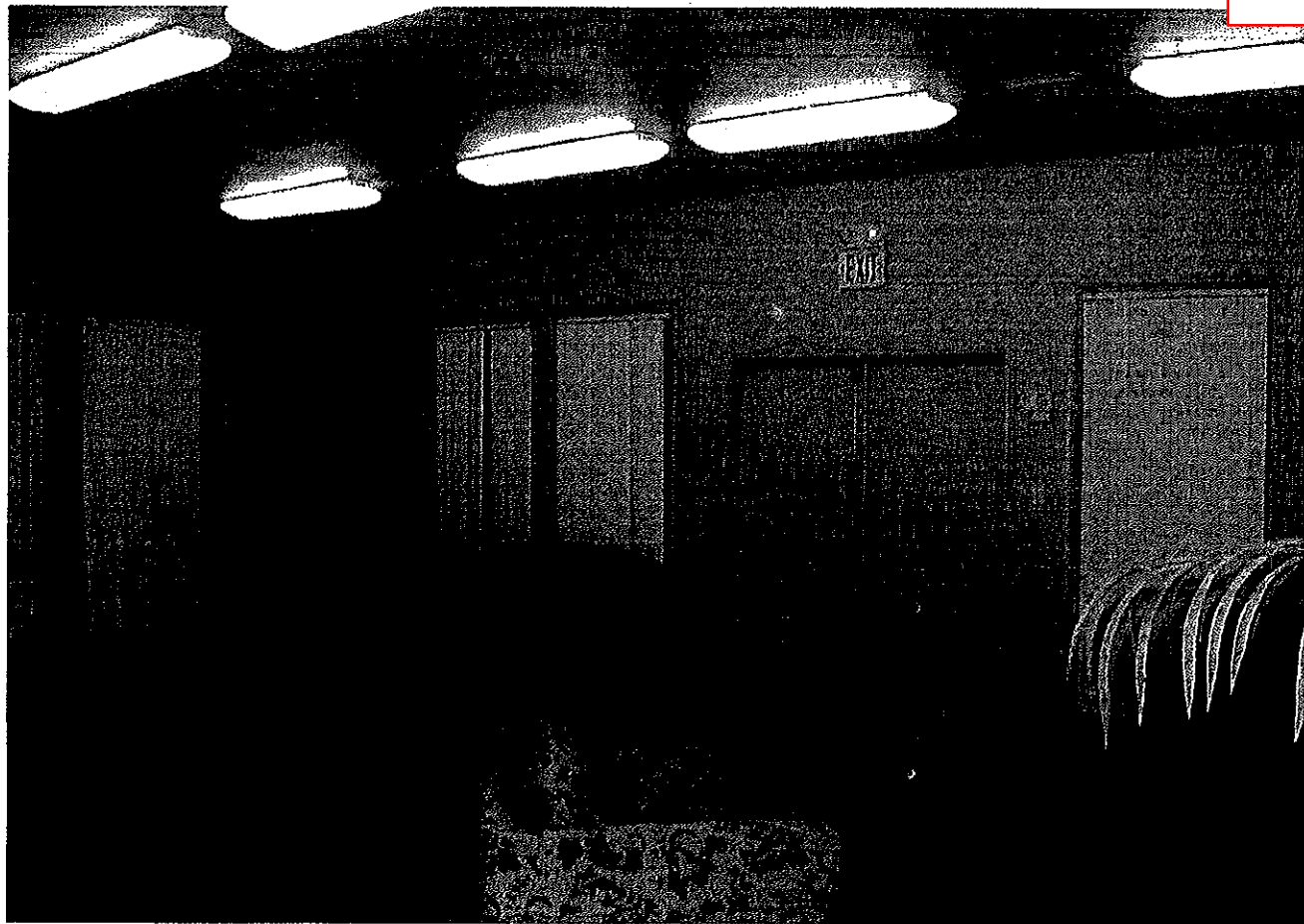


EXHIBIT H





05629



09128

Willow
Meadow Place

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Willow Meadow Place.

Background and Recommendations

Willow Meadow Place - 09128

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”), an Application is ineligible if:

“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a “thorough review cannot reasonably be performed”.

The Applicant’s appeal of the termination included a submission of many but not all of the deficient items. Staff’s review of the appeal and the subsequent submission identified the following items to remain deficient:

- As Unit Floor Plans, the Applicant submitted what appears to be a copy of the unit layouts from a rental brochure. These do not meet the requirements of the QAP as they do not include legible dimensions and a scale. Further, the depictions do not include the A3, 633 square foot Units and the B1 804 square foot Units are shown as 2 bedroom, 1 ½ bathroom Units when they have just one bathroom. Finally, the

depictions for the B3 1,024 square foot Unit and the C1 1,164 square foot are incomplete.

- The Applicant did not submit a letter of zoning from the local political subdivision stating the zoning status of the Development.
- The Applicant did not submit a certificate of name reservation for the General Partner, WM Apartment Genpar, LLC.
- The Applicant did not submit a financial statement or a statement of no assets for the General Partner, WM Apartment Genpar, LLC.
- The Applicant did not submit an executed settlement statement or the seller's most recent audited financials.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	WM Apartments, Ltd, a to-be-formed Texas limited partnership
Site Location:	10630 Beechnut
City/County:	Houston/Harris
Regional Allocation Category:	Urban
Population Served:	General
Region:	6
Set Aside:	None
Type of Development:	Rehabilitation
Units:	328
Credits Requested:	\$1,884,462

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. Acceptance of an application with significant missing or inconsistent information provides an applicant with the competitive advantage of adjusting deliverables after knowing what the competition has submitted. Staff believes that in this instance the inconsistencies and missing information were more than mere oversight. The applicant's inability to cure the matters in the appeal response clearly indicates that the omissions were not accidental or oversight, and provides evidence that the application was incomplete when it was submitted.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09128

Termination
Letter



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 8, 2009

Mr. M. Dale Dodson
WM Apartments, Ltd.
5055 W. Park Blvd, Ste 700
Plano, Texas 75093

Re: Application #09128, Willow Meadow Place Apartments

Dear Mr. Dodson,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold requirements, the Department identified the following omissions, clarifications, or corrections:

1. Volume 1 Tab 2, Part B, Rent Schedule – The source of non-rental income is not defined.
2. Volume 1, Tab 2, Part C, Utility Allowances – A utility allowance schedule from the Houston Housing Authority that supports the utility allowances used was not provided.
3. Volume 1, Tab 4, Part A, Sources and Uses – The form is not consistent with Part B *Financing Participants* and commitment letters.
4. Volume 1, Tab 4, Part A, Financing Narrative – The narrative does not address all sources and amounts of funding being used for the development and each use being considered.
5. Volume 1, Tab 5, Part A2, Unique Identifier – The form was not provided.
6. Volume 1, Tab 5, Part B, Organizations with an Ownership Interest – The form does not include all entities from the owner and developer charts.
7. Volume 1, Tab 5, Part C, List of Principals – The form does not include all entities from the owner and developer charts.
8. Volume 1, Tab 5, Part D, Certification of Principal – The form was not provided for each entity that is part of the owner and developer structures signed by their authorized representative.
9. Volume 1, Tab 7, Part E, Part I, Credit Limit – The form includes entities that are not part of the Applicant and Developer.
10. Volume 1, Tab 7, Part E, Part II, Credit Limit – The form was not provided for each entity and person that is part of the Applicant and the Developer.
11. Volume 2, Tab 2, Existing Residential Development – The form is neither executed nor notarized.
12. Volume 3, Tab 1, Part C, Green Building – Items “c” and “k” selected on this form were selected for both Threshold and Selection points.
13. Volume 3, Tab 1, Architectural Drawings – The site plan does not include the building and unit mix consistent with Volume 1, Tab 2, Part F.

221 EAST 11TH • P. O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

14. Volume 3, Tab 1, Unit Floor Plans – Architectural drawings were not submitted.
15. Volume 3, Tab 2, Site Information – Evidence of sellers of the subject property since December 8, 2005 was not submitted.
16. Volume 3, Tab 2, Zoning – A letter from the CEO or other appropriate official stating the zoning status of the development was not provided.
17. Volume 3, Tab 2, Title Policy or Commitment – The title policy or commitment for the development was not provided.
18. Volume 3, Tab 4, Organizational Documents – The certificate of name reservation for WM Apartment Genpar, LLC was not provided.
19. Volume 3, Tab 5, Authorization to Release Credit Information – The forms were not provided.
20. Volume 3, Tab 5, Financials – Financial statements or confirmation of no assets for the formed members of the Applicant and the Developer were not provided.
21. Volume 3, Tab 6, Identity of Interest – An executed settlement statement for the development site showing the original acquisition cost, or the seller's most recent audited financial statement with the original itemized asset value of the property was not provided.

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”) states that an application is ineligible for an allocation of Housing Tax Credits if:

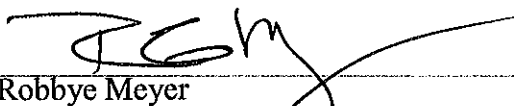
“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 QAP, the Department has determined the application to be ineligible for consideration because a “thorough review can not reasonably be performed”. Therefore, the application is terminated.

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009**.

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us.

Sincerely,


Robbye Meyer
Director of Multifamily Finance

09128

Appeal
Documents



May 14, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78711-3941

Re: Application #09128, Willow Meadow Place Apartments

Dear Ms. Meyer:

I am able to explain the deficiency notice received from Ms. Cline related to Volume 4; those were mistakes or accidental omissions on my part. I am not however able to explain the items listed in your letter of May 8, 2009. There were a few items where I made a typographical error or missed an item, but the overwhelming majority of the deficiency items listed are in my printed copy of the application, but did not translate to the electronic version. There may have been some malfunction in the software I used to create the .PDF files or in my own computer

Please accept my apologies for the inconvenience this caused you and your staff and please allow the above application to remain active.

Attached to this email are all the missing documents as well as some other supplemental information that I found that may not have made it as well.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Randy Plitt".

Randy Plitt
Executive Vice President

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 1, Tab 3, Activity Overview

- **Supplemental Schedule for Proposed Capital Improvements [page missing]**

SW= Site Work
 DC= Direct Construction

TDHCA Category	Quantity	Price	Estimate	Per Unit
SW-Paving			\$187,200	\$571
				\$187,200
SW-Utilities			\$197,600	\$602
				\$197,600
SW-Signage			\$36,400	\$111
				\$36,400
SW-Landscape			\$36,400	\$111
				\$36,400
SW-Pool			\$18,720	\$57
SW-Pool			\$20,800	\$63
SW-Pool			\$62,400	\$190
SW-Pool			\$15,600	\$48
				\$117,520
SW-Athletic courts/playgrounds			\$26,000	\$79
SW-Athletic courts/playgrounds			\$8,320	\$25
				\$34,320
SW-Fencing			\$83,200	\$254
SW-Fencing			\$156,000	\$476
SW-Fencing			\$46,800	\$143
SW-Other			\$62,400	\$190
				\$348,400
DC-Thermal & moisture protection			\$130,000	\$396
DC-Thermal & moisture protection			\$270,400	\$824
DC-Thermal & moisture protection			\$62,400	\$190
				\$462,800
DC-Roof Covering			\$299,520	\$913
				\$299,520
DC-Doors/windows			\$624,000	\$1,902
DC-Doors/windows			\$135,200	\$412
				\$759,200
DC-Finishes			\$104,000	\$317
DC-Finishes				
DC-Finishes	328		\$68,224	\$208
DC-Finishes	544		\$282,880	\$862
DC-Finishes	544		\$254,592	\$776
				\$709,696
DC-Specialties			\$83,200	\$254
DC-Specialties			\$83,200	\$254
DC-Specialties			\$62,400	\$190
DC-Specialties			\$26,000	\$79
				\$254,800
DC-Furnishings				
DC-Furnishings	328		\$170,560	\$520
DC-Furnishings	328		\$119,392	\$364
DC-Furnishings	328		\$102,336	\$312
DC-Furnishings	328		\$68,224	\$208
DC-Furnishings	328		\$27,290	\$83
DC-Furnishings				
DC-Furnishings	328		\$852,800	\$2,600
DC-Furnishings	3,280		\$85,280	\$260
DC-Furnishings	464		\$723,840	\$2,207
DC-Furnishings	2,320		\$60,320	\$184
DC-Furnishings				
DC-Furnishings	792		\$2,051	\$6
DC-Furnishings	672		\$26,101	\$80
DC-Furnishings				
DC-Furnishings	328		\$272,896	\$832
DC-Furnishings				
DC-Furnishings	328		\$153,504	\$468
				\$2,664,593
DC-Mechanical			\$520,000	\$1,585
DC-Mechanical	328		\$63,698	\$194
DC-Mechanical	464		\$60,073	\$183
DC-Mechanical	328		\$42,465	\$129
DC-Mechanical	464		\$48,058	\$147
DC-Mechanical	464		\$150,182	\$458
DC-Mechanical	464		\$360,436	\$1,099
DC-Mechanical	464		\$75,091	\$229
DC-Mechanical			\$52,000	\$159
				\$1,372,002
DC-Electrical			\$31,200	\$95

Willow Meadow Place Apartments
 Proposed Capital Expenditures
 TDHCA CMD 5/14/09 15:37
 Joseph Bechtel

Tot. units 328
 20 Buildings

SW= Site Work
 DC= Direct Construction

TDHCA Category	Quantity	Price	Estimate	Per Unit
DC-Electrical	Kitchen	328	\$25,584	\$78
DC-Electrical	Bathrooms	328	\$17,056	\$52
DC-Electrical	Dining room	328	\$25,584	\$78
	Total Electrical			\$99,424
DC-Other	Office (including business center)		\$31,200	\$95
DC-Other	Golf carts		\$10,400	\$32
DC-Other	New mail center		\$26,000	\$79
DC-Other	Fitness Center		\$20,800	\$63
DC-Other	Designated handicap units and ramps		\$131,040	\$400
DC-Other	Security camera system		\$104,000	\$317
DC-Other	Electronic key control system		\$8,320	\$25
	Make-ready Items:			
DC-Other	Mini-Blinds	800	\$33,280	\$101
DC-Other	Vertical Blinds	328	\$25,584	\$78
DC-Other	Solar Window Screens	800	\$62,400	\$190
DC-Other	Door Screens	328	\$17,056	\$52
DC-Other	Switch plates	6,000	\$3,120	\$10
DC-Other	Light bulbs	2,000	\$18,720	\$57
DC-Other	Filters	328	\$682	\$2
DC-Other	Air duct cleaning	328	\$119,392	\$364
DC-Other	Maid service	328	\$51,168	\$156
	Total Other		\$663,162	
	Total		\$8,243,038	\$25,131

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 1, Tab 2, Part B Rent Schedule

- **Supporting documentation for non rent income**

**Willow Meadow Place
Volume 1, Tab 2 - Supporting Schedule
Non Rental Income Per Occupied Unit**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Average</u>	<u>Vol. 1, Tab 2</u>
Application Fees	<u>\$4.09</u>	<u>\$1.58</u>	<u>\$3.05</u>	<u>\$3.35</u>	<u>\$3.02</u>	<u>\$3.00</u>
Laundry income	<u>\$5.78</u>	<u>\$5.54</u>	<u>\$6.46</u>	<u>\$2.22</u>	<u>\$5.00</u>	<u>\$6.00</u> Lost 2 laundry rooms to fire in 2008. Average of 2005-2007 is \$5.93
Cost of reletting	\$0.11	\$0.15	\$1.05	\$0.00	\$0.33	
Electric commission	\$0.25	\$0.24	\$0.17	\$0.24	\$0.22	
Late fees	\$12.67	\$11.79	\$10.02	\$8.23	\$10.68	
Miscellaneous	\$0.03	\$0.04	\$0.03	\$0.00	\$0.03	
NSF fees	\$0.14	\$0.17	\$0.13	\$0.14	\$0.14	
Property damage reimb.	\$0.54	\$0.60	\$0.18	\$0.10	\$0.36	
Transfer fees	\$0.58	\$0.06	\$0.10	\$0.00	\$0.18	
Security deposit forfeitures	\$11.82	\$11.60	\$8.52	\$11.32	\$10.82	
Vending income	<u>\$0.00</u>	<u>\$0.03</u>	<u>\$0.06</u>	<u>\$0.05</u>	<u>\$0.04</u>	
	<u>\$26.15</u>	<u>\$24.69</u>	<u>\$20.26</u>	<u>\$20.09</u>	<u>\$22.80</u>	<u>\$20.00</u>

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 1, Tab 2, Part C Utility Allowances

- **Allowance for Tenant/Walk up**

Allowance for Tenant-Furnished Utilities and Other Services

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

HMB Approval N 2577-0109
(exp. 03/31/2007)

Effective Date

See Public Reporting Statement and Instructions on back

Houston Housing Authority 2640 Fountain View Drive, Houston, TX 77057	Apartment/Walk-Up	12/1/2007
--	--------------------------	-----------

Utility or Service		Monthly Dollar Allowances					
		0BR	1BR	2BR	3BR	4BR	5BR
Heating	a. Natural Gas	\$4	\$4	\$5	\$6	\$6	\$7
	b. Bottle Gas	-	-	-	-	-	-
	c. Electric	\$12	\$16	\$20	\$24	\$27	\$31
	d. Coal/Other	-	-	-	-	-	-
Cooking	a. Natural Gas	\$3	\$5	\$6	\$8	\$9	\$11
	b. Bottle Gas	-	-	-	-	-	-
	c. Electric	\$8	\$12	\$15	\$18	\$21	\$25
	d. Coal/Other	-	-	-	-	-	-
Other Electric - Lighting - Base		\$24	\$35	\$47	\$59	\$70	\$82
Air Conditioning		\$11	\$22	\$34	\$46	\$57	\$69
Water Heating	a. Natural Gas	\$9	\$12	\$15	\$19	\$24	\$28
	b. Bottle Gas	-	-	-	-	-	-
	c. Electric	\$15	\$23	\$31	\$39	\$47	\$55
	d. Coal/Other	-	-	-	-	-	-
Water		\$12	\$18	\$23	\$27	\$31	\$36
Sewer		\$11	\$19	\$25	\$31	\$37	\$43
Trash Collection		N/A	N/A	N/A	N/A	N/A	N/A
Range/Microwave (if tenant supplies)		\$7	\$7	\$7	\$7	\$7	\$7
Refrigerator (if tenant supplies)		\$9	\$9	\$9	\$9	\$9	\$9
Other - Specify		-	-	-	-	-	-
Actual Family Allowances To be used by the family to compute allowance. Complete Below for the actual unit rented.					Utility or Service	Per Month Cost	
Name of Family					Heating		
					Cooking		
Address of Unit					Other Electric		
					Air Conditioning		
Number of Bedrooms					Water Heating		
					Water & Sewer		
					Sewer (see above)		
					Trash Collection		
					Range/Microwave		
					Refrigerator		
					Other		
Total					\$0		

WILLOW MEADOW PLACE APARTMENTS TAX CREDIT DEVELOPMENT

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 1, Tab 4,

Part A

- **Summary of Sources and Uses of Funds [Amended]**

Part B

- **Financing Participants [page missing]**
- **Financing Narrative [Amended]**

Volume 1, Tab 4: Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Willow Meadow Place**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	First		\$ 9,050,000	MMA Financial
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit	First	\$ 20,000,000		Wells Fargo
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 4,980,365	\$ 13,945,000	The Richmond Group
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant		\$ 1,314,800	\$ 1,314,800	City of Houston
14	Private Loan or Grant				
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee			\$ 1,985,365	
TOTAL SOURCES OF FUNDS			\$ 26,295,165	\$ 26,295,165	
TOTAL USES OF FUNDS				\$ 26,295,165	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

**Volume 1, Tab 4
PART B. FINANCING PARTICIPANTS**

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: <u>1</u>	Amount: \$ <u>9,050,000</u>	<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Equity	Commitment Date <u>2/24/09</u>
Source Name: <u>MMA Financial</u>		Contact Name: <u>Timothy Leonhard</u>	
Address: <u>1705 W NW Hwy, Suite 145</u>		City: <u>Grapevine</u>	State: <u>TX</u> ZIP: <u>76051</u>
Phone: <u>(817) 310-5800</u>		Fax: <u>(817) 310-3817</u>	
Level of Commitment: <input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input checked="" type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>			
<input type="checkbox"/> Grant Terms:			
<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Recourse <input checked="" type="checkbox"/> Non-Recourse		Amortization Term: <u>35</u> yrs	Repayment Term: <u>35</u> yrs
Interest Rate: <u>8</u> %		<input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Adjustable <input type="checkbox"/> Floating	
Rate Index: _____		Annual Payment \$ _____	Lien Priority <u>1st</u>
<input type="checkbox"/> Syndication Tax Credits Estimate: \$ _____ Syndication Factor: \$ _____ Per Credit Dollar			

Source #: <u>2</u>	Amount: \$ <u>20,000,000</u>	<input checked="" type="checkbox"/> Interim <input type="checkbox"/> Permanent <input type="checkbox"/> Equity	Commitment Date <u>2/26/09</u>
Source Name: <u>Wells Fargo, NA</u>		Contact Name: <u>Mahesh Aiyer</u>	
Address: <u>1000 Louisiana, 10th Floor</u>		City: <u>Houston</u>	State: <u>TX</u> ZIP: <u>77002</u>
Phone: <u>(713) 319-1489</u>		Fax: <u>() -</u>	
Level of Commitment: <input type="checkbox"/> Closed <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>			
<input type="checkbox"/> Grant Terms:			
<input checked="" type="checkbox"/> Loan <input checked="" type="checkbox"/> Recourse <input type="checkbox"/> Non-Recourse		Amortization Term: _____ yrs	Repayment Term: _____ yrs
Interest Rate: <u>8</u> %		<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable <input checked="" type="checkbox"/> Floating	
Rate Index: <u>LIBOR</u>		Annual Payment \$ _____	Lien Priority <u>1st</u>
<input type="checkbox"/> Syndication Tax Credits Estimate: \$ _____ Syndication Factor: \$ _____ Per Credit Dollar			

Source #: <u>3</u>	Amount: \$ <u>13,943,624</u>	<input type="checkbox"/> Interim <input type="checkbox"/> Permanent <input checked="" type="checkbox"/> Equity	Commitment Date <u>02/26/09</u>
Source Name: <u>The Richmond Group</u>		Contact Name: <u>Michael Ramires</u>	
Address: <u>1800 North Kent Street</u>		City: <u>Arlington</u>	State: <u>VA</u> ZIP: <u>22209</u>
Phone: <u>(703) 741-9910</u>		Fax: <u>(703) 741-9918</u>	
Level of Commitment: <input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input checked="" type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>			
<input type="checkbox"/> Grant Terms:			
<input type="checkbox"/> Loan <input type="checkbox"/> Recourse <input type="checkbox"/> Non-Recourse		Amortization Term: _____ yrs	Repayment Term: _____ yrs
Interest Rate: _____ %		<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable <input type="checkbox"/> Floating	
Rate Index: _____		Annual Payment \$ _____	Lien Priority _____
<input checked="" type="checkbox"/> Syndication Tax Credits Estimate: \$ <u>1,884,462</u> Syndication Factor: \$ <u>.74</u> Per Credit Dollar			

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #:	<u>4</u>	Amount: \$	<u>1,314,800</u>	<input type="checkbox"/> Interim	<input checked="" type="checkbox"/> Permanent	<input type="checkbox"/> Equity	Commitment Date	<u> / /</u>
Source Name:	<u>City of Houston Housing and Community Development</u>		Contact Name:	<u>Donald Sampley</u>				
Address:	<u>601 Sawyer, 4th Floor</u>	City:	<u>Houston</u>	State:	<u>TX</u>	ZIP:	<u>77007</u>	
Phone:	<u>(713) 868-8300</u>	Fax:	<u>() -</u>					
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Applied for)</u>							
<input checked="" type="checkbox"/> Grant	Terms: <u>Subject to compliance with all contractual obligations</u>							
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	<u> </u> yrs	Repayment Term:	<u> </u> yrs		
Interest Rate:		<u> </u> %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating			
Rate Index:		<u> </u>	Annual Payment	\$ <u> </u>	Lien Priority	<u> </u>		
<input type="checkbox"/> Syndication	Tax Credits Estimate: \$ <u> </u>		Syndication Factor: \$ <u> </u>		Per Credit Dollar			

Source #:	<u>5</u>	Amount: \$	<u>1,985,365</u>	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input checked="" type="checkbox"/> Equity	Commitment Date	<u> / /</u>
Source Name:	<u>Dalcor Affordable Housing, LLC</u>		Contact Name:	<u>M. Dale Dodson</u>				
Address:	<u>5055 W. Park Blvd. Suite 700</u>	City:	<u>Plano</u>	State:	<u>TX</u>	ZIP:	<u>75093</u>	
Phone:	<u>(972) 769-2002</u>	Fax:	<u>(972) 769-2004</u>					
Level of Commitment:	<input type="checkbox"/> Closed <input checked="" type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>							
<input type="checkbox"/> Grant	Terms:							
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	<u> </u> yrs	Repayment Term:	<u> </u> yrs		
Interest Rate:		<u> </u> %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating			
Rate Index:		<u> </u>	Annual Payment	\$ <u> </u>	Lien Priority	<u> </u>		
<input type="checkbox"/> Syndication	Tax Credits Estimate: \$ <u> </u>		Syndication Factor: \$ <u> </u>		Per Credit Dollar			

Source #:	<u> </u>	Amount: \$	<u> </u>	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input type="checkbox"/> Equity	Commitment Date	<u> / /</u>
Source Name:	<u> </u>		Contact Name:	<u> </u>				
Address:	<u> </u>	City:	<u> </u>	State:	<u> </u>	ZIP:	<u> </u>	
Phone:	<u>() -</u>	Fax:	<u>() -</u>					
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>							
<input type="checkbox"/> Grant	Terms:							
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	<u> </u> yrs	Repayment Term:	<u> </u> yrs		
Interest Rate:		<u> </u> %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating			
Rate Index:		<u> </u>	Annual Payment	\$ <u> </u>	Lien Priority	<u> </u>		
<input type="checkbox"/> Syndication	Tax Credits Estimate: \$ <u> </u>		Syndication Factor: \$ <u> </u>		Per Credit Dollar			

**Volume 1, Tab 4 — Financing Narrative
WILLOW MEADOW PLACE APARTMENTS
TDHCA Development Number 09128
TAX CREDIT DEVELOPMENT
DALCOR AFFORDABLE HOUSING, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS 75093
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorkompanies.com
Randy Plitt rplitt@dalcorkompanies.com**

Construction loan will be provided by Wells Fargo Bank NA. in the approximate amount of \$20,000,000; this is a facility loan to be used in conjunction with a portion of the HTC proceeds and an anticipated grant from the City of Houston to acquire and rehabilitate Willow Meadow Place Apartments. It will be repaid with the proceeds from the permanent financing and installments of the HTC proceeds; it is not part of the permanent financing structure.

The Applicant anticipates making application to the City of Houston Housing and Community Development Department for a grant in the amount of \$1,314,800 to be used in conjunction with the construction loan and a portion of the HTC proceeds to acquire and rehabilitate Willow Meadow Place Apartments.

Permanent financing is anticipated to be provided by MMA Financial in the amount of \$9,050,000 the proceeds of which will be used to retire the construction loan discussed above.

HTC equity is anticipated to be provided by The Richmond Group in the approximate amount of \$13,944,000 the proceeds of which will be used to retire the construction loan discussed above.

It is the sponsors plan to pursue all matters necessary to complete all due diligence on the part of the financing participants prior to final awarding of the tax credits so that closing may occur as soon as possible

WILLOW MEADOW PLACE APARTMENTS TAX CREDIT DEVELOPMENT

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

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Part B

- **List of Organizations with an Ownership or Special Interest in the Applicant [Amended]**

Part C

- **List of Principals of Organizations with an Ownership or Special Interest in the Applicant [Amended]**

Part D

- **Certification of Principals [missing pages]**

Volume 1, Tab 5

PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates² that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "Part C. List of Organizations with an Ownership Interest in the Applicant.") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "List of Principals of Organizations with an Ownership Interest in the Applicant" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name:	Dalcor Affordable Housing, LLC				
Contact Name:	M. Dale Dodson				
Address:	5055 W. Park Blvd. Suite 700	City:	Plano	State:	TX ZIP: 75093
Phone:	(972) 769-2002	Fax:	(972) 769-2004	Email:	ddodson@dalcorcompanies.com
Name(s) and Ownership % of Entities the Organization Owns or Controls:					
WM Apartments, Ltd.					.01%
Is Organization legally formed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of formation: _____					
Legal Form of Organization is or will be (mark all that apply):					
<input type="checkbox"/> For-profit Corporation		<input type="checkbox"/> Nonprofit Corporation		<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership	
<input checked="" type="checkbox"/> Limited Liability Company		<input type="checkbox"/> Unit of Local Government		<input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA	
Other Designations (mark all that apply):					
<input type="checkbox"/> Historically Underutilized Business		<input type="checkbox"/> Federal Tax Exemption		<input type="checkbox"/> Community Housing Development Org.	

Organization Legal Name:	WM Apartments Genpar LLC				
Contact Name:	M. Dale Dodson				
Address:	5055 W. Park Blvd. Suite 700	City:	Plano	State:	TX ZIP: 75093
Phone:	(972) 769-2002	Fax:	(972) 769-2004	Email:	ddodson@dalcorcompanies.com
Name(s) and Ownership % of Entities the Organization Owns or Controls:					
WM Apartments, Ltd.					%
Is Organization legally formed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of formation: _____					
Legal Form of Organization is or will be (mark all that apply):					
<input type="checkbox"/> For-profit Corporation		<input type="checkbox"/> Nonprofit Corporation		<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership	
<input checked="" type="checkbox"/> Limited Liability Company		<input type="checkbox"/> Unit of Local Government		<input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA	
Other Designations (mark all that apply):					
<input type="checkbox"/> Historically Underutilized Business		<input type="checkbox"/> Federal Tax Exemption		<input type="checkbox"/> Community Housing Development Org.	

Organization Legal Name:	_____				
Contact Name:	_____				
Address:	_____	City:	_____	State:	____ ZIP: _____
Phone:	() - _____	Fax:	() - _____	Email:	_____
Name(s) and Ownership % of Entities the Organization Owns or Controls:					
_____					%
Is Organization legally formed? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of formation: _____					
Legal Form of Organization is or will be (mark all that apply):					
<input type="checkbox"/> For-profit Corporation		<input type="checkbox"/> Nonprofit Corporation		<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership	
<input type="checkbox"/> Limited Liability Company		<input type="checkbox"/> Unit of Local Government		<input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA	
Other Designations (mark all that apply):					
<input type="checkbox"/> Historically Underutilized Business		<input type="checkbox"/> Federal Tax Exemption		<input type="checkbox"/> Community Housing Development Org.	

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

² Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5

PART C. LIST OF PRINCIPALS OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

This form must include all **organizations and natural persons** with an ownership interest in the Development Owner, Developer, or Guarantor or that will receive more than 10% of the developer fee. This form must also include the executive directors and board members of nonprofits, corporations and government instrumentalities (even if the executives and board members own "0%" of the organization.) **Note:** you must submit *Part E. Previous Participation and Background Certification Form* for each person/entity identified as having previous participation on this form.

Organization Name:	Principal Name:	Role/Title	% Interest in the Org.	Principal has Previous Participation with Funding from TDHCA:
Organization 1.1	(Blank if space to left is not blank)	Development Owner	100%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Principal 1	General Partner	100%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Organization 1.2 (the GP, e.g. a non profit)	(Blank if space to left is not blank)	General Partner	100%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Principal 1	Executive Director	0%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Principal 2	Board Member	0%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Dalcor Affordable Housing, LLC(sole member of GP)	M. Dale Dodson	Co-Manager	50%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	John C. Jenkins	Co-Manager	50%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
WM Apartments Genpar, LLC(GP)	M. Dale Dodson	Co-Manager(indirect ownership)	0%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	John C. Jenkins	Co-Manager(indirect ownership)	0%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
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				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

Volume 1, Tab 5
PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
 TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

WM Apartments, Ltd.

Entity/Person Represented by this form

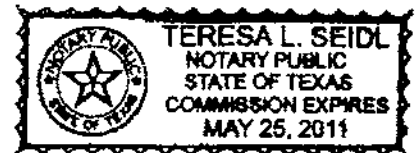
By: M. Dale Dodson 2/26/2009 Its: _____
 Signature of Applicant/Owner/Authorized Person Date Member of General Partner

STATE OF: Texas
 COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. R. Seidl 5/25/2011
 Notary Public Signature Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5
PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
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 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

WM Apartments Genpar, LLC

Entity/Person Represented by this form

By: M. Dale Dodson
 Signature of Applicant/Owner/Authorized Person

2/26/2009

Date

Its:

M. Dale Dodson, Member, Co-Manager
 Dalcot Affordable Housing, LLC, sole
 Member of General Partner

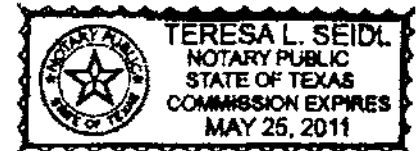
STATE OF: Texas
 COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009 (seal)

T. R. Seidl
 Notary Public Signature

5/25/2011
 Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5
PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Dalcor Affordable Housing, LLC

Entity/Person Represented by this form

By: M. Dale Dodson
 Signature of Applicant/Owner/Authorized Person

2/26/2009
 Date

Its: M. Dale Dodson, Member, Co-Manager
 Dalcor Affordable Housing, LLC, sole
 Member of General Partner

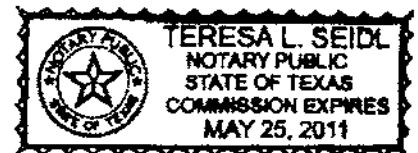
STATE OF: Texas
 COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. R. Seidl
 Notary Public Signature

5/25/2011
 Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 1, Tab 5

- **Part A2, Unique Identifier**

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

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Part E

- **Part I – Credit Limit [Amended]**
- **Part II – Credit Limit [missing pages]**

Volume 1, Tab 7

PART E. 9% APPLICANT CREDIT LIMIT DOCUMENTATION AND CERTIFICATION (HTC 9% ONLY)

Pursuant to §49.6(d) of the QAP, the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant (which includes Affiliates), Developer, Related Party, or Guarantor. Applicants are eligible to submit tax credit Applications for which the total requested credits exceed \$2 million, however, all Applications must be identified herein to ensure that the Department is advised of all Applications having potential for violations, so that actual commitments do not exceed \$2 million.

In order to encourage the capacity enhancement of developers in Rural areas, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer, is submitted in the Rural Regional Allocation, and the Development has 80 Units or less. To be considered for this provision, a copy of a Joint Venture Agreement and narrative of how this builds the capacity of the inexperienced developer is required to be submitted behind this form.

Instructions

Complete Part I of this form. For each person or entity identified in Part I, a Part II form must be submitted (i.e. if 4 persons/entities are listed in Part I, then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

A. Development Name: Willow Meadow Place

B. Applicant Name: WM Apartments, Ltd.

C. Affiliates of the Applicant, Developers, Related Parties, and Guarantors– List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer, Related Party, or Guarantor:

- 1. Dalcot Affordable Housing, LLC
2. M. Dale Dodson
3. John C. Jenkins
4. WM Apartments Genpar, LLC
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.

Individually, or as the general partner(s) or officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and entity that meet the definition of Applicant (which includes Affiliates) or Developer, Related Party, or Guarantor.

By: M. Dale Dodson Signature of Applicant/Owner Date: 2/26/2009 Its: M. Dale Dodson, Member, Co-Manager Dalcot Affordable Housing, LLC, sole Member of General Partner

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

- Name: WM Apartments, Ltd.
 which is: the Applicant for a tax credit allocation.
 a Developer for the Applicant for this specific Application
 a Related Party to the Applicant.
 a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Willow Meadow Place</u>	<u>Houston</u>	<u>---</u>	<u>---</u>
<u> </u>	<u> </u>	<u>---</u>	<u>---</u>
<u> </u>	<u> </u>	<u>---</u>	<u>---</u>
<u> </u>	<u> </u>	<u>---</u>	<u>---</u>
<u> </u>	<u> </u>	<u>---</u>	<u>---</u>

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: M. Dale Dodson 2/26/2009 Its: Co-Manager, General Partner
Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

- Name: WM Apartments Genpar LLC
which is: [X] the Applicant for a tax credit allocation.
[] a Developer for the Applicant for this specific Application
[] a Related Party to the Applicant.
[] a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Table with 4 columns: Development Name, City, If Joint Venture: % Ownership, % of Dev Fee. Row 1: Willow Meadow Place, Houston, blank, blank.

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: [] Yes [X] No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: M. Dale Dodar 2/26/2009 Its: Co-Manager of Sole Member
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Dalcor Affordable Housing, LLC

- which is: the Applicant for a tax credit allocation.
- a Developer for the Applicant for this specific Application
- a Related Party to the Applicant.
- a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

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Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Willow Meadow Place</u>	<u>Houston</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
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This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: M. Dale Dodson 2/26/2009 Its: Co-Manager
Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: John C. Jenkins

- which is: [X] the Applicant for a tax credit allocation. [X] a Developer for the Applicant for this specific Application. [X] a Related Party to the Applicant. [X] a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Table with 4 columns: Development Name, City, % Ownership, % of Dev Fee. Row 1: Willow Meadow Place, Houston, blank, blank.

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: [] Yes [X] No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Date: 2/26/2009 Its: M. Dale Dodson, Member, Co-Manager Dalcor Affordable Housing, LLC, sole Member of General Partner

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 2, Tab 2

- **Existing Residential Development [missing page]**

Volume 2, Tab 2
2009 EXISTING RESIDENTIAL DEVELOPMENT CERTIFICATION FORM

HTC File No.: 09128 Development Name: Willow Meadow Place

- I (We) certify that the proposed Development is Rehabilitation of an Existing Residential Development that does not include reconstruction, and:
 - The proposed Units are solely located within building(s) from an Existing Residential Development which are being rehabilitated
 - The existing residential Units are being rehabilitated within the walls of an existing residential building(s)
 - No Units proposed will be located within New Construction building(s) or adaptive re-use of non-residential building(s)

- I (We) certify that the proposed Development is Rehabilitation of an Existing Residential Development that does include reconstruction, and:
 - The Applicant is proposing demolition of existing residential building's Units. The Units being replaced were residential (non-transient or SRO)
 - The Applicant is proposing demolition of existing residential building(s), not adaptive re-use such as a factory, hotel, or bank
 - The Application is proposing demolition of existing residential building(s), and all Units being replaced and rebuilt were and/or are located on the Development Site currently under control of the Applicant (scattered sites acceptable, but must build at least one building on each site under control).
 - Total Units proposed are equal to or less than the total number of residential Units in the Existing Residential Development being demolished/replaced.

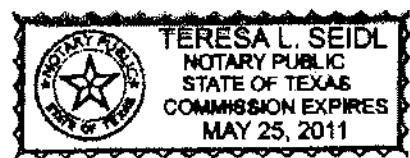
By: M. Dale Dodson 2/26/2009 Its: Co-Manager
Signature of Development Owner Date

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

Teresa L. Seidl 5/25/2011
Notary Public Signature Commission Expires

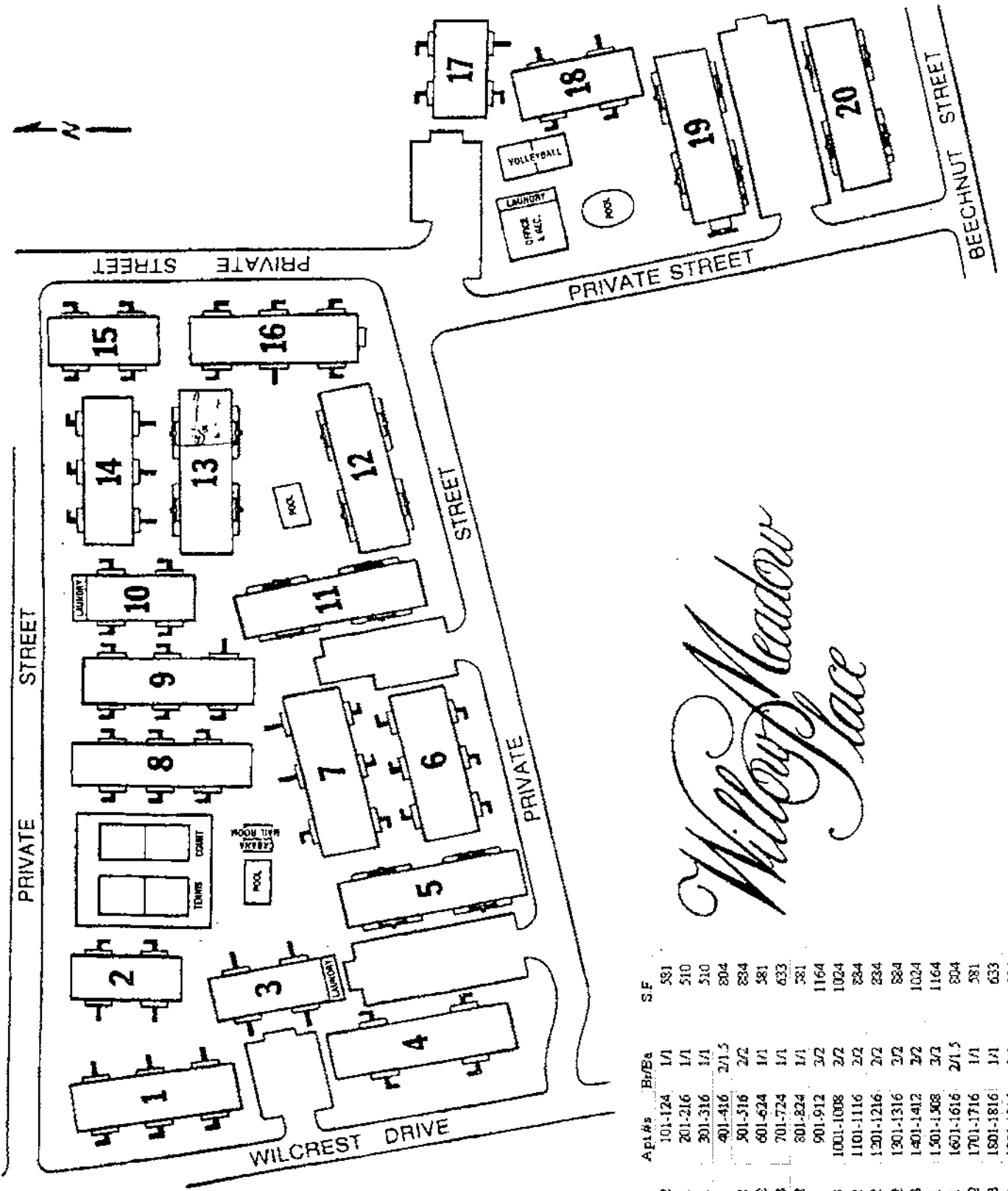


**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 3, Tab 1

- **Site Plan [Amended]**



Willow Meadow Place

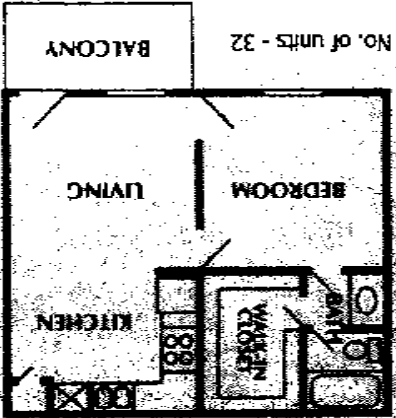
Building #	Type	Apt.#s	Br/Ba	S.F.
1	A2	101-124	1/1	581
2	A1	201-216	1/1	510
3	A1	301-316	1/1	510
4	B1	401-416	2/1.5	804
5	B2	501-516	2/2	884
6	A2	601-624	1/1	581
7	A3	701-724	1/1	633
8	A2	801-824	1/1	581
9	C1	901-912	3/2	1164
10	B3	1001-1008	2/2	1024
11	B2	1101-1116	2/2	884
12	B2	1201-1216	2/2	884
13	B2	1301-1316	2/2	884
14	B3	1401-1412	2/2	1024
15	C1	1501-1508	3/2	1164
16	B1	1601-1616	2/1.5	804
17	A2	1701-1716	1/1	581
18	A3	1801-1816	1/1	633
19	B2	1901-1916	2/2	884
20	B2	2001-2016	2/2	884

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

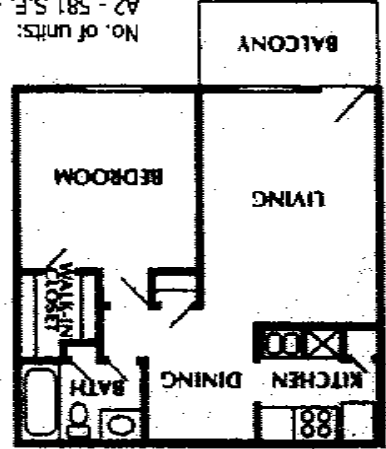
Volume 3, Tab 1

- **Unit Floor Plans [Amended]**



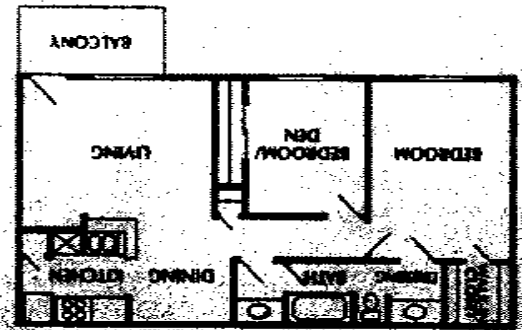
A1 - One Bedroom, One Bath
510 Square Feet

Deposit _____
Rate _____



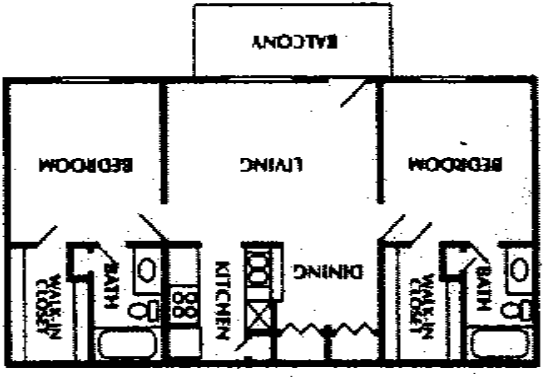
A2 - One Bedroom, One Bath
581 or 633 Square Feet

Deposit _____
Rate _____



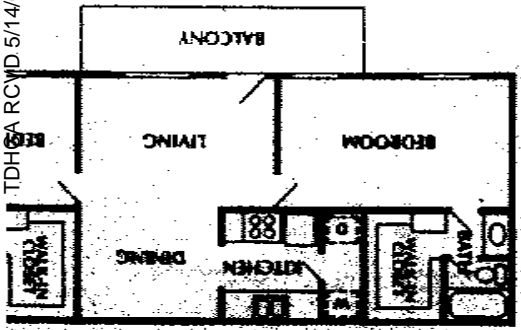
B1 - Two Bedroom, One & One Half Bath
804 Square Feet

Deposit _____
Rate _____



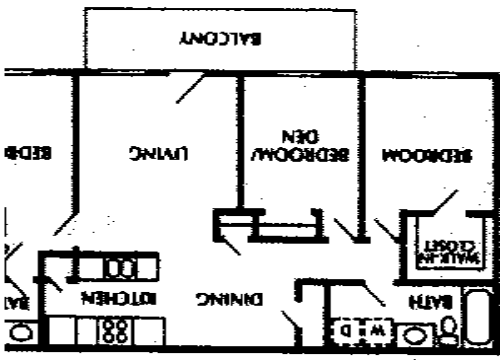
B2 - Two Bedroom, Two Bath
884 Square Feet

Deposit _____
Rate _____



B3 - Two Bedroom, Two Bath
1024 Square Feet

Deposit _____
Rate _____



C1 - Three Bedroom, Two Bath
1164 Square Feet

Deposit _____
Rate _____

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcocompanies.com
Randy Plitt rplitt@dalcocompanies.com**

Volume 3, Tab 2

- See information provided for Volume 3, Tab 6, Part C, (enclosed) [missing pages]
- Zoning – Affidavit [Amended]

**Volume 3, Tab 6, Part C – Acquisition of Existing Building
WILLOW MEADOW PLACE APARTMENTS
TDHCA Development Number 09128
TAX CREDIT DEVELOPMENT
DALCOR AFFORDABLE HOUSING, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS 75093
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcocompanies.com
Randy Plitt rplitt@dalcocompanies.com**

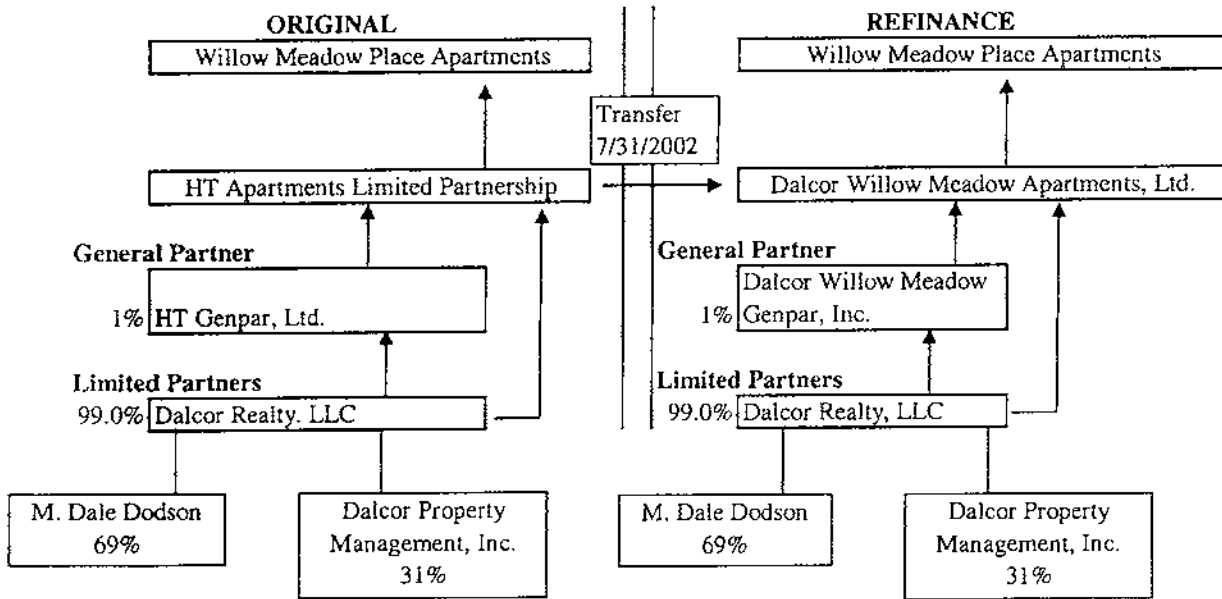
Willow Meadow Place Apartments was originally purchased on 7/31/1998 by HT Apartments Limited Partnership (see attached Special Warranty Deed) along with five other apartment communities. The General Partner was HT Genpar, Ltd. and the 99% Limited Partner was Dalcor Realty, LLC.

On July 31, 2002 Willow Meadow Place Apartments, in conjunction with a refinancing was transferred to Dalcor Willow Meadow Apartments, Ltd. (see attached Special Warranty Deed); the new first mortgage lender demanded a single asset partnership.

The Owners of HT Apartments Limited Partnership and Dalcor Willow Meadow Apartments, Ltd. are the same; see attached Organization Chart and partnership agreement evidence.

The original purchase price is indicated on the Purchaser's allocation (attached)

Willow Meadow Place Apartments



T177464

503-76-0002

SPECIAL WARRANTY DEED

07/31/98 100816537 1177464

965.00

STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

§

THAT WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership (herein called "Grantor"), for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable cash consideration to Grantor in hand paid and caused to be paid in the manner hereinafter stated by HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (herein called "Grantee"), whose mailing address is 3627 North Josey Lane, Carrollton, Texas 75007, the receipt and sufficiency of which are hereby acknowledged, has, subject to those matters set forth in Exhibit "B" hereto, GRANTED, SOLD and CONVEYED and by these presents does hereby GRANT, SELL and CONVEY unto Grantee the real property in Harris County, Texas, the real property being more particularly described in Exhibit "A" attached hereto, together with all improvements, rights, easements, hereditaments and appurtenances thereto (the "Property").

For the same consideration recited above, Grantor hereby GRANTS, SELLS and CONVEYS without warranty, express or implied, all interest, if any, of Grantor in (i) strips or gores, if any, between the Property and abutting or immediately adjacent properties, and (ii) any land lying in or under the bed of any street, alley, road or right-of-way, opened or proposed, abutting or immediately adjacent to the Property.

THIS CONVEYANCE IS MADE SUBJECT TO those matters set forth on Exhibit "B" attached hereto and incorporated herein for all purposes.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to those matters set forth in Exhibit "B", unto Grantee, Grantee's heirs, personal representatives, successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property, subject, however, as aforesaid, to those matters set forth in Exhibit "B" unto Grantee, Grantee's heirs, personal representatives, successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise.

Grantor is conveying, and Grantee is accepting, the Property in its "AS-IS", "WHERE-IS" condition, "WITH ALL FAULTS". Except as set forth in the Earnest Money Contract dated July 24, 1998 between Grantor and Grantee, no warranties, express or implied, are given by Grantor with respect to the Property, other than the special warranty of title set forth herein.

Grantee, by its acceptance hereof, does hereby assume and agree to pay all ad valorem taxes pertaining to the Property for the calendar year 1998 and subsequent years, there having been a proper proration of same between Grantor and Grantee.

Return to
Alamo Title Company
Title Agency, Inc.
5251 Westheimer, Suite 200
Houston, Texas 77056
982/269761

500-10-0000

EXECUTED and DELIVERED as of the 31st day of July, 1998.

GRANTOR:

WESTCHASE MULTIFAMILY, L.P.,
a Delaware limited partnership

By: MDS RREFCO, Inc.
Its General Partner

By: Karin Shewer
Karin Shewer, Vice President

STATE OF ~~TEXAS~~ *New York* §
COUNTY OF ~~HARRIS~~ *New York* §

This instrument was acknowledged before me on the 29th day of July, 1998, by Karin Shewer, Vice President of MDS RREFCO, Inc., a corporation, the General Partner of WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership, on behalf of said limited partnership.

KAREN A. McGRANE
Notary Public, State of New York
No. 4908407
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires October 19, 1999

Karen A. McGrane
Notary Public

WHEN RECORDED, RETURN TO:

Alamo Title Company
5251 Westheimer, Suite 200
Houston, Texas 77056
Attention: Mr. Lucky Long
713-966-4040

PREPARED IN THE OFFICE OF:

Greg Savage
Hoover, Bax & Slovacek, L.L.P.
5847 San Felipe, Suite 2200
Houston, Texas 77056
713-977-8686

- GF No. 9821269761 - Chestnut Apartments
- GF No. 9821269762 - The Meadows Apartments
- GF No. 9821269763 - Shadow Creek Apartments
- GF No. 9821269764 - Spring Meadows Apartments
- GF No. 9821269765 - Walnut Bend Apartments
- GF No. 9821269766 - Willow Meadow Apartments

*Willow Meadow
02R12802*

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

That HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid by DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantee"), the receipt and sufficiency of which are hereby acknowledged and confessed, and upon and subject to the exceptions, liens, encumbrances, terms and provisions hereinafter set forth and described, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee all of the real property described on Exhibit "A" which is attached hereto and made a part hereof for all purposes, together with all and singular the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or in anywise appertaining thereto, and together with all improvements located thereon and any right, title and interest of Grantor in and to adjacent streets, alleys and rights-of-way (said land, rights, benefits, privileges, easements, tenements, hereditaments, appurtenances, improvements and interests being hereinafter referred to as the "Property").

This conveyance is made subject and subordinate to all matters of record affecting the Property (the "Permitted Exceptions") which are attached hereto on Exhibit "B" and made a part hereof for all purposes, but only to the extent that they affect or relate to the Property.

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, as aforesaid, unto Grantee, its heirs, executors, legal representatives, successors and assigns, forever; and Grantor does hereby bind itself, its heirs, executors, legal representatives, successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its heirs, executors, legal representatives, successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of the 31 day of July, 2002.

**CERTIFICATE OF
GENERAL PARTNER
OF
HT APARTMENTS LIMITED PARTNERSHIP**

The undersigned, the sole General Partner of HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (the "Partnership"), hereby certifies as follows:

(1) Attached hereto as Exhibit "A" is a true and correct copy of the Agreement of Limited Partnership of the Partnership which Agreement has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(2) Attached hereto as Exhibit "B" is a true and correct copy of the Certificate of Limited Partnership of the Partnership, which Certificate has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(3) As of the date hereof (a) the Partnership has not been dissolved or terminated and no proceeding for dissolution or termination is contemplated, and (b) no default or event which with the lapse of time or the giving of notice or both has occurred under the Agreement of Limited Partnership of the Partnership; and

(4) The Unanimous Written Consent attached hereto as Exhibit "C" has not been amended or revoked and remains in full force and effect as of the date hereof.

EXECUTED as of July 31, 1998.

HT APARTMENTS GENPAR, LTD., a Texas
limited partnership

By: HT APARTMENTS I CORPORATION,
a Texas Corporation, its
sole General Partner

By: M. Dale Dodson
M. Dale Dodson
President

LIMITED PARTNERSHIP AGREEMENT
FOR
HT APARTMENTS LIMITED PARTNERSHIP

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 1998, by and among HT Apartments Genpar, Ltd., a Texas limited partnership, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I
FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is HT Apartments Limited Partnership. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 3627 N. Josey, Carrollton, Texas 75007, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of the real estate projects listed on Exhibit "B" (collectively, the "Property") and such activities as are necessary, incidental or appropriate in connection therewith.

EXECUTED to be effective as of the date first set forth above.

ADDRESS:

3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#

75-2774227

ADDRESS:

3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#

75-2514070

NAME OF PARTNER:

GENERAL PARTNER:

HT APARTMENTS GENPAR, LTD., a Texas
limited partnership

By: HT Apartments I Corporation, a Texas corporation,
its sole General Partner

By: M. Dale Dodson

M. Dale Dodson, President

LIMITED PARTNER:

DALCOR REALTY L.L.C., a Texas limited
liability company

By: M. Dale Dodson

M. Dale Dodson, Manager

EXHIBIT "A"
TO
LIMITED PARTNERSHIP AGREEMENT
OF
HT APARTMENTS LIMITED PARTNERSHIP

PARTNERSHIP INTERESTS: INITIAL CONTRIBUTIONS

<u>NAME</u>	<u>INTEREST</u>	<u>INITIAL CONTRIBUTION</u>
General Partner	1%	\$1,419
Dalcor Realty, L.L.C.	<u>99%</u>	<u>\$140,481</u>
TOTAL	100%	\$141,900

LIMITED PARTNERSHIP AGREEMENT

FOR

DALCOR WILLOW MEADOW APARTMENTS, LTD.

3187 This Limited Partnership Agreement (the "Agreement") is made and entered into effective the day of July, 2002, by and among Dalcov Willow Meadow Genpar, Inc., a Texas corporation, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is Dalcov Willow Meadow Apartments, Ltd. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 15601 Dallas Parkway, Suite 550, Addison, Texas 75001, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of Willow Meadow Apartments located at 10630 Beechnut Street, Houston, Harris County, Texas (the "Property") and such activities as are necessary, incidental or appropriate in connection therewith. Notwithstanding anything else herein to the contrary, the Partnership shall conduct no business other than that described in the previous sentence.

defined therein), and shall only constitute a claim against the Partnership to the extent of, and shall be paid by the Partnership in monthly installments only from, the excess of net operating income for any month over all amounts then due under the Security Instrument and the other Loan Documents.

5. This Amendment may be executed in one or more counterparts.

EXECUTED to be effective as of the date described in Recital D, above.

GENERAL PARTNER

DALCOR WILLOW MEADOW GENPAR, INC.,
a Texas corporation

By: M. Dale Dodson
M. Dale Dodson, President

Date: 8-29-05

LIMITED PARTNER

DALCOR REALTY, L.L.C.,
a Texas limited liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

Date: _____

CLASS B LIMITED PARTNER

JENKINS & COMPANY, INC.,
a Texas corporation

By: [Signature]
Name: John Jenkins
Title: Pres

EXHIBIT C

Limited and General Partners and Ownership Percentages

Dalcor Willow Meadow Genpar, Inc. 1%

Dalcor Realty, LLC 99%

Class B Limited Partner

Jenkins Co., Inc. 100%

HT APARTMENTS LIMITED PARTNERSHIP
CLOSING STATEMENTS
JULY 31, 1998

ACCT #	HT	TOTAL	Chestnut Park	Meadows	Shadow Creek	Spring Meadows	Walnut Bend	Willow Meadow Pl	
Additional Asset Costs:									
Title Ins - Alamo Title	6,067.00								
Recording Fees	275.00								
Maint Transfer Fee NW to TX Comm Mgmt	100.00								
Survey - So TX Surveying Assoc	1,200.00								
Due Diligence Fee - Dalcor	37,000.00								
Total Add'l Asset Costs	44,842.00								
Spread Add'l Asset Costs (Purch Price)	(44,842.00)								
NET ASSET COST	#1520	72,804,642.00	14,571,000.00	18,835,000.00	8,131,000.00	7,309,000.00	18,173,000.00	7,841,000.00	
Financing Costs:									
Atty Fees - Windels	46,500.00								
Atty Fees - McGuire (2/3)	17,500.00								
Dalcor pd Lettman	25,000.00								
Fee - Share A. Brijas	3,500.00								
Fee - Holiday Fenoglio	310,800.00								
Organizational Costs:	#1560	403,100.00	LEAVE ON PARTNERSHIP BOOKS						
1/3 Atty Fees McGuire	#1540	8,750.00	LEAVE ON PARTNERSHIP BOOKS						
Security Deposit Cash	#1040	320,682.00	LEAVE ON PARTNERSHIP BOOKS						
Reserve Cash - Hatfield Phillips	#1350	1,039,400.00	265,700.00	103,500.00	80,200.00	96,400.00	125,000.00	368,600.00	
Insurance Escrow	#1310	39,765.00	7,852.00	9,188.00	4,438.00	3,988.00	9,919.00	4,278.00	
Tax Escrow	#1020	114,828.35	781,952.22	157,427.80	178,242.00	96,728.00	77,918.00	198,130.00	
Cash - Dalcor - Operating Funds	#1020	141,900.00							
Property Tax Liability	#2210		(781,952.22)	(157,427.80)	(178,242.00)	(96,728.00)	(77,918.00)	(198,130.00)	
Mortgage Note Payable	#2020		(74,480,000.00)	(14,960,190.00)	(17,088,484.00)	(8,275,512.00)	(7,463,876.00)	(18,430,286.00)	
Security Deposit Liability	#2310		(920,092.00)	(89,939.00)	(71,487.00)	(41,712.00)	(32,250.00)	(87,457.00)	
Prepaid Rent	#2030		(31,722.00)	(14,240.00)	(8,400.00)	(732.00)	(7,291.00)	(2,156.00)	
Capital (Equity) - net	#4110	(141,900.00)							
Capital (Fee pd Lettman)	#4110	(25,000.00)	LEAVE ON PARTNERSHIP BOOKS						
Prepaid Insurance (Down) (P&L)	#1410	16,878.65	3,375.31	3,889.94	1,803.75	1,694.17	4,210.22	1,818.26	
Prepaid Insurance (Food Ins)	#1410	9,280.00	9,280.00						
Deliver/Courier - Chicago Title	#3540	80.00	13.33	13.34	13.33	13.33	13.34	13.33	
Due to/from HT		(822,328.35)	822,328.35	194,120.36	184,404.72	95,436.92	87,843.50	185,723.44	74,777.41
		0.00	(0.00)	(0.00)	0.00	(0.00)	0.00	0.00	

**Affidavit of Zoning
Willow Meadow Place Apartments**

The land upon which the development is situated does not have any zoning or deed restrictions.

M. Dale Dodson, Member, Co-Manager of Dalcor Affordable Housing, LLC, sole Member of General Partner.

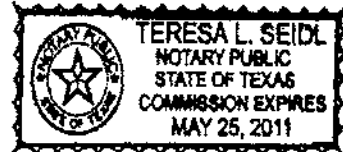
By: M. Dale Dodson 2/26/2009
Signature of Applicant/Owner/Authorized Person Date

STATE OF: Texas
COUNTY OF: Gallin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl 5/25/2011
Notary Public Signature Commission Expires



**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 3, Tab 2

- **See information provided for Volume 3, Tab 6, Part C, (enclosed)
[missing pages]**
- **Zoning – Affidavit [Amended]**
- **Title Policy**

REQUEST FOR NEW ORDER ORDER # _____

CT00000 _____

Date: 5/14/09

Time given to Adserve: _____

Contract attached: Yes No

Number of binders required: _____

TEXAS

Agency: (CTIC) (Ticor) (Other _____)	(25%) (40%) (60%) (_____ %)
Processor Name: _____	Phone No.: _____
Seller: <u>DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership</u>	Borrower: _____
Purchaser: <u>WM APARTMENT, LTD.</u>	Lender: _____
Closer: <u>Wheeler</u>	Customer Name & Address: <u>Randy Plitt</u>
Mkt. Rep: <u>P4</u>	<u>Dalcor Companies</u>
Liability: Sale:\$ <u>TBD</u> <input type="checkbox"/> TBD	Order Type: <input checked="" type="checkbox"/> Sale/Purchase <input type="checkbox"/> Loan
Loan:\$ _____ <input type="checkbox"/> TBD	42 Industrial Bldg <input type="checkbox"/> 43 Office Bldg <input type="checkbox"/> 44 Shopping Ctr. <input type="checkbox"/> 45 Apartments <input checked="" type="checkbox"/> 46 Other Commercial/Industrial Land <input type="checkbox"/>
Legal/Property Address: <u>Please see prior 679903</u>	
County: <u>Harris</u>	
PROJECT NAME: <u>Willow Meadow Place</u>	SPECIAL INSTRUCTIONS:
<u>Please Rush - Les promised title in a week.</u>	

OUT OF STATE

Processor Name: _____	Phone No.: _____
Seller: _____	Borrower: _____
Purchaser: _____	Lender: _____
Closer: _____	Customer Name & Address: _____
Mkt. Rep: _____	
Liability: Sale: \$ _____ <input type="checkbox"/> TBD	Order Type: <input type="checkbox"/> Sale/Purchase <input type="checkbox"/> Loan

EXCLUSIONS FROM COVERAGE

TDHCA RCVD 5/14/09 15:37

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damages, costs, attorneys' fees or expenses that arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking that has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:

(a) created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

(c) resulting in no loss or damage to the insured claimant;

(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any

statutory lien for services for labor or material); or

(e) resulting in loss or damage that would not have been sustained if the insured claimant had paid full value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or material having its inception subsequent to Date of Policy.

7. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of unmarketability of the title.

8. Any claim which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or other state or federal creditors' rights laws that is based on either (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer or a voidable distribution or voidable dividend, (ii) the subordination or recharacterization of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure of the Company or its issuing agent to timely file for record the instrument of transfer to the insured after delivery or the failure of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured name in Schedule A. The term "insured" also includes

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2(a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice that may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto that by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state status at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" also shall include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "access": legal right of access to the land and not the physical condition of access. The coverage provided as to access does not assure the adequacy of access for the use intended.

2. CONTINUATION OF INSURANCE

(a) After Acquisition of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality that acquires all or any part of the estate or interest pursuant to a

contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

(c) Amount of Insurance. The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

(ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or

(iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, or (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest that is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

Subject to the provisions of this policy, upon acquisition of all or any part of the estate or interest in the land pursuant to the provisions of Section 2 of these Conditions and Stipulations, when, after the date of the policy, the insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in title to the estate or interest in the land insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect is valid and not barred by law or statute. The Company shall notify the insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the

GF# 679903 - M
Mortgagee Policy No. 44-903-101-000679903

Prem. Am: \$3,672.50

SCHEDULE A

Effective Date of Policy: August 31, 2005
Amount of Insurance: \$7,400,000.00

3:21 PM

1. Name of Insured:

JPMORGAN CHASE BANK, N.A., a banking association, and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12(c) of the Conditions and Stipulations

2. The estate or interest in the land that is insured as encumbered by the insured mortgage is:

FEE SIMPLE

3. Title to the estate or interest in the land is insured as vested in:

DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership

4. The insured mortgage and assignments thereof, if any, are described as follows:

Deed of Trust and Security Agreement executed by DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership to CHICAGO TITLE INSURANCE COMPANY, Trustee(s), dated August 30, 2005, filed for record on August 31, 2005 and recorded under Document No. Y733363, Official Public Records, Harris County, Texas to secure the payment of one note of even date therewith in the original principal amount of \$7,400,000.00, payable to JPMORGAN CHASE BANK, N.A., a banking association chartered under the laws of the United States of America. Said note and lien further secured by Assignment of Leases and Rents filed for record on August 31, 2005 and recorded under Document No. Y733365, Official Public Records, Harris County, Texas.

5. The land referred to in this policy is described as follows:

SEE ATTACHED DESCRIPTION

GF# 679903
Mortgagee Policy No. 44-903-101-000679903

Page 1

DESCRIPTION

A 12.3093 acre (536,192 square feet) tract of land being all of WILLOW MEADOW PLACE APARTMENT of record in Volume 287, Page 131 of the Harris County Map Records in the Henry Cobb Survey, Abstract No. 219, in the City of Houston, Harris County, Texas, and being more fully described by metes and bounds as follows (with bearings referenced to said plat of Willow Meadow Place Apartments);

BEGINNING at a 5/8 inch iron rod found in the east right-of-way line of Wilcrest Drive (100.00 feet wide) marking the most southerly west corner of the herein described tract and which bears North 12 degrees 48 minutes 26 seconds West, 430.00 feet from the most westerly cut back corner located at the northeast corner of the intersection of said Wilcrest Drive and Beechnut Street;

THENCE North 12 degrees 40 minutes 26 seconds West, along said right-of-way line of Wilcrest Drive, a distance of 296.44 feet to an "X" cut in concrete set for the point of curvature of a curve to the right;

THENCE Northwesterly, continuing along said right-of-way line of Wilcrest Drive and along the arc of said curve to the right having a radius of 2450.00 feet, a central angle of 06 degrees 21 minutes 06 seconds, a chord bearing North 09 degrees 29 minutes 53 seconds West, 271.46 feet, an arc length of 271.60 feet to a 5/8 inch iron rod found for the northwest corner of this tract;

THENCE North 89 degrees 52 minutes 55 seconds East, along a north line of this tract, a distance of 921.62 feet to an "X" found in the edge of a concrete pavement in the most westerly line of Beechnut Place II Apartments as recorded in Volume 297, Page 128 of the Harris County Map Records;

THENCE South 00 degrees 09 minutes 46 seconds West, along the East line of this tract, and the most westerly line of said Beechnut Place II Apartments, a distance of 364.63 feet to a 5/8 inch iron rod found for an interior corner of this tract and a westerly corner of said Beechnut Place II Apartments;

THENCE North 89 degrees 52 minutes 55 seconds East, along a north line of this tract and a south line of said Beechnut Place II Apartments, a distance of 211.11 feet to a 5/8 inch iron rod found in the west right-of-way line of Maplecrest Street;

THENCE South 00 degrees 09 minutes 46 seconds West, along the west right-of-way line of said Maplecrest Street, a distance of 417.00 feet to a 5/8 inch iron rod set in the arc of a curve and marking the intersection of the west right-of-way line of Maplecrest Street with the north right-of-way line of Beechnut Street;

THENCE Westerly, along the north right-of-way line of said Beechnut Street and the arc of said curve to the left having a radius of 3550.00 feet, a central angle of 01 degrees 18 minutes 01 seconds, a chord bearing of South 77 degrees 58 minutes 35 seconds West, 80.56 feet, an arc length of 80.56 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE South 77 degrees 19 minutes 34 seconds West, continuing along said right-of-way line of Beechnut Street, a distance of 156.45 feet to a 5/8 inch iron rod found for the most southerly corner of this tract;

THENCE North 12 degrees 40 minutes 26 seconds West, a distance of 440.00 feet to a 5/8 inch iron rod found for an interior corner of this tract;

GF# 679903

Mortgagee Policy No. 44-903-101-000679903

DESCRIPTION

THENCE South 77 degrees 19 minutes 34 seconds West, along a south line of this tract, a distance of 710.00 feet to the POINT OF BEGINNING AND CONTAINING 12.3093 acres of land.

NOTE: COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

GF# 679903 -M
Mortgagee Policy No. 44-903-101-000679903

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:

1. *The following restrictive covenants of record itemized below, but the Company insures that any such restrictive covenants have not been violated so as to affect, and that future violation thereof will not affect, the validity or priority of the mortgage hereby insured (insert specific recording data or delete this exception):*

Volume 287, Page 131, Map Records, Harris County, Texas, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

2. *Shortages in area.*
 3. *Standby fees, taxes and assessments by any taxing authority for the year 2005 and subsequent years; but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. Company insures that standby fees, taxes and assessments by any taxing authority for the year 2005 are not yet due and payable.*
 4. *(Insert here all other specific exceptions as to superior liens, easements, outstanding mineral and royalty interests, etc.)*
 5. *Utility easement 10 feet in width along the south and most easterly west property line(s), together with an unobstructed aerial easement adjoining thereto, 5 feet wide from a plane 20 feet above ground upward, as set forth by instrument filed for record under Harris County Clerk's File No. G175302, and as shown on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.*
 6. *Easements for minor encroachments as set forth by instruments filed for record under Harris County Clerk's File Nos. G196761, H749865 and H769728, and as noted on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.*
-

GF# 679903

Mortgagee Policy No. 44-903-101-000679903

SCHEDULE B (continued)

7. Easement granted to and agreement with Texas Cable Partners, L.P., as set forth in that certain memorandum recorded under County Clerk's File No. X639571 of the Real Property Records of Harris County, Texas and as shown on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.
8. The terms, conditions and stipulations of that certain Agreement for Underground Electric Service with Houston Lighting and Power Company filed for record under Harris County Clerk's File No. G129783, and as noted on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.
9. Terms, conditions and stipulations of those certain Lease Agreements, Memorandum of which are filed for record under Harris County Clerk's File Nos. K566204, P751521 and X055384.
10. A 1/8th non-participating Royalty Interest in all oil, gas and other minerals, as set forth by instruments recorded in Volume 8537, Page 321 and Volume 8537, Page 325 of the Deed Records of Harris County, Texas.
11. The following matters as shown on the plat recorded in Volume 287, Page 131, Map Records of Harris County, Texas:
 - (1) 28' private streets
 - (2) 20' building lines
 - (3) 10' water line easements
 - (4) 10' building lines
 - (5) 10' x 20' water meter easements,and as shown on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.
12. Rights of tenants, as tenants only, under prior unrecorded leases if any.
13. Section 13 of the Conditions and Stipulations of this policy is hereby deleted.

Countersigned:


Authorized Signatory

1	2	3	4	5	6	7	8	9	10
Office File Number	Policy/Endorsement Number	Date of Endorsement	Amount of Insurance	Type	Premium	Code	Rate		
2105-01385	44-903-101-000679903	08-31-05		EN					

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT

Attached to and made a part of Mortgage Title Policy Number shown above dated August 31, 2005

**ISSUED BY
CHICAGO TITLE INSURANCE COMPANY**

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The existence at Date of Policy of any of the following:
 - (a) Covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
 - (b) Unless expressly excepted in Schedule B:
 - (1) Present violations on the land of any enforceable covenants, conditions or restrictions, and any existing improvements on the land which violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.
 - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides a lien for liquidated damages; (iii) provides for a private charge or assessment; (iv) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.
 - (3) Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.
 - (4) Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
 - (5) Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the Insured, provided the violation results in:
 - (a) Invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or

-Continued-

IN WITNESS WHEREOF, the CHICAGO TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

CHICAGO TITLE INSURANCE COMPANY



 Authorized Countersignature



ENDORSEMENT
 Restrictions, Encroachments, Minerals Endorsement
 Texas Form T-19
 Effective 4-4-2002

FOR INFORMATION, OR TO MAKE A COMPLAINT
 CALL: 1-800-442-4303

CONTINUATION PAGE

CONTINUATION OF RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (T-19)
Mortgagee Policy Number 44-903-101-000679903

(b) loss of title to the estate or interest in the land if the Insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.

3. Damage to existing improvements, including lawns, shrubbery or trees:

(a) which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;

(b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.

5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

ENDORSEMENT

GF# 679903

Attached to

Policy No. 44-903-101-000679903

Issued By
CHICAGO TITLE INSURANCE COMPANY

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at the Date of Policy, is recorded in those records established under state statutes at the Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided for by any state statute in effect at the Date of Policy, except environmental protection liens provided for by the following state statutes:

TEX. HEALTH & SAFETY CODE Section 361.194;
 TEX. HEALTH & SAFETY CODE Section 342.007, 342.008;
 TEX. LOCAL GOV'T CODE Section 214.001, 214.0015(b), (d), and (e); and
 TEX. NATURAL RESOURCES CODE Section 134.150, if applicable.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsement, nor does it increase the face amount thereof.

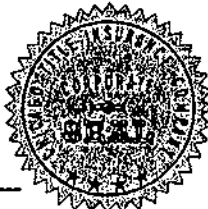
IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

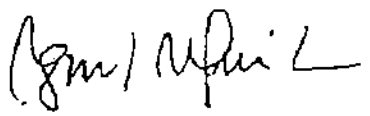
Dated: August 31, 2005

CHICAGO TITLE INSURANCE COMPANY




 Authorized Countersignature



By: 

President

Attest: 

Secretary

ACCESS ENDORSEMENT

Attached to and made a part of Policy No. 44-903-101- 000679903
dated August 31, 2005

GF# 000679903

Issued By
CHICAGO TITLE INSURANCE COMPANY

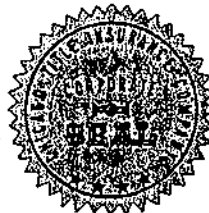
The Company insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the land does not abut and have both actual vehicular and pedestrian access to and from

BEECHNUT STREET

(the "Street") or (iii) the street is not physically open.

This endorsement is made a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all the terms and provisions of the policy and of any prior endorsements to it.

CHICAGO TITLE INSURANCE COMPANY



By:

[Handwritten Signature]

President

Attest:

[Handwritten Signature]

Secretary

[Handwritten Signature]
Authorized Countersignature

transaction in connection with which this policy was issued, the Company shall specifically advise the insured of the reason for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the title to the estate as insured; (ii) indemnify the insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the insured claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the property or, if a mortgage policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provisions of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgement or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for that purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 91 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by an authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by an authorized representative of the Company, all records, books, ledgers, checks, correspondence, and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by an authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books,

third party, which reasonably pertain to the loss or damage. All information designated as confidential, the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgement of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) **To Pay or Tender Payment of the Amount of Insurance or to Purchase Indebtedness.**

(i) To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage together with any collateral security, to the Company upon payment therefor.

Upon the exercise by Company of either of the options provided for in paragraphs (i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) **To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.**

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy at the date the insured claimant is required to furnish to Company a proof of loss or damage in accordance with Section 5 of these Conditions and Stipulations.

(b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or otherwise establishes the lien of the insured mortgage, all as insured, or takes action in accordance with Section 3 or Section 6, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall

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(b) If the insured is not including litigation by the Company or with the Company' ent, the Company shall have no liability for loss or damage until there has been a final determination by a court of ent jurisdiction, and disposition of all appeals therefrom, adverse to the title to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land, which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE:

REDUCTION OR TERMINATION OF LIABILITY

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken on Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.

11. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies that the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by the insured mortgage, provided the property of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or

release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted of the insured claimant and the insured has knowledge of any claim, title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of the insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's rights of subrogation.

(c) The Company's Rights Against Non-Insured Obligor.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of the insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the insured may demand arbitration pursuant to the Title Arbitration Rules or the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less SHALL BE arbitrated at the request of either the Company or the Insured, UNLESS the insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgement upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY: POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provisions of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Chicago Title Insurance Company, Claims Department, 171 N. Clark, Chicago, Illinois 60601.

COMPLAINT NOTICE

Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the Company that issued the policy. If the problem is not resolved, you also may write the Texas Department of Insurance, P.O. Box 149091, Austin, TX 78714-9091, Fax No. (512) 475-1771. This notice of complaint procedure is for information only and does not become a part or condition of this policy.

**FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL:
1-800-442-4303**

CHICAGO TITLE INSURANCE COMPANY

2001 BRYAN STREET, SUITE 1700, DALLAS, TEXAS 75201-3005
(214) 965-1722 FAX (214) 965-1645 email: KingTo@cti.com



TONYA KING
Commercial Administrative
Services Manager

October 21, 2005

Via Overnight Delivery

Martha Behringer
McGuire Craddock & Strother, PC
500 N. Akard, Suite 3550
Dallas, Texas 75201

Re: GF Number: 2105-01385 (679903) (LBW)
Lender: JP Morgan Chase Bank, N.A. to
Borrower: Dalcor Willow Meadow Apartments, Ltd.
Property: 12.3093 Acres, Harris County

Dear Ms. Behringer:

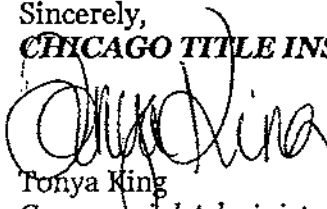
In connection with the above referenced transaction, please find enclosed a copy of the Mortgagee Policy of Title Insurance along with the following documents:

1. Copy of the recorded Deed of Trust and Security Agreement; and
2. Copy of the recorded Assignment of Leases and Rents; and
3. Original recorded Release of Lien.

We are still waiting on the original recorded documents from the County Clerk's office and the Texas Secretary of State and will forward upon receipt.

If you should have any questions or need anything further at this time, please do not hesitate to call me.

Sincerely,
CHICAGO TITLE INSURANCE COMPANY


Tonya King
Commercial Administrative
Services Manager

TK/smv

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 3, Tab 4

- See Attached renewal of WM Apartments, Ltd. (previous reservation had expired since application)
- See attached note from Counsel regarding WM Genpar, LLC



Office of the Secretary of State

CERTIFICATE OF RESERVATION OF ENTITY NAME OF

WM Apartments, Ltd.

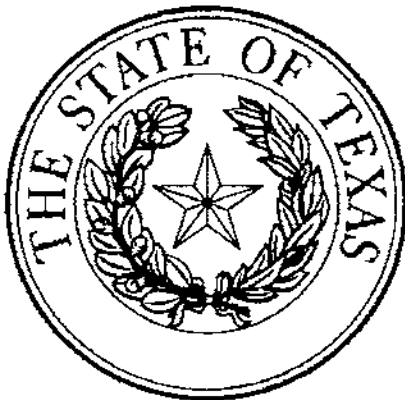
The undersigned, as Secretary of State of Texas, hereby certifies that the above entity name has been reserved in this office pursuant to the provisions of Section 5.101 of the Texas Business Organizations Code for the exclusive use of

WM Apartments, Ltd.
5055 W Park Blvd, Suite 700 , Plano , TX 75093

for a period of one hundred twenty days after the date hereof.

This name reservation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/14/2009



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

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Randy Plitt

From: Martha Behringer [mbehringer@mcslaw.com]
Sent: Thursday, May 14, 2009 11:04 AM
To: Randy Plitt
Cc: Mack Strother
Subject: RE: Name Reservation
Attachments: WM Apartments Reservation 05.14.09.PDF

Randy - here's the renewed name reservation for WM Apartments, Ltd. The Secretary of State told me not to reserve WM Apartments Genpar. Since WM Apartments Ltd. is already reserved, no one else can use "WM Apartments" without your approval.

Martha Behringer

Paralegal
McGuire Craddock & Strother, PC
500 N. Akard, Suite 3550
Dallas, TX 75201
Direct: 214 954 6837
Fax: 214 954 6868
E-mail: mbehringer@mcslaw.com

From: Martha Behringer
Sent: Thursday, May 14, 2009 9:22 AM
To: 'Randy Plitt'
Cc: Mack Strother
Subject: RE: Name Reservation

Hi Randy - I don't see where we did a reservation for WM Apartments Genpar LLC (which I assume will be the general partner of WM Apartments Ltd), so I'll go ahead and reserve that name. Also the name reservation for WM Apartments, Ltd. has expired. It was reserved on Jan 6 for 120 days (which in my head was for 6 months when I should have been thinking 4 months). Can I assume you want that name reserved again.

Martha Behringer

Paralegal
McGuire Craddock & Strother, PC
500 N. Akard, Suite 3550
Dallas, TX 75201
Direct: 214 954 6837
Fax: 214 954 6868
E-mail: mbehringer@mcslaw.com

From: Randy Plitt [mailto:rplitt@dalcocompanies.com]
Sent: Thursday, May 14, 2009 8:59 AM
To: Martha Behringer
Subject: Name Reservation

5/14/2009

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 3, Tab 5

- **Authorization to Release Credit Information [missing pages]**
- **Affidavits of No Assets**

**Affidavit of No Assets – WM Apartments, Ltd.
Willow Meadow Place Apartments**

WM Apartments, Ltd. is a to be formed Texas Limited Partnership and as such does not have any assets or liabilities

M. Dale Dodson,
Member, Co-Manager of Dalcor Affordable Housing, LLC, sole Member of General Partner.

By: M. Dale Dodson 2/26/2009

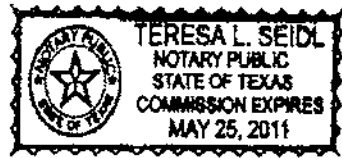
STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**Affidavit of No Assets – WM Apartments Genpar, LLC
Willow Meadow Place Apartments**

WM Apartments, LLC. is a to be formed Texas Limited Liability Corporation and as such does not have any assets or liabilities

M. Dale Dodson,
Member, Co-Manager of Dalcov Affordable Housing, LLC, sole Member

By: M. Dale Dodson 2/26/2009

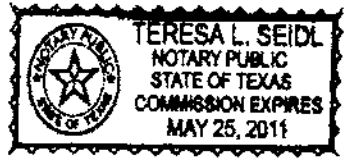
STATE OF: Texas
COUNTY OF: Collin

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Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**Affidavit of No Assets – Dalcor Affordable, LLC
Willow Meadow Place Apartments**

Dalcor Affordable Housing, LLC is a to be formed Texas Limited Liability Corporation and as such does not have any assets or liabilities

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC

By: M. Dale Dodson 2/26/2009

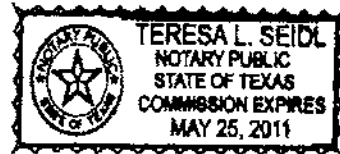
STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 3, Tab 6

- **Identity of Interest [missing pages]**

**Volume 3, Tab 6, Part C – Acquisition of Existing Building
WILLOW MEADOW PLACE APARTMENTS
TDHCA Development Number 09128
TAX CREDIT DEVELOPMENT
DALCOR AFFORDABLE HOUSING, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS 75093
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcocompanies.com
Randy Plitt rplitt@dalcocompanies.com**

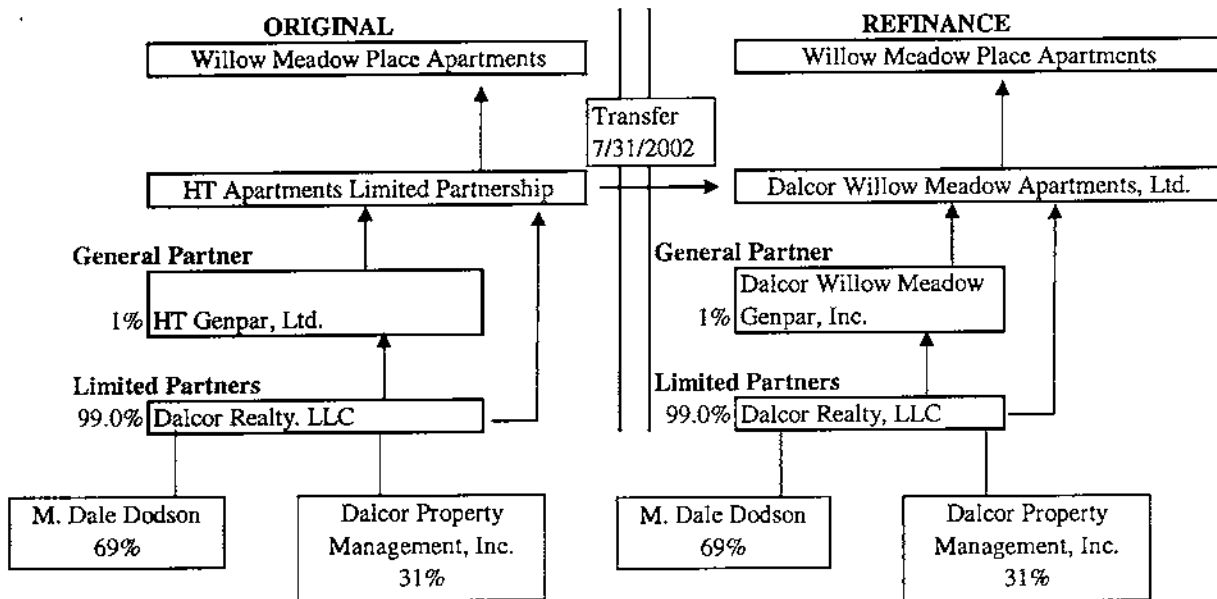
Willow Meadow Place Apartments was originally purchased on 7/31/1998 by HT Apartments Limited Partnership (see attached Special Warranty Deed) along with five other apartment communities. The General Partner was HT Genpar, Ltd. and the 99% Limited Partner was DalcOR Realty, LLC.

On July 31, 2002 Willow Meadow Place Apartments, in conjunction with a refinancing was transferred to DalcOR Willow Meadow Apartments, Ltd. (see attached Special Warranty Deed); the new first mortgage lender demanded a single asset partnership.

The Owners of HT Apartments Limited Partnership and DalcOR Willow Meadow Apartments, Ltd. are the same; see attached Organization Chart and partnership agreement evidence.

The original purchase price is indicated on the Purchaser's allocation (attached)

Willow Meadow Place Apartments



T177464

503-10-0102

SPECIAL WARRANTY DEED

07/31/98 100816537 T177464

965.00

STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

§

THAT WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership (herein called "Grantor"), for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable cash consideration to Grantor in hand paid and caused to be paid in the manner hereinafter stated by HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (herein called "Grantee"), whose mailing address is 3627 North Josey Lane, Carrollton, Texas 75007, the receipt and sufficiency of which are hereby acknowledged, has, subject to those matters set forth in Exhibit "B" hereto, GRANTED, SOLD and CONVEYED and by these presents does hereby GRANT, SELL and CONVEY unto Grantee the real property in Harris County, Texas, the real property being more particularly described in Exhibit "A" attached hereto, together with all improvements, rights, easements, hereditaments and appurtenances thereto (the "Property").

For the same consideration recited above, Grantor hereby GRANTS, SELLS and CONVEYS without warranty, express or implied, all interest, if any, of Grantor in (i) strips or gores, if any, between the Property and abutting or immediately adjacent properties, and (ii) any land lying in or under the bed of any street, alley, road or right-of-way, opened or proposed, abutting or immediately adjacent to the Property.

THIS CONVEYANCE IS MADE SUBJECT TO those matters set forth on Exhibit "B" attached hereto and incorporated herein for all purposes.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to those matters set forth in Exhibit "B", unto Grantee, Grantee's heirs, personal representatives, successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property, subject, however, as aforesaid, to those matters set forth in Exhibit "B" unto Grantee, Grantee's heirs, personal representatives, successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise.

Grantor is conveying, and Grantee is accepting, the Property in its "AS-IS", "WHERE-IS" condition, "WITH ALL FAULTS". Except as set forth in the Earnest Money Contract dated July 24, 1998 between Grantor and Grantee, no warranties, express or implied, are given by Grantor with respect to the Property, other than the special warranty of title set forth herein.

Grantee, by its acceptance hereof, does hereby assume and agree to pay all ad valorem taxes pertaining to the Property for the calendar year 1998 and subsequent years, there having been a proper proration of same between Grantor and Grantee.

Return to
Alamo Title Company
Title Agency Division
5251 Westheimer, Suite 200
Houston, Texas 77056
9821269761

503-10-0000

EXECUTED and DELIVERED as of the 31st day of July, 1998.

GRANTOR:

WESTCHASE MULTIFAMILY, L.P.,
a Delaware limited partnership

By: MDS RREFCO, Inc.
Its General Partner

By: Karin Shewer
Karin Shewer, Vice President

STATE OF ~~TEXAS~~ New York §
COUNTY OF ~~HARRIS~~ New York §
§

This instrument was acknowledged before me on the 29th day of July, 1998,
by Karin Shewer, Vice President of MDS RREFCO, Inc., a corporation, the General Partner of
WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership, on behalf of said limited
partnership.

KAREN A. McGRANE
Notary Public, State of New York
No. 4908407
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires October 19, 1999

Karen A. McGrane
Notary Public

WHEN RECORDED, RETURN TO:

Alamo Title Company
5251 Westheimer, Suite 200
Houston, Texas 77056
Attention: Mr. Lucky Long
713-966-4040

PREPARED IN THE OFFICE OF:

Greg Savage
Hoover, Bax & Slovacek, L.L.P.
5847 San Felipe, Suite 2200
Houston, Texas 77056
713-977-8686

- GF No. 9821269761 - Chestnut Apartments
- GF No. 9821269762 - The Meadows Apartments
- GF No. 9821269763 - Shadow Creek Apartments
- GF No. 9821269764 - Spring Meadows Apartments
- GF No. 9821269765 - Walnut Bend Apartments
- GF No. 9821269766 - Willow Meadow Apartments

*Willow Meadow
02R12802*

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

That HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid by DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantee"), the receipt and sufficiency of which are hereby acknowledged and confessed, and upon and subject to the exceptions, liens, encumbrances, terms and provisions hereinafter set forth and described, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee all of the real property described on Exhibit "A" which is attached hereto and made a part hereof for all purposes, together with all and singular the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or in anywise appertaining thereto, and together with all improvements located thereon and any right, title and interest of Grantor in and to adjacent streets, alleys and rights-of-way (said land, rights, benefits, privileges, easements, tenements, hereditaments, appurtenances, improvements and interests being hereinafter referred to as the "Property").

This conveyance is made subject and subordinate to all matters of record affecting the Property (the "Permitted Exceptions") which are attached hereto on Exhibit "B" and made a part hereof for all purposes, but only to the extent that they affect or relate to the Property.

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, as aforesaid, unto Grantee, its heirs, executors, legal representatives, successors and assigns, forever; and Grantor does hereby bind itself, its heirs, executors, legal representatives, successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its heirs, executors, legal representatives, successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of the 31 day of July, 2002.

**CERTIFICATE OF
GENERAL PARTNER
OF
HT APARTMENTS LIMITED PARTNERSHIP**

The undersigned, the sole General Partner of HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (the "Partnership"), hereby certifies as follows:

(1) Attached hereto as Exhibit "A" is a true and correct copy of the Agreement of Limited Partnership of the Partnership which Agreement has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(2) Attached hereto as Exhibit "B" is a true and correct copy of the Certificate of Limited Partnership of the Partnership, which Certificate has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(3) As of the date hereof (a) the Partnership has not been dissolved or terminated and no proceeding for dissolution or termination is contemplated, and (b) no default or event which with the lapse of time or the giving of notice or both has occurred under the Agreement of Limited Partnership of the Partnership; and

(4) The Unanimous Written Consent attached hereto as Exhibit "C" has not been amended or revoked and remains in full force and effect as of the date hereof.

EXECUTED as of July 31, 1998.

HT APARTMENTS GENPAR, LTD., a Texas limited partnership

By: HT APARTMENTS I CORPORATION,
a Texas Corporation, its
sole General Partner

By: M. Dale Dodson
M. Dale Dodson
President

LIMITED PARTNERSHIP AGREEMENT
FOR
HT APARTMENTS LIMITED PARTNERSHIP

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 1998, by and among HT Apartments Genpar, Ltd., a Texas limited partnership, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is HT Apartments Limited Partnership. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 3627 N. Josey, Carrollton, Texas 75007, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of the real estate projects listed on Exhibit "B" (collectively, the "Property") and such activities as are necessary, incidental or appropriate in connection therewith.

EXECUTED to be effective as of the date first set forth above.

NAME OF PARTNER:

ADDRESS:

3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#

75-2774227

GENERAL PARTNER:

HT APARTMENTS GENPAR, LTD., a Texas
limited partnership

By: HT Apartments I Corporation, a Texas corporation,
its sole General Partner

By: M. Dale Dodson
M. Dale Dodson, President

LIMITED PARTNER:

ADDRESS:

3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#

75-2514070

DALCOR REALTY L.L.C., a Texas limited
liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

EXHIBIT "A"
TO
LIMITED PARTNERSHIP AGREEMENT
OF
HT APARTMENTS LIMITED PARTNERSHIP

PARTNERSHIP INTERESTS: INITIAL CONTRIBUTIONS

<u>NAME</u>	<u>INTEREST</u>	<u>INITIAL CONTRIBUTION</u>
General Partner	1%	\$1,419
Dalcor Realty, L.L.C.	<u>99%</u>	<u>\$140,481</u>
TOTAL	100%	\$141,900

LIMITED PARTNERSHIP AGREEMENT

FOR

DALCOR WILLOW MEADOW APARTMENTS, LTD.

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 2002, by and among Dalcour Willow Meadow Genpar, Inc., a Texas corporation, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is Dalcour Willow Meadow Apartments, Ltd. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 15601 Dallas Parkway, Suite 550, Addison, Texas 75001, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of Willow Meadow Apartments located at 10630 Beechnut Street, Houston, Harris County, Texas (the "Property") and such activities as are necessary, incidental or appropriate in connection therewith. Notwithstanding anything else herein to the contrary, the Partnership shall conduct no business other than that described in the previous sentence.

defined therein), and shall only constitute a claim against the Partnership to the extent of, and shall be paid by the Partnership in monthly installments only from, the excess of net operating income for any month over all amounts then due under the Security Instrument and the other Loan Documents.

5. This Amendment may be executed in one or more counterparts.

EXECUTED to be effective as of the date described in Recital D, above.

GENERAL PARTNER

DALCOR WILLOW MEADOW GENPAR, INC.,
a Texas corporation

By: M. Dale Dodson
M. Dale Dodson, President

Date: 8-29-05

LIMITED PARTNER

DALCOR REALTY, L.L.C.,
a Texas limited liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

Date: _____

CLASS B LIMITED PARTNER

JENKINS & COMPANY, INC.,
a Texas corporation

By: [Signature]
Name: John Jenkins
Title: Gen

EXHIBIT C

Limited and General Partners and Ownership Percentages

Dalcor Willow Meadow Genpar, Inc. 1%

Dalcor Realty, LLC 99%

Class B Limited Partner

Jenkins Co., Inc. 100%

HT APARTMENTS LIMITED PARTNERSHIP
CLOSING STATEMENTS
JULY 31, 1998

ACCT #	HT	TOTAL	Chestnut Park	Meadows	Shadow Creek	Spring Meadows	Walnut Bend	Willow Meadow Pl	
Asset Cost		72,860,000.00	14,571,000.00	16,635,000.00	8,131,000.00	7,308,000.00	16,173,000.00	7,841,000.00	
Additional Asset Costs:									
Title Ins - Alamo Title	6,007.00								
Recording Fees	275.00								
Maint Transfer Fee NW to TX Comm Mgmt	100.00								
Survey - So TX Surveying Assoc	1,200.00								
Due Diligence Fee - Dalcor	37,000.00								
Total Add'l Asset Costs	44,842.00		8,928.00	10,315.00	4,982.00	4,478.00	11,135.00	4,804.00	
Spread Add'l Asset Costs (Purch Price)	(44,842.00)								
NET ASSET COST	#1520	72,904,642.00	14,579,928.00	16,645,315.00	8,135,982.00	7,313,478.00	16,184,135.00	7,845,804.00	
Franchising Costs:									
Atty Fees - Windels	44,800.00								
Atty Fees - McGuire (2/3)	17,500.00								
Dalcor pd Lehman	25,000.00								
Fee - Shure & Bejas	3,500.00								
Fee - Holiday Fergoglio	310,000.00								
Organizational Costs:	#1550	409,100.00	LEAVE ON PARTNERSHIP BOOKS						
1/2 Atty Fees McGuire	#1540	8,750.00	LEAVE ON PARTNERSHIP BOOKS						
Security Deposit Cash	#1040	320,682.00	LEAVE ON PARTNERSHIP BOOKS						
Reserve Cash - Halfld Phillips	#1350	1,039,400.00	285,700.00	103,500.00	80,200.00	86,400.00	125,000.00	368,600.00	
Insurance Escrow	#1910	30,786.00	7,652.00	9,188.00	4,438.00	3,980.00	9,919.00	4,279.00	
Tax Escrow	#1310	781,952.22	157,427.00	175,242.00	66,728.00	77,918.00	199,130.00	73,509.22	
Cash - Dalcor - Operating Funds	#1020	114,828.35							
Cash - Dalcor - Utility Deposits	#1020	141,900.00							
Property Tax Liability	#2210	(781,952.22)	(157,427.00)	(178,242.00)	(66,728.00)	(77,918.00)	(198,130.00)	(73,509.22)	
Mortgage Note Payable	#3020	(74,480,000.00)	(14,960,160.00)	(17,068,484.00)	(8,275,512.00)	(7,483,876.00)	(16,439,366.00)	(8,272,572.00)	
Security Deposit Liability	#2010	(320,682.00)	(65,838.00)	(71,487.00)	(41,712.00)	(32,250.00)	(87,457.00)	(21,817.00)	
Prepaid Rent	#2030	(31,722.00)	(14,240.00)	(9,400.00)	(732.00)	(7,281.00)	(2,158.00)	(801.00)	
Capital (Equity - net)	#4110	(141,900.00)							
Capital (Fee pd Lehman)	#4110	(25,000.00)	LEAVE ON PARTNERSHIP BOOKS						
Prepaid Insurance (Own) (P&L)	#1410	16,878.05	3,375.31	3,889.94	1,863.75	1,683.17	4,210.22	1,918.28	
Prepaid Insurance (Food Ins)	#1410	9,280.00	9,280.00						
Delivery/Courier - Chicago Title	#8540	80.00	13.33	13.34	13.33	13.33	13.34	13.33	
Due from HT		(822,338.35)	822,338.35	194,120.30	184,434.72	85,438.82	87,843.50	165,723.44	74,777.41
		0.00	(0.00)	(0.00)	0.00	(0.00)	0.00	0.00	

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 4, Tab 16

- **Green Building Initiatives [Amended]**

**Volume 4, Tab 16 (§49.9(i)(17))
Green Building Initiatives**

Application may qualify to receive up to 6 points for providing green building amenities. Points for this section may not be requested for the same items utilized for points under Threshold Amenities. Developments proposing Rehabilitation will receive 1.5 times the point value for any selected amenity (**do not round**). Developments involving non-contiguous scattered sites must include a separate onsite amenities form for each separate site. Each separate form must have the address of the site clearly indicated.

Green Building Amenities (indicate which below)

- (-a) evaporative coolers (for use in designated counties listed in the Application Materials, 2009 Housing Tax Credit Site Demographics Information) (1 point)
- (-b) passive solar heating/cooling (3 points maximum)
- Two points for completing both of the following:
- (-1-). The glazing area on the north- and south-facing walls of the building is at least 50% greater than the sum of the glazing area on the east- and west- facing walls; and
- (-2-). The east-west axis of the building is within 15 degrees of due east-west
- One point for completing all of the following:
- (-1-). In addition to the east-west axis of the building oriented within 15 degrees of due east-west, utilize a narrow floor plate (less than 40 feet), single loaded corridors and open floor plan to optimize daylight penetration and passive ventilation (note: to qualify for this particular point, application must also implement building orientation option b. above); and
- (-2-). 100% of HVAC condenser units are shaded so they are fully shaded 75% of the time during summer months (May through August); and
- (-3-). Solar screens or solar film on all East, West, and South Windows with building oriented to east-west axis within 15 degrees of due east-west, west-south axis within 15 degrees of due west-south, and south-east axis within 15 degrees of due south-east.
- (-c) water conserving features (2 points maximum, 1 point for each):
- Install low-flow toilets using less than or equal to 1.6 gallons per flush, or high efficiency toilets using less than or equal to 1.28 gallons per flush; and/or
- Install bathroom lavatory faucets and showerheads that do not exceed 2.0 gallons per minute and kitchen faucets that do not exceed 1.5 gallons per minute. This applies to all fixtures throughout the development. Rehabilitation projects may choose to install compliant faucet aerators instead of replacing entire faucets.
- (-d) solar water heaters (Solar water heaters designed to provide at least 25% of the average energy used to heat domestic water throughout the entire development.) (2 points);
- (-e) irrigation and landscaping (must implement both of the following) (2 points)
- (-1-). Collected water (at least 50%) for irrigation purposes; and
- (-2-). selection of native trees and plants that are appropriate to the site's soils and microclimate and locate them to allow for shading in the summer and allow for heat gain in the winter
- (-f) sub-metered utility meters (2 points maximum);
- Sub-metered utility meters on rehab project without existing sub-meters or new construction senior project (2 points); or
- Sub-metered utility meters on new construction project (excluding new construction senior project) (1 point)

(list continues)

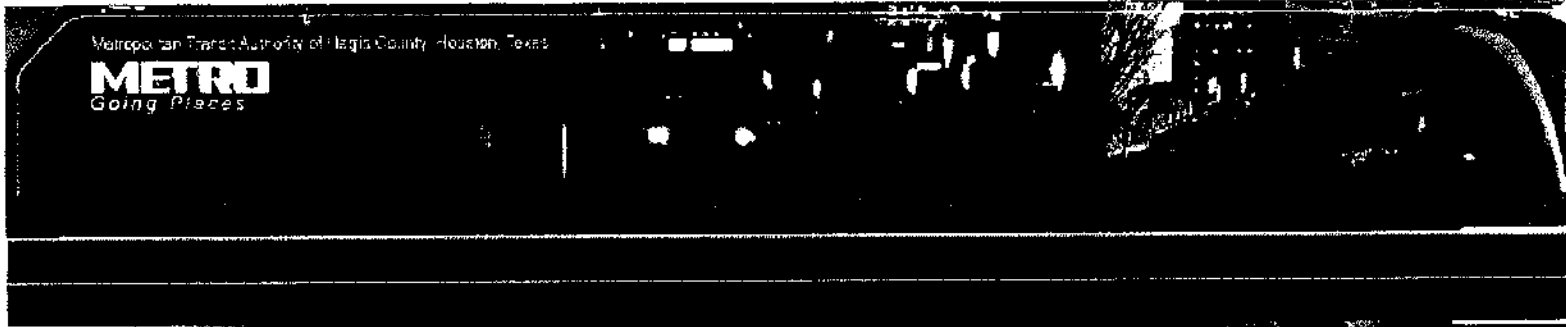
- (-g-) energy efficiency (4 points maximum);
 - Energy Elements (must implement i-iii) (3 points)
 - (i) Energy-Star qualified windows and glass doors; and
 - (ii) Exterior envelope insulation, vapor barriers and air barriers greater than or equal to Energy Star air barrier and insulation criteria; and
 - (iii) HVAC, domestic hot water heater, and insulation that exceeds Energy Star standards or exceeds the IRC 2006; or
 - The project promotes energy efficiency by meeting the requirements of Energy Star for Homes by either complying with the appropriate builder option package or a HERS score of 85 (4 points)
- (-h-) thermally and draft efficient doors (SHGC of 0.40 or lower and U-value specified by climate zone according to the 2006 IECC) (2 points);
- (-i-) photovoltaic panels for electricity and design and wiring for the use of such panels (3 points maximum);
 - Photovoltaic panels that total 10 kW (1 point); or
 - Photovoltaic panels that total 20 kW (2 points); or
 - Photovoltaic panels that total 30 kW (3 points)
- (-j-) construction waste management and implementation of EPA's Best Management Practices for erosion and sedimentation control during construction (1 point);
- (-k-) recycling service provided throughout the compliance period (1 point);
- (-l-) water permeable walkways (at least 20% of walkways and parking) (1 point); or
- (-m-) bamboo flooring, wool carpet, linoleum flooring, straw board, poplar OSB, or cotton batt insulation (50% of flooring on the ground floor of the development must be finished concrete and/or ceramic tile. 50% of the flooring on upper floors must be ceramic tile and/or a flooring material that is Floor Score Certified (developed by the Resilient Floor Covering Institute), applied with a Floor Score Certified adhesive and comes with a minimum 7-year wear through warranty. (2 points)

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 4, Tab 21

- **List of closest bus stops provided by Metropolitan Transit Authority of Harris County, Houston, Texas [supplemental information]**



Metropolitan Transit Authority of Harris County, Houston, Texas

METRO
Going Places

SCHEDULE MAPS

Trip Planner

- trip planner
- transfer service
- taxi schedule
- rail map and schedule
- park & ride locations

- Plan Your Trip
- Schedule
- Locations
- Help

LOCATION LOOKUP

Stop Search - Results

The closest stop to 10630 BEECHNUT ST, HOUSTON, 77072 is:

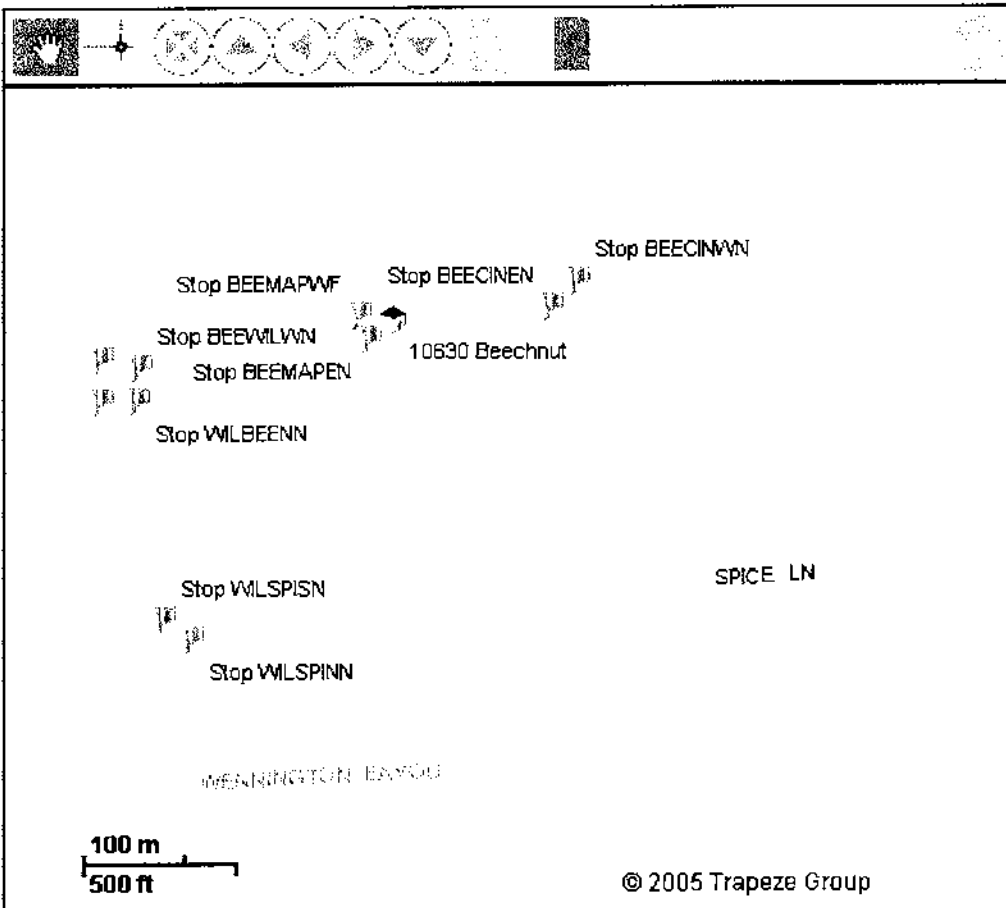
**BEECHNUT ST @
MAPLECREST DR**

Approximate Distance: 0.019
miles.

[view routes](#)

[Go](#) Plan a trip from here

[Go](#) Plan a trip to here



© 2005 Trapeze Group

TDHCA RCVD 5/14/09 15:37

Other stops nearby include:**BEECHNUT ST @ MAPLECREST DR**

Approximate Distance: 0.019 miles.

[view routes](#)[Go](#) **Plan a trip from here**[Go](#) **Plan a trip to here****BEECHNUT ST @ CINNAMON LN**

Approximate Distance: 0.099 miles.

[view routes](#)[Go](#) **Plan a trip from here**[Go](#) **Plan a trip to here****BEECHNUT ST @ CINNAMON LN**

Approximate Distance: 0.119 miles.

[view routes](#)[Go](#) **Plan a trip from here**[Go](#) **Plan a trip to here****BEECHNUT ST @ WILCREST DR**

Approximate Distance: 0.159 miles.

[view routes](#)[Go](#) **Plan a trip from here**[Go](#) **Plan a trip to here****WILCREST DR @ BEECHNUT ST**

Approximate Distance: 0.166 miles.

[view routes](#)[Go](#) **Plan a trip from here**[Go](#) **Plan a trip to here****WILCREST DR @ BEECHNUT ST**

Approximate Distance: 0.182 miles.

[view routes](#)[Go](#) **Plan a trip from here**[Go](#) **Plan a trip to here****BEECHNUT ST @ WILCREST DR**

Approximate Distance: 0.188 miles.

[view routes](#)

TDHCA RCVD 5/14/09 15:37

[Go](#) **Plan a trip from here**

[Go](#) **Plan a trip to here**

WILCREST DR @ SPICE LN

Approximate Distance: 0.235 miles.

[view routes](#)

[Go](#) **Plan a trip from here**

[Go](#) **Plan a trip to here**

WILCREST DR @ SPICE LN

Approximate Distance: 0.236 miles.

[view routes](#)

[Go](#) **Plan a trip from here**

[Go](#) **Plan a trip to here**

**WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT**

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Volume 4, Tab 27

- **Affidavits of Removal by Lender or Equity provider**

**Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
WM Apartments, Ltd.**

WM Apartments, Ltd. has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC, sole member of General Partner

By: M. Dale Dodson 2/26/2009

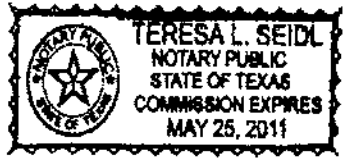
STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009 (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
WM Apartments Genpar, LLC**

WM Apartments Genpar, LLC has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC, sole member

By: M. Dale Dodson 2/26/2009

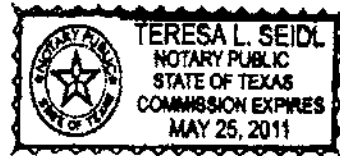
STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
Dalcor Affordable Housing, LLC**

Dalcor Affordable Housing, LLC has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC

By: M. Dale Dodson 2/26/2009

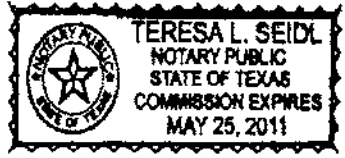
STATE OF: Texas
COUNTY OF: Gallin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
M. Dale Dodson**

M. Dale Dodson has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC

By: M. Dale Dodson 2/26/2009

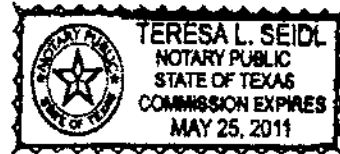
STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009 (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



**Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
John Jenkins**

John Jenkins has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

John Jenkins
Co-Manager of Dalcov Affordable Housing, LLC



Date: 2/26/2009

STATE OF: Texas
COUNTY OF: Gallin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Godson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

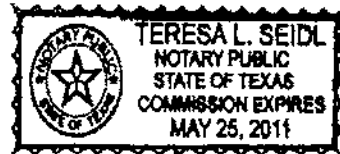
Given under my hand and official seal this 26th day of February, 2009. (seal)



Notary Public Signature

5/25/2011

Commission Expires



09128

Executive
Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.

May 19, 2009

Mr. M. Dale Dodson
WM Apartments, Ltd.
5055 W. Park Blvd, Ste 700
Plano, Texas 75093
Telephone: (972) 769-2002
Facsimile: (972) 769-2004

Re: Application #09128, Willow Meadow Place Apartments

Dear Mr. Dodson,

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on May 14, 2009, regarding your request that our application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Threshold Criteria.

This section of the QAP very clearly states that an Application will be terminated, without being processed as an Administrative Deficiency, if the Application has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your response, we noticed that you corrected many of the items listed in your termination, but the following items remain deficient:

- As Unit Floor Plans, you submitted what appears to be a copy of the unit layouts from a rental brochure. These do not meet the requirements of the QAP as they do not include legible dimensions and a scale. Further, the depictions do not include the A3, 633 square foot Units and the B1 804 square foot Units are shown as 2 bedroom, 1 ½ bathroom Units when they have just one bathroom. Finally, the depictions for the B3 1,024 square foot Unit and the C1 1,164 square foot are incomplete.
- You did not submit a letter of zoning from the local political subdivision stating the zoning status of the Development.
- You did not submit a certificate of name reservation for WM Apartment Genpar, LLC.
- You did not submit a financial statement or a statement of no assets for WM Apartment Genpar, LLC.
- You did not submit an executed settlement statement or the seller's most recent audited financials.

My review of the Application confirms staff's determination that this Application has violated §49.5(a)(10) of the 2009 QAP.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the May 21, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on May 20, 2009 to be placed with the May 21, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written in a cursive style.

Michael Gerber
Executive Director

09128

Board Appeal
Documents



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: Mr. Dale Dodson

DALCOR



Via Email

Sharon D. Gamble
Texas Department of Housing and Community Affairs
Multifamily HTC Program Administrator
Austin, Texas

Re: Willow Meadow Place – 09128

Dear Ms. Gamble:

Pursuant to our telephone conversation we want to appeal to the Department's Board at their June meeting.

We erroneously believed we had provided adequate documentation and evidence to support our application. Therefore, attached is all of the information and documentation we were told was missing or improper.

There should be a .pdf file attached with the following bookmarks as well as a duplicate of this letter:

- **Floor Plans** – While we believed the floor plans previously submitted provided adequate support given there are not any planned alterations to the property or individual unit configurations, nevertheless, the attached floor plans show dimensions and scale.
- **Zoning Letter** – As the City of Houston does not have a zoning ordinance we believed an affidavit was sufficient; attached is a letter from the Director of Planning and Development Department for the City of Houston.
- **Certificate of Name Reservation** – While the office of the Secretary of State (Texas) told us we did not need to reserve the name of WM Apartments Genpar, LLC, we now realize that the TDHCA requires it; attached therefore, is the name reservation.
- **Affidavit of No Assets for WM Apartments Genpar, LLC** – As we discussed on the telephone this affidavit was not in your document and you page numbers were somewhat different than our copy. Attached is the affidavit (it should be on page 11).
- **Seller's/Buyer's Closing Statements** – As Willow Meadow Place was part of a portfolio purchase, we mistakenly believed that the closing statements did not provide adequate information relative to the original purchase price so we submitted the purchase price allocation as well as deed information. Attached are the two closing statements as additional support of the purchase price.

Thank you for your help in this matter and please call if there are further questions or some documents did not translate via email.

Sincerely,


Randy Plitt

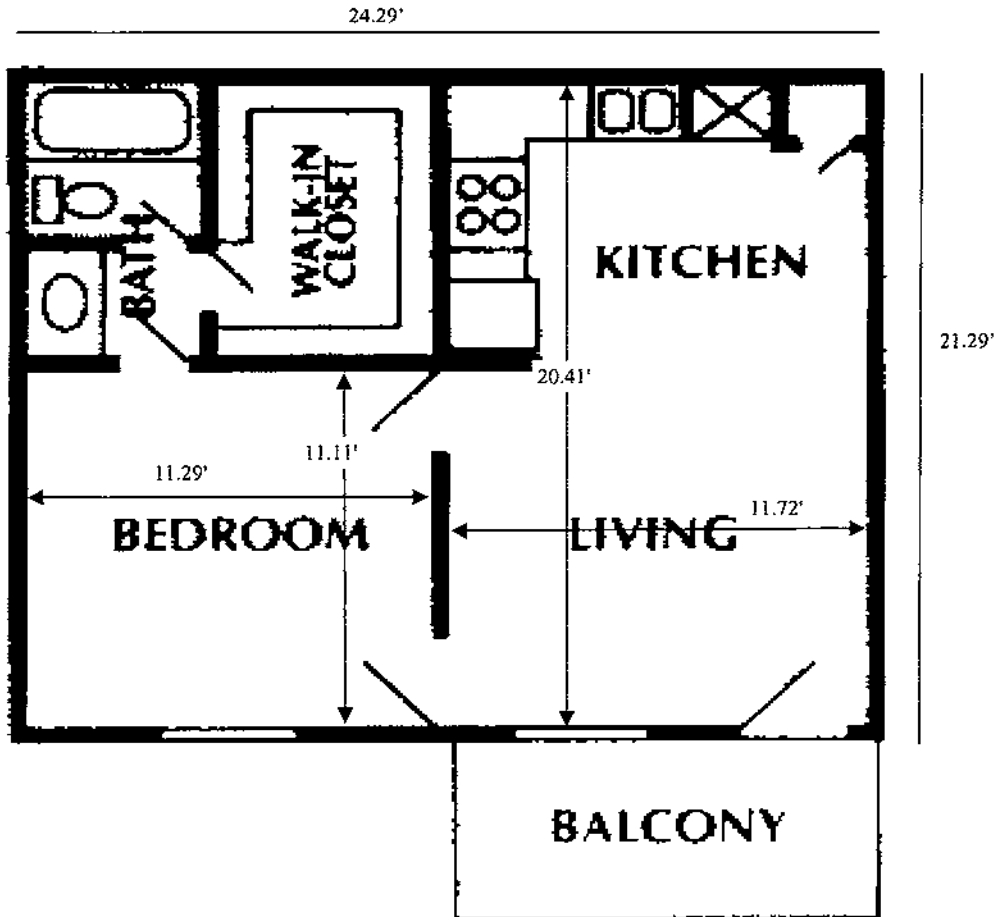
WILLOW MEADOW PLACE APARTMENTS TAX CREDIT DEVELOPMENT

**DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcormpanies.com
Randy Plitt rplitt@dalcormpanies.com**

Supplemental Information

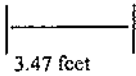
- **Floor Plans**
- **Letter of Zoning from Director of Planning & Development**
- **Certificate of Name Reservation of WM Apartments Genpar, LLC**
- **Affidavit of No Assets for WM Apartments Genpar, LLC**
- **Seller's/Buyer's Closing Statement**

Willow Meadow Place Apartments Floor Plans



A1 One Bedroom, One Bath
Approximately 510 square feet

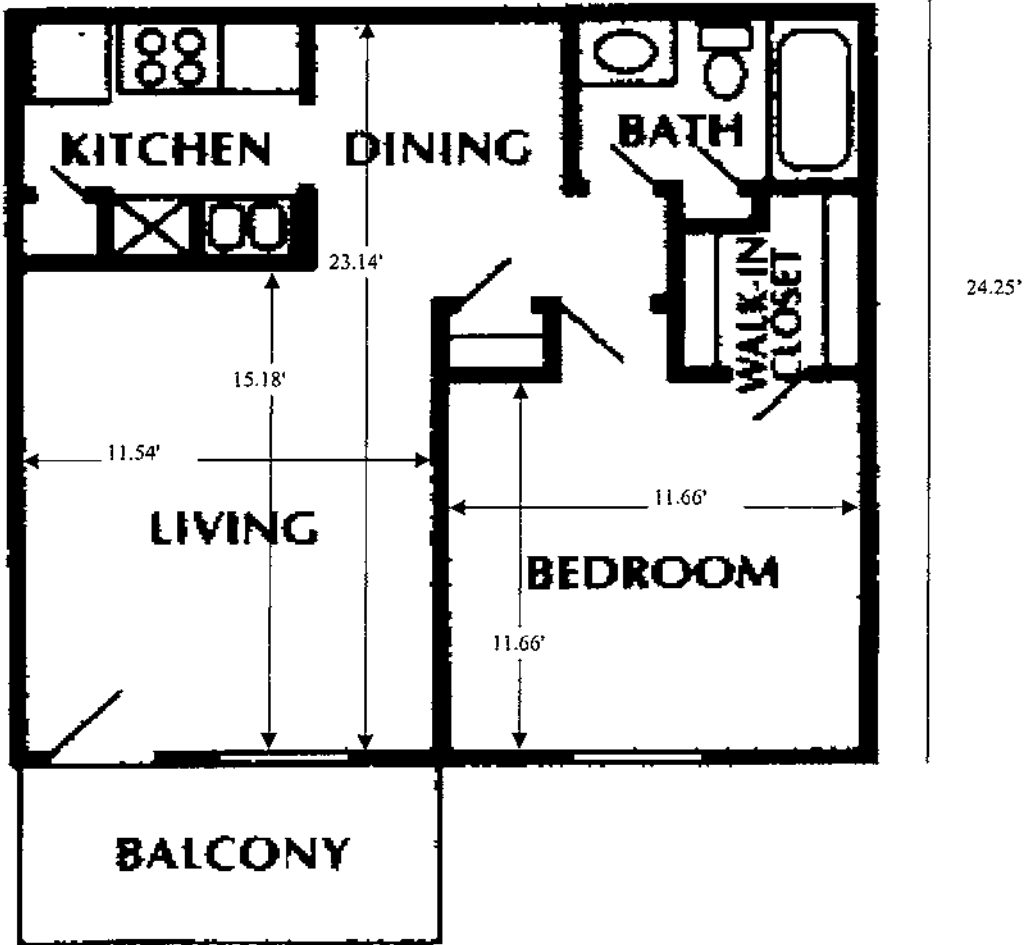
Scale:



No. of units - 32

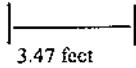
Willow Meadow Place Apartments Floor Plans

24.22'



A2 One Bedroom, One Bath
Approximately 581 square feet

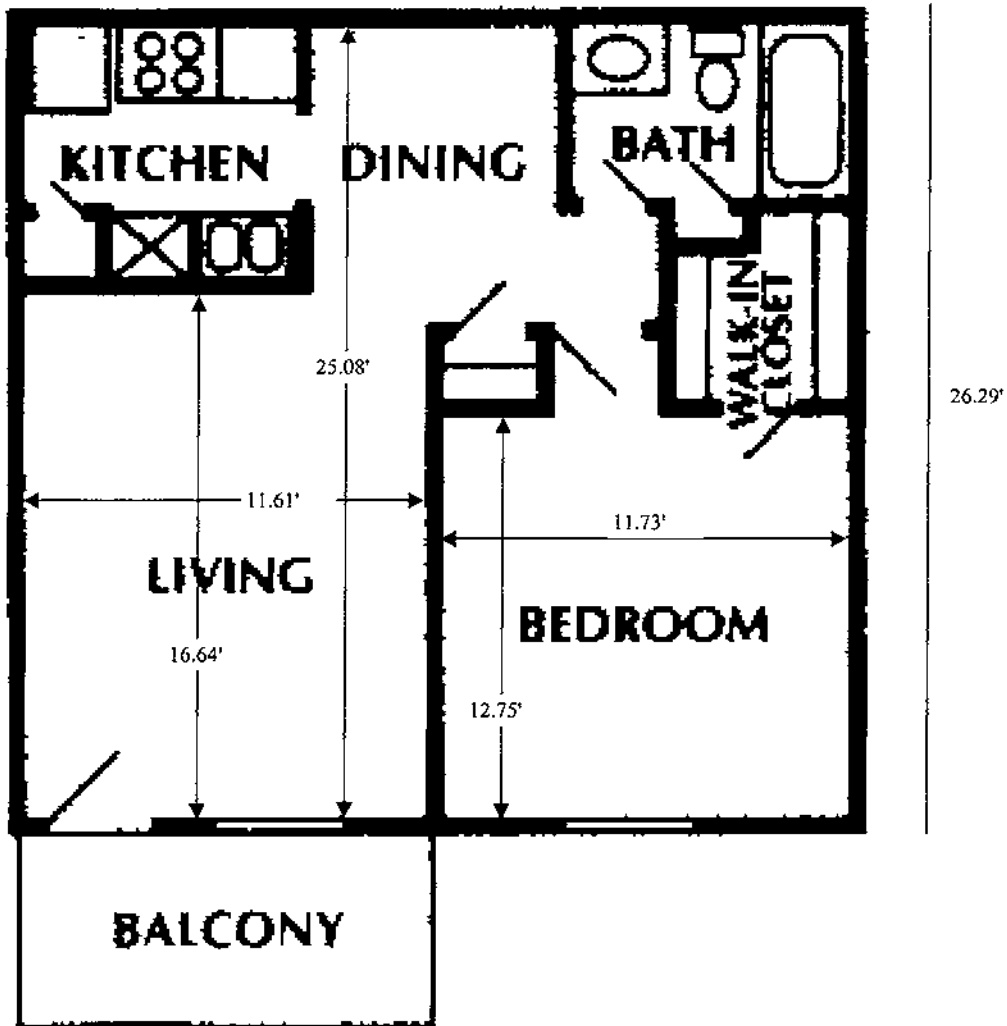
Scale:



No. of units - 88

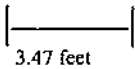
Willow Meadow Place Apartments Floor Plans

24.38'



A3 One Bedroom, One Bath
Approximately 633 square feet

Scale:

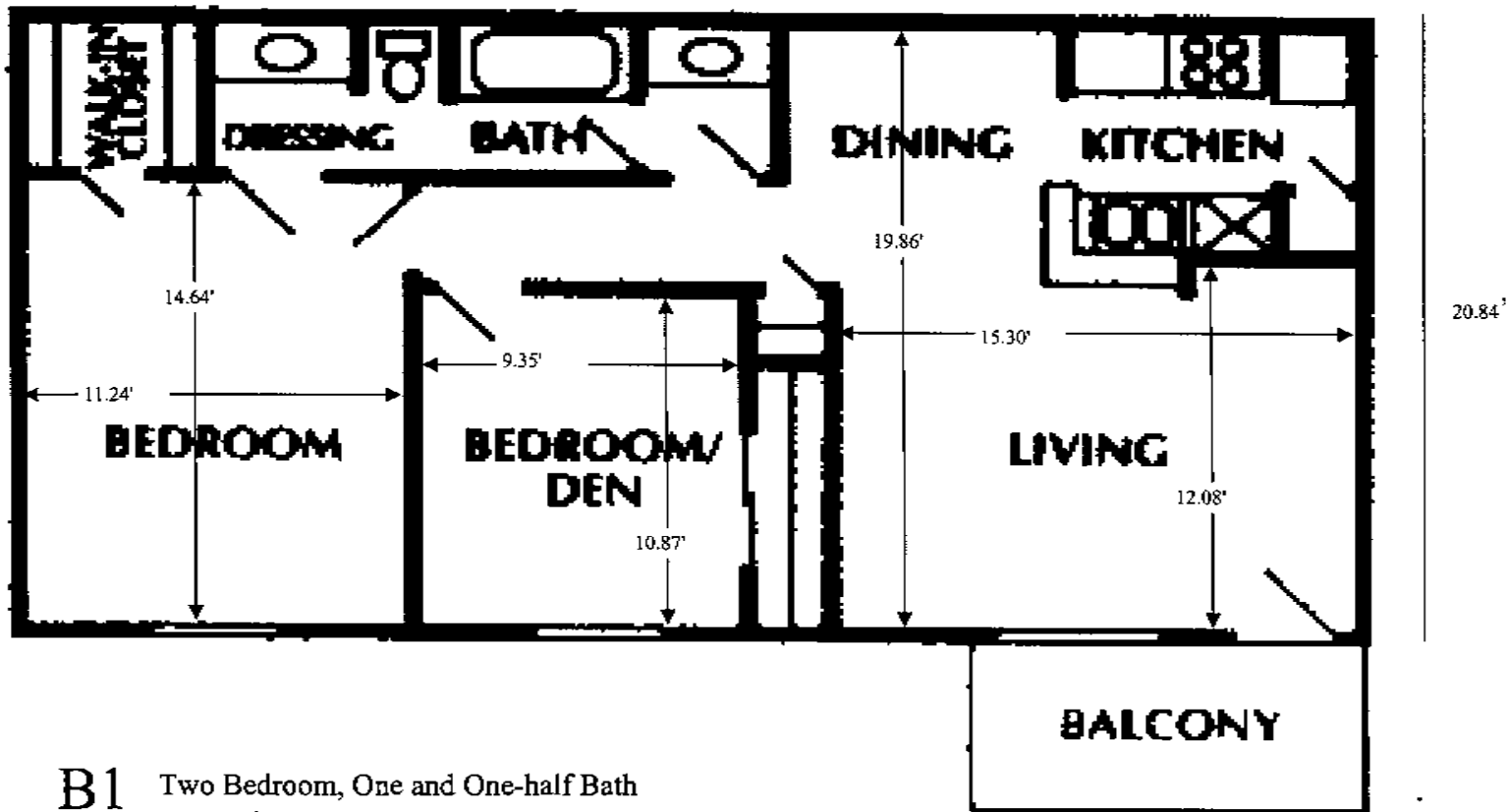


No. of units - 40

Willow Meadow Place Apartments

Floor Plans

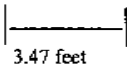
40.35'



B1 Two Bedroom, One and One-half Bath
Approximately 804 square feet

Additional sink is marketed as 1/2 bath

Scale:

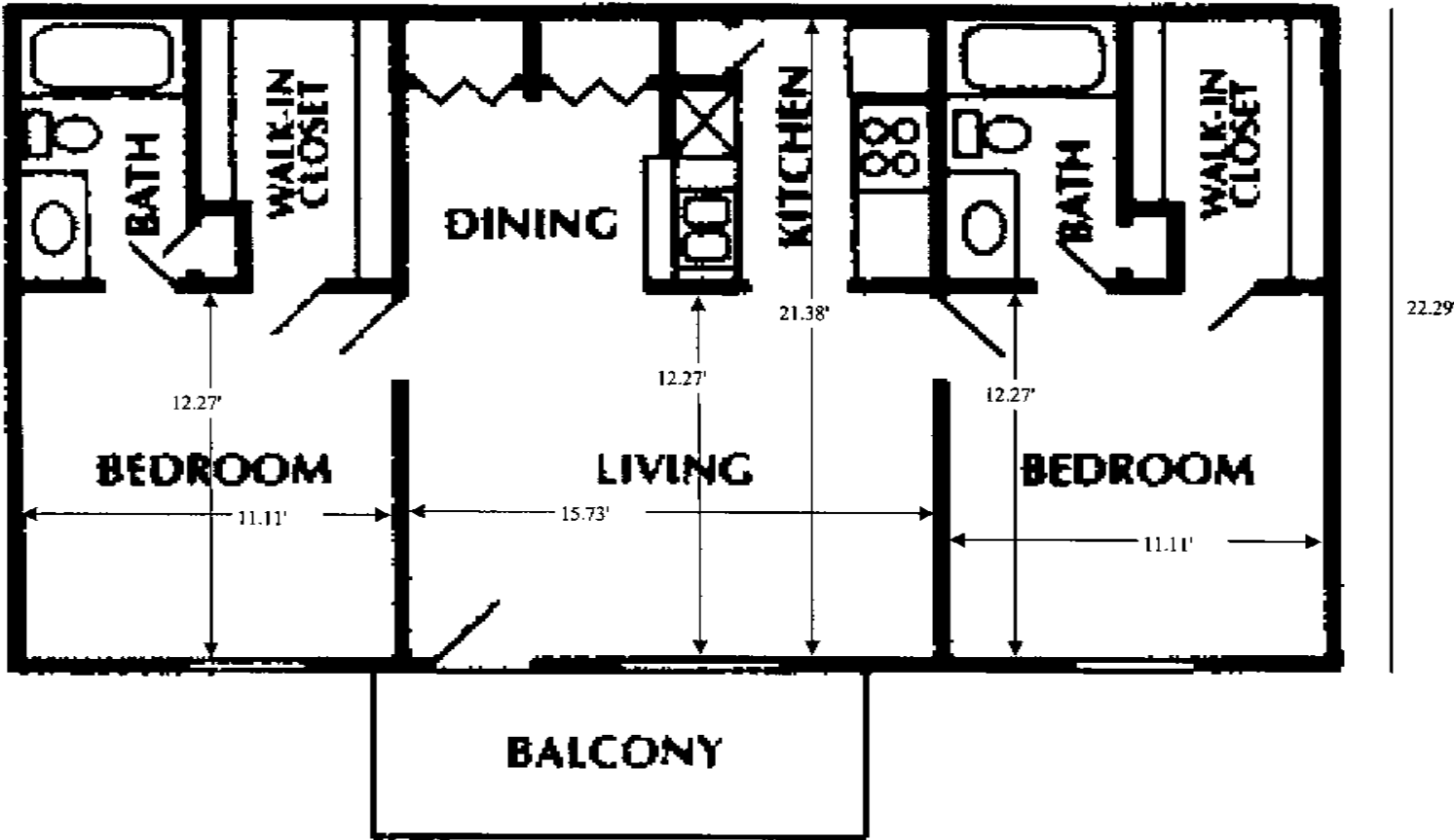


No. of units - 32

Willow Meadow Place Apartments

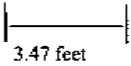
Floor Plans

40.04'



B2 Two Bedroom, Two Bath
Approximately 884 square feet

Scale:

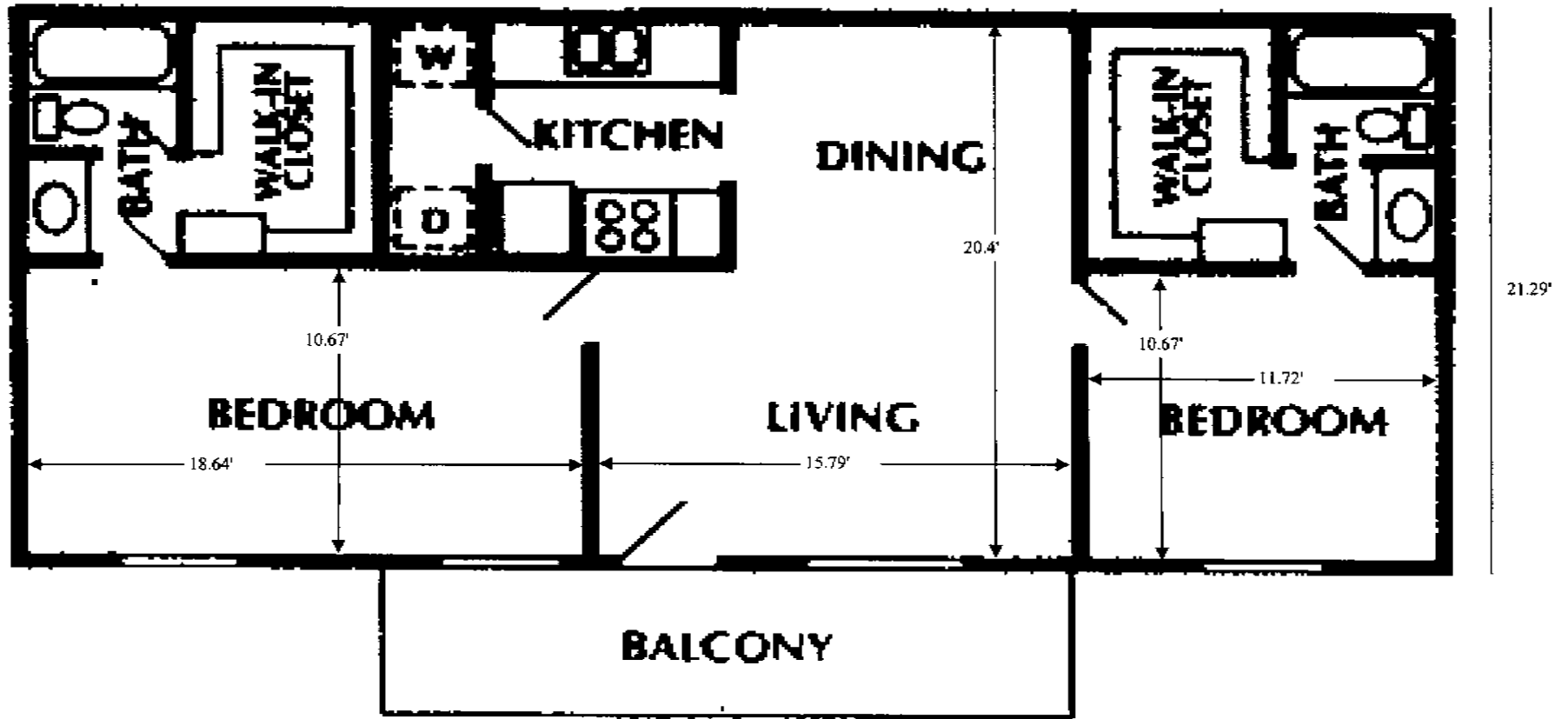


No. of units - 96

Willow Meadow Place Apartments

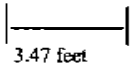
Floor Plans

48.44'



B3 Two Bedroom, Two Bath
Approximately 1024 square feet

Scale:

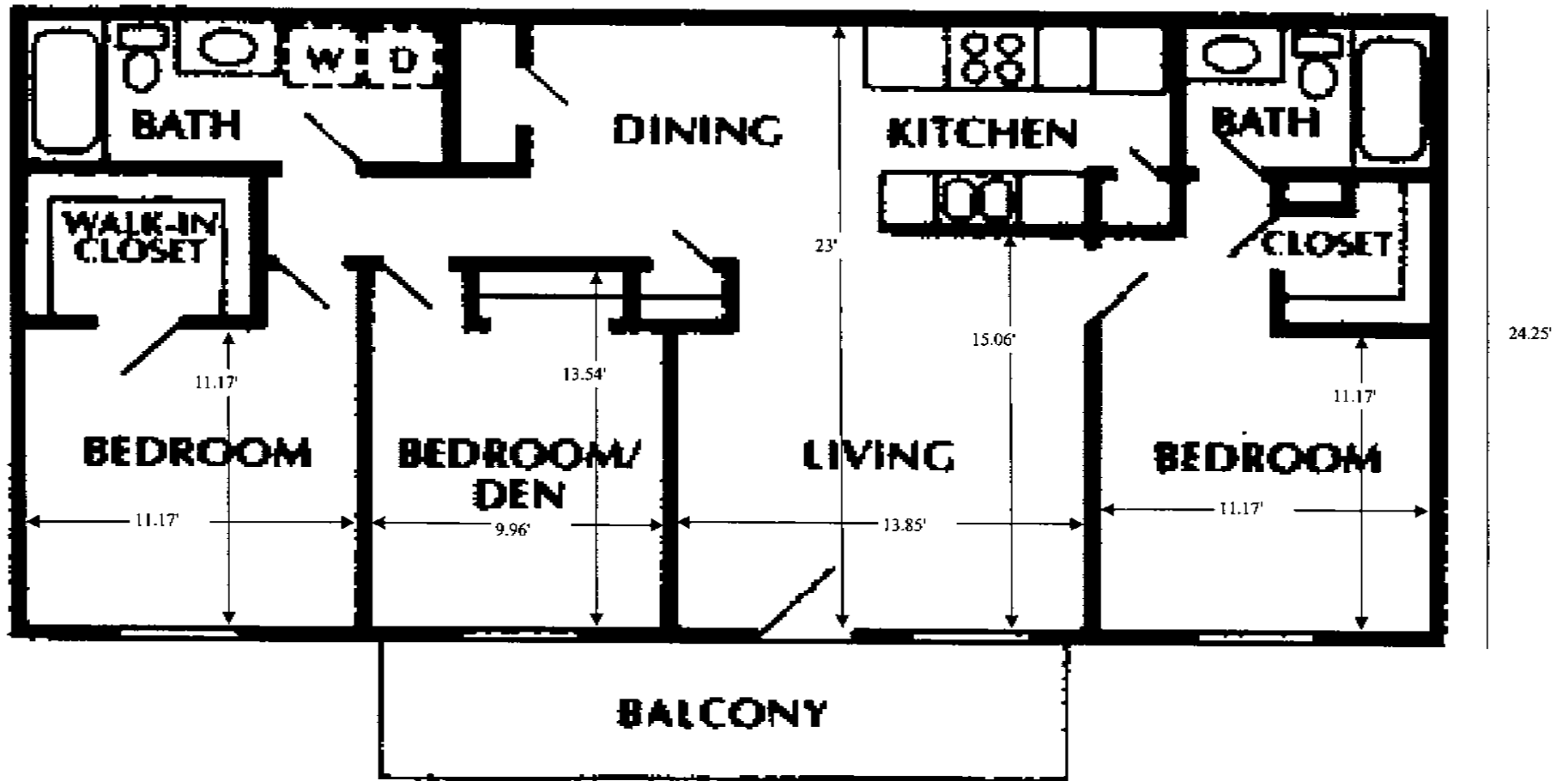


No. of units - 20

Willow Meadow Place Apartments

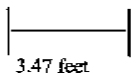
Floor Plans

48.44'



C1 Three Bedroom, Two Bath
Approximately 1164 square feet

Scale:



No. of units - 20



CITY OF HOUSTON

Planning & Development
Department

Bill White

Mayor

Marlene L. Gafrick
Director
Planning & Development
Department
P.O. Box 1582,
Houston, Texas 77251-1562
611 Walker 6th Floor,
Houston, Texas 77002

T. 713.837.7760
F. 713.837.7703
www.houstontx.gov

To: Whom It May Concern

From: Marlene L. Gafrick, Director
Planning & Development Department

Effective Date: January 2, 2009

The City of Houston does not have a zoning ordinance. This is the city of Houston's no zoning letter applicable to any property inside the City of Houston. This does not address any separately filed restrictions that may be applicable to the property. You may use this letter to present to your lender. This letter will be updated on January 2, 2010.

All applicable development regulations and subdivisions laws can be obtained through a review of the City Code of Ordinances, which is located on the City of Houston Internet site accessed through www.houstonplanning.com or www.houstontx.gov.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF RESERVATION OF ENTITY NAME OF

WM APARTMENTS GENPAR, LLC

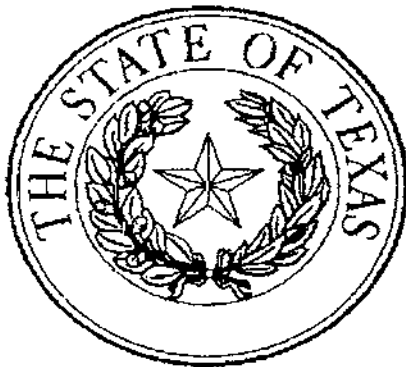
The undersigned, as Secretary of State of Texas, hereby certifies that the above entity name has been reserved in this office pursuant to the provisions of Section 5.101 of the Texas Business Organizations Code for the exclusive use of

McGuire, Craddock & Strother, P.C.
3550 Lincoln Plaza, 500 N. Akard, Dallas, TX 75201

for a period of one hundred twenty days after the date hereof.

This name reservation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/22/2009



A handwritten signature in cursive script, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

Phone: (512) 463-5555
Prepared by: Linda Gemuenden

Come visit us on the internet at <http://www.sos.state.tx.us/>

Fax: (512) 463-5709
TID: 10317

Dial: 7-1-1 for Relay Services
Document: 258901350002

**Affidavit of No Assets – WM Apartments Genpar, LLC
Willow Meadow Place Apartments**

WM Apartments Genpar, LLC is a to be formed Texas Limited Liability Corporation and as such does not have any assets or liabilities.

M. Dale Dodson
Member, Co-Manager of Dalcov Affordable Housing, LLC, sole Member.

By: M. Dale Dodson 2/26/2009
Signature of Applicant/Owner/Authorized Person *Date*

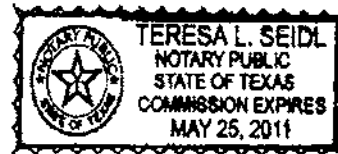
STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 26th day of February, 2009. (seal)

T. L. Seidl
Notary Public Signature

5/25/2011
Commission Expires



TITLE Co.: Alamo Title Company

SETTLEMENT STATEMENT

Date.: July 31, 1998

File #: 9821269761

Property: 6 APARTMENT PROJECTS IN HOUSTON, TEXAS, HARRIS COUNTY, TEXAS

Seller: WESTCHASE MULTIFAMILY, L.P., A DELAWARE LIMITED PARTNERSHIP

Buyer: HT ADVERTISEMENTS Limited Partnership, A Texas Limited Partnership

Place of Closing: 5251 Westheimer, Suite 200, Houston, Texas 77056
Alamo Title Company

SELLER'S STATEMENT

AMOUNT DUE TO SELLER

Purchase Price.....\$ 72,860,000.00

DEDUCTIONS FROM SELLER

TOTAL DUE SELLER.....\$ 72,860,000.00

Payoff of First Mortgage Loan from MORGAN GUARANTY TRUST COMPANY OF.....\$ 31,410,471.80

SECURITY DEPOSITS.....\$ 320,662.00

PREPAID RENT.....\$ 31,722.00

TAX PRORATIO 1/ 1/1998 to 7/31/1998.....\$ 780,427.00

PERSONAL PRO 1/ 1/1998 to 7/31/1998.....\$ 1,525.22

Commission Paid at Settlement to SOUTHWEST RESIDENTIAL PARTNERS, INC.....\$ 739,500.00

Title Insurance to Alamo Title Company.....\$ 192,584.00

Courier Fees to Alamo Title Company.....\$ 80.00

Escrow fee to Alamo Title Company.....\$ 238.88

Tax Certificates to Alamo Title Company.....\$ 1,398.00

Overnight Delivery to Alamo Title Company.....\$ 100.00

EXTRA CHAIN CHARGES 5X278, to Alamo Title Company.....\$ 2,460.00

Recording Fees.....\$ 100.00

Survey to CLARK-BEGRAM INC.....\$ 2,460.00

TOTAL DEDUCTIONS.....\$ 33,482,361.90

NET AMOUNT DUE SELLER.....\$ 39,378,638.10

Seller understands the Closing of Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this statement.

Seller understands that tax and insurance proration and reserves were based on figures for the preceding year or supplied by others or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes ALAMO TITLE COMPANY to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of loan funds, if applicable, in the amount shown above and receipt of a copy of this statement.

SELLER: WESTCHASE MULTIFAMILY, L.P.,

DELAWARE LIMITED PARTNERSHIP

BY: MDS AREFCO, INC., ITS GENERAL PARTNER

BY: *Alana Sauer*
KARIN SAEWER, VICE PRES.

Alamo Title Company

CLOSING OR ESCROW AGENT

The undersigned hereby certifies that the foregoing is a true and correct copy of the original.

Alamo Title Company
Escrow Agency Division

BY: *[Signature]*

TITLE CO.: Alamo Title Company

SETTLEMENT STATEMENT

Date: July 31, 1998

File #: 9821269761

Property: 6 APARTMENT PROJECTS IN HOUSTON, TEXAS, Harris County, Texas

Seller: WESTCHASE MULTIFAMILY, L.P., A DELAWARE LIMITED PARTNERSHIP

Buyer: HT Apartments Limited Partnership, A Texas Limited Partnership

Place of Closing: 5251 Westheimer, Suite 200, Houston, Texas 77056
Alamo Title Company

BUYER'S STATEMENT

CHARGES TO BUYER

Purchase Price.....	\$ 72,869,000.00
SCHEDULE I to HATFIELD PHILIPS.....	\$ 2,181,779.22
DOCUMENT PREPARATION to MCGUIRE, CRADDOCK, SROTHERS.....	\$ 26,250.00
COMMITMENT FEE to HOLLIDAY JENOLGIO FOWLER, L.....	\$ 310,600.00
to SWARE & BLEJAS.....	\$ 3,500.00
SCHEDULE II to DALCOR REALTY, L.L.C.....	\$ 839,826.35
SCHEDULE III to DALCOR PROPERTY MGMT, INC.....	\$ 37,000.00
SCHEDULE IV to MR. GEORGE & ASSOC.....	\$ 26,158.65
Document Preparation to WINDELS, MARX, DAVIES & IVES.....	\$ 46,500.00
Title Insurance to Alamo Title Company.....	\$ 6,667.00
Courier Fees to Alamo Title Company.....	\$ 80.00
Escrow Fee to Alamo Title Company.....	\$
Overnight Delivery to Alamo Title Company.....	\$
Recording Fees.....	\$ 275.00
MAINTENANCE TRANSFER FEE NW to TEXAS COMMUNITY MGMT.....	\$ 100.00
SURVEY to SOUTH TEXAS SURVEYING ASSOC.....	\$ 1,200.00

TOTAL CHARGES \$ 76,339,336.22

CREDITS TO BUYER

Deposit or Earnest Money.....	\$ 700,000.00
Principal Amount of New Loan(s) from LEHMAN BROTHERS.....	\$ 74,480,000.00
SECURITY DEPOSITS.....	\$ 320,662.00
PREPAID RENT.....	\$ 31,722.00
ADVANCE FEE TO LEHMAN BROTHERS.....	\$ 25,000.00
TAX PRORATIO 1/ 1/1998 to 7/31/1998.....	\$ 780,427.00
PERSONAL PRO 1/ 1/1998 to 7/31/1998.....	\$ 3,525.22

TOTAL CREDITS \$ 76,339,336.22

TOTAL CASH REQUIRED BY BUYER \$

Purchaser understands the Closing of Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this Statement.

Purchaser understands that tax and insurance proration and reserves were based on figures for the preceding year or supplied by others or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes ALAMO TITLE COMPANY to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of loan funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

BUYER:

HT Apartments Limited

A Texas Limited Partnership

BY: HT APARTMENTS GENPAR, LTD, A TEXAS LIMITED PARTNERSHIP, ITS SOLE GENERAL PARTNER

BY: HT APARTMENTS I CORPORATION, A TEXAS CORPORATION, ITS SOLE GENERAL PARTNER

BY: M. Dale Dodson
M. DALE DODSON, PRESIDENT

Alamo Title Company

09308

Village of
kaufman

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Village of Kaufman.

Background and Recommendations

Village of Kaufman - 09308

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”), an Application is ineligible if:

“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a “thorough review cannot reasonably be performed”.

The Applicant’s appeal of the termination included a submission of many but not all of the deficient items. Staff’s review of the appeal and the subsequent submission identified the following items to remain deficient:

- The financing narrative, as required by §49.9(h)(6) of the QAP, was not provided.
- The Certification of Principal form was not provided for Housing Services Incorporated.
- In response to the items regarding appropriate documentation to support the Intergenerational housing type, the Applicant selected both Family and Elderly as the

housing type. This is not an allowable selection, and none of the Intergenerational documentation was submitted.

- The square footage on the unit floor plans is still inconsistent with the rent schedule and the Part F Building/Unit Configuration.
- A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.
- The certificate of name reservation or application for name reservation from the Texas Secretary of State for the Developer, Kaufman Leased Housing Development I, LLC, was not provided.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Kaufman Leased Housing Associates I, Limited Partnership, a Texas limited partnership
Site Location:	421 E. 7 th Street
City/County:	Kaufman/Kaufman
Regional Allocation Category:	Rural
Population Served:	Intergenerational
Region:	3
Set Aside:	None
Type of Development:	Rehabilitation
Units:	68
Credits Requested:	\$634,777

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. Acceptance of an application with significant missing or inconsistent information provides an applicant with the competitive advantage of adjusting deliverables after knowing what the competition has submitted. Staff believes that in this instance the inconsistencies and missing information were more than mere oversight. The applicant's inability to cure the matters in the appeal response clearly indicates that the omissions were not accidental or oversight, and provides evidence that the application was incomplete when it was submitted.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09308

Termination
Letter



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
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May 8, 2009

Mr. Mark S. Moorhouse
Kaufman Leased Housing Associates I, Limited Partnership
2355 Polaris Lane North, Ste 100
Plymouth, MN 55447

Re: Application #09308, Village of Kaufman

Dear Mr. Moorhouse,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold and Selection requirements, the Department identified the following omissions, clarifications or corrections:

1. Volume 1, Tab 2, Part B, Rent Schedule: The form includes non-rental income that is not described.
2. Volume 1, Tab 2, Part C Utility Allowances: Supporting documentation for the utility allowances was not provided.
3. Volume 1, Tab 2, Part F, Building/ Unit Configuration: The square footage and number of bathrooms indicated on this form are inconsistent with the Rent Schedule.
4. Volume 1, Tab 3, Part A, Development Cost Schedule: The owner's requested credits stated in this form is inconsistent with Volume 1, Tab 1.
5. Volume 1, Tab 5, Part A, Sources and Uses: The source for the Capitalized Expenses and In-kind/Deferred Developer Fee is not indicated.
6. Volume 1, Tab 5, Part A, Sources and Uses: The amounts on the form are inconsistent with the commitment letters.
7. Volume 1, Tab 5, Part A Financing Narrative: The financing narrative was not provided.
8. Volume 1, Tab 5, Part B, Financing Participants: The form is inconsistent with the Sources and Uses and commitment letters.
9. Volume 1, Tab 5, Part B, List of Organizations: Housing Services Incorporated should be listed separately on the form.
10. Volume 1, Tab 5, Part D, Certification of Principal: The form was not provided for any of the entities.
11. Volume 1, Tab 7, Part E, Part II, Credit Limit Certification: The form was not provided for Kaufman Leased Housing Associates GP I, LLC.
12. Volume 1, Tab 8, Relevant Development: The box for Intergenerational, consistent with Volume 1, Tab 1, was not checked.

13. Volume 2, Tab 1, Site Information: The housing type Intergenerational, consistent with Volume 1, Tab 1, was not selected.
14. Volume 3, Tab 1, Site Plan: The site plan submitted is from a document that is in draft form, has no dimensions and no scale.
15. Volume 3, Tab 1, Site Plan: The plan does not indicate whether there are separate entrances or separate personnel in the leasing office for elderly and non-elderly residents.
16. Volume 3, Tab 1, Unit Floor Plans: The three-bedroom floor plan is inconsistent with Volume 1, Tab 2, Part F Building/Unit Configuration.
17. Volume 3, Tab 1, Unit Floor Plans: The square footage on the unit floor plans is inconsistent with the rent schedule and the Part F Building/Unit Configuration.
18. Volume 3, Tab 2, Site Information Form: Evidence of all sellers of the property since December 8, 2005 was not provided.
19. Volume 3, Tab 2, Site Control: An escrow receipt executed by the title company was not provided.
20. Volume 3, Tab 2, Title Commitment: A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.
21. Volume 3, Tab 3, Certification of Notifications: The fifth sub-box under the second main box, indicating you have no knowledge of any neighborhood organizations, was not selected.
22. Volume 3, Tab 3, Signage: A photograph of the public notification sign was not provided.
23. Volume 3, Tab 4, Organizational Documents: The certificate of name reservation for Kaufman Leased Housing Development I, LLC was not provided.
24. Volume 3, Tab 4, Organizational Documents: Evidence of authority to do business in Texas for Housing Services, Inc. and Polaris Holdings I, LLC was not provided.
25. Volume 3, Tab 5, Certifications and Financials: Financial statements for Housing Services Inc. and Polaris Holdings I, LLC were not provided.
26. Volume 3, Tab 6, Occupied Rehabilitations: A current rent roll that includes the terms and rate of each lease, the rent, unit mix, tenant names or vacancy, date of first occupancy and date of expiration of each lease was not provided.
27. Volume 3, Tab 6, Occupied Rehabilitations: A statement identifying the number of tenants that qualify under the Intergenerational target population was not provided.

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”) states that an application is ineligible for an allocation of Housing Tax Credits if:

“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

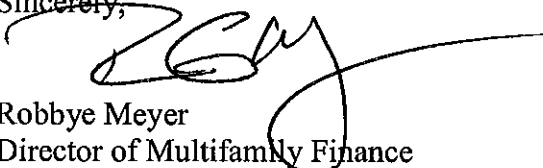
The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 Q AP, the Department has determined the application to be

ineligible for consideration because a “thorough review can not reasonably be performed”. Therefore, the application is terminated.

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,



Robbye Meyer
Director of Multifamily Finance

09308

Appeal
Documents

TO: Michael Gerber, Executive Director of the Texas Department of Housing & Community Affairs (TDHCA)

CC: Robbye Meyer, Director of Multifamily Finance
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

FROM: Mark Moorhouse, Manager of Kaufman Leased Housing Associates I, LLC

DATE: May 14th, 2009

RE: Appeal regarding Notice of Ineligibility for Application #09308—Village of Kaufman Apartments

In response to the letter dated May 8th, 2009 from Robbye Meyer please accept this response as a formal appeal. It was stated in the letter that the application for 9% tax credits for Village of Kaufman Apartments (#09308) was being terminated because a “thorough review can not be reasonably performed.” There were several “omissions, clarifications or corrections” noted in the letter that led to this finding by TDHCA staff members.

While several of these deficiency items were accurate, there were also several of them that noted inconsistencies or omissions that were either not inconsistent or were provided in the electronic application that was submitted to TDHCA. If these items were removed from the list provided by TDHCA the list of deficiency items is a shorter list that is primarily signature pages that were accidentally left out of the application. In addition, some of the items listed by TDHCA staff are not listed as requirements in the application or weren't shown in the directions for certain tabs of the application.

Based on the following item by item responses to the deficiency items noted and applicable back-up that is provided, these items have been either resolved or noted as already being resolved in the application previously submitted. These items could have been resolved quickly and thoroughly through the normal deficiency notice process, as they have been here.

Our response to each deficiency item is listed below in bold and italics.

Item-by-item Response to Omissions, Clarifications, or Corrections Noted by TDHCA

1. Volume 1, Tab 2, Part B, Rent Schedule: The form includes non-rental income that is not described.

The non-rental income was already described as “Late Charges & Other Income.” The majority of the \$204/month, or \$2,448 per year, is late charges with some nominal amount for application fees. <Page 9 of original PDF Application>

2. Volume 1, Tab 2, Part C Utility Allowances: Supporting documentation for the utility allowances was not provided.

The HUD Rent Schedule that was referenced was attached as part of the application under Volume 3, Tab 6. <Page 237 of original PDF Application> I have attached it for reference as well.

3. Volume 1, Tab 2, Part F, Building/Unit Configuration: The square footage and number of bathrooms indicated on this form are inconsistent with the Rent Schedule.

There are no inconsistencies between the Volume 1, Tab 2, Part B and Volume 1, Tab 2, Part F. Both pages show the same breakdown of units and square footage. <Page 9 and page 14 of the original PDF Application>

Volume 1, Tab 2, Part B shows: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 9 of the original PDF Application>

Volume 1, Tab 2, Part F shows the same: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 14 of the original PDF Application>

4. Volume 1, Tab 3, Part A, Development Cost Schedule: The owner's requested credits stated in this form is inconsistent with Volume 1, Tab 1.

See attached and updated Volume 1, Tab 1, Part C showing the correct credit amount. The amount shown in the Development Cost Schedule is correct.

5. Volume 1, Tab 5, Part A, Sources and Uses: The source for the Capitalized Expenses and Inkind/Deferred Developer Fee is not indicated.

Neither of these sources are "cash sources." There is no source for Capitalized Expenses; these are costs that are incurred during construction and are capitalized for tax purposes and included in eligible basis. The Deferred Developer Fee also has no source as it is only deferred developer fee and payable out of cash flow over time. The development entity, Kaufman Leased Housing Development I, LLC will be deferring this estimated amount of development fee. See attached and updated Volume 1, Tab 4, Part A, Sources and Uses.

6. Volume 1, Tab 5, Part A, Sources and Uses: The amounts on the form are inconsistent with the commitment letters.

All sources of funds shown on Volume 1, Tab 5, Part A tie to the commitment letters. There are no inconsistencies. The "Conventional Loan," the "HTC Syndication Proceeds," and the "Private Loan or Grant" all tie. The Deferred Developer Fee and the Capitalized Expenses are non-cash sources and are calculated estimates. The Assumed HUD Notes and Replacement Reserves are not new money and therefore it is impossible to provide a new commitment of the funds. However, the assumption of this note is noted in the purchase agreement on page 158 of the original PDF Application.

7. Volume 1, Tab 5, Part A Financing Narrative: The financing narrative was not provided.

Per the directions on Volume 1, Tab 5, Part B a narrative is not a requirement. It only states if can be used to explain items "other than grants, loans or equity." All sources for Village of Kaufman are either loans or equity.

8. Volume 1, Tab 5, Part B, Financing Participants: The form is inconsistent with the Sources and Uses and commitment letters.

Capitalized Expenses were shown roughly \$3k too low on this form; it has been updated and attached. All other items tie and there aren't any inconsistencies.

9. Volume 1, Tab 5, Part B, List of Organizations: Housing Services Incorporated should be listed separately on the form.

Please see updated form adding Housing Services Incorporated separately.

10. Volume 1, Tab 5, Part D, Certification of Principal: The form was not provided for any of the entities.

Please see updated forms for all the entities; they were mistakenly left out of the application.

11. Volume 1, Tab 7, Part E, Part II, Credit Limit Certification: The form was not provided for Kaufman Leased Housing Associates GP I, LLC.

This form was mistakenly left out of the application, please see attached form.

12. Volume 1, Tab 8, Relevant Development: The box for Intergenerational, consistent with Volume 1, Tab 1, was not checked.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

13. Volume 2, Tab 1, Site Information: The housing type Intergenerational, consistent with Volume 1, Tab 1, was not selected.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

14. Volume 3, Tab 1, Site Plan: The site plan submitted is from a document that is in draft form, has no dimensions and no scale.

There were two site plans attached behind Volume 3, Tab 1 for each site. One was a hand drawn site plan and the other was the survey. The survey has all the dimensions (and a scale). <They were included on pages 151 and 152 of the original PDF Application>

15. Volume 3, Tab 1, Site Plan: The plan does not indicate whether there are separate entrances or separate personnel in the leasing office for elderly and non-elderly residents.

The plan accurately represents the leasing office location. There is not a separate leasing office or entrance for elderly and family residents. It is operationally infeasible for a 68 unit site to have two separate leasing offices. One community manager and a temporary leasing agent is more than sufficient staffing to handle both family and elderly current and potential residents.

16. Volume 3, Tab 1, Unit Floor Plans: The three-bedroom floor plan is inconsistent with Volume 1, Tab 2, Part F Building/Unit Configuration.

The information provided by the Seller and their broker indicated that the Three Bedroom apartments had 2 bathrooms. After further discovery, post application submittal, it has been determined that the three bedroom units only have one bathroom. These forms have been updated to reflect the fact that there is only one bathroom in the three bedroom units.

17. Volume 3, Tab 1, Unit Floor Plans: The square footage on the unit floor plans is inconsistent with the rent schedule and the Part F Building/Unit Configuration.

The square footages included in the rent schedule and the building/unit configuration is taken directly from the attached rent roll provided by the Seller. The estimated square footages in Volume 3, Tab 1 are only an estimate. We relied on the rent roll for accuracy. Depending on how the calculation is done there can be differences in square footage for units, i.e. net rentable versus gross. For a rehabilitation property for which original plans aren't available it is difficult to get an exact square footage or to avoid different calculations of square footage.

18. Volume 3, Tab 2, Site Information Form: Evidence of all sellers of the property since December 8, 2005 was not provided.

There have been no sellers of the property since December 8, 2005. The current owner has and continues to own it throughout that entire period. In addition, with the passing of the 2008 Housing and Economic Recovery Act the 10-year hold rule has been waived as a requirement to earn acquisition basis on all Project Based Section 8 sites, which Village of Kaufman is.

19. Volume 3, Tab 2, Site Control: An escrow receipt executed by the title company was not provided.

There is no escrow receipt because there is no earnest money held in escrow by the title company. According to the option agreement included in the application there was a fee paid to the Seller for the purchase of an option. This money was wired directly to the

Seller and a copy of this wire transfer is attached. <The Purchase Option Agreement is located on page 158 of the original PDF Application>

20. Volume 3, Tab 2, Title Commitment: A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.

At the time title was ordered the Buyer, Kaufman Leased Housing Associates I, Limited Partnership was not created and/or organized so the developer, Dominion Development & Acquisition through Kaufman Leased Housing Development I, LLC, had the title put in their name as the proposed insured. The proposed insured will be renamed to Kaufman Leased Housing Associates I, Limited Partnership. On page 4 of the commitment (page 180 of the original PDF Application) the Seller is listed as The Village of Kaufman, Ltd., a Texas limited partnership.

21. Volume 3, Tab 3, Certification of Notifications: The fifth sub-box under the second main box, indicating you have no knowledge of any neighborhood organizations, was not selected.

Please see updated certification, that box was mistakenly left unchecked.

22. Volume 3, Tab 3, Signage: A photograph of the public notification sign was not provided.

Please see attached photo, the sign was installed the day the application was due and the photo was unable to be provided with the application. The sign installer also certified (see attached) that the signs were installed pursuant to TDHCA requirements.

23. Volume 3, Tab 4, Organizational Documents: The certificate of name reservation for Kaufman Leased Housing Development I, LLC was not provided.

The submission to the Texas Secretary of State for the name reservation for Kaufman Leased Housing Development I, LLC has been submitted. We are currently waiting for the state confirmation and will provide upon receipt. This entity was created as a Minnesota entity and if necessary will receive a "doing business as" in Texas (d.b.a.). Also, please see attached Articles of Organization and EIN for Kaufman Leased Housing Development I, LLC.

24. Volume 3, Tab 4, Organizational Documents: Evidence of authority to do business in Texas for Housing Services, Inc. and Polaris Holdings I, LLC was not provided.

Polaris Holdings I, LLC is a special limited partner and will have no operational or decision making authority and therefore is not needed to be authorized to do business in Texas.

Housing Services Incorporated is a non-profit based in Texas and has provided its Certificate of Experience with the application. Their registration and good standing documents are also attached.

25. Volume 3, Tab 5, Certifications and Financials: Financial statements for Housing Services Inc. and Polaris Holdings I, LLC were not provided.

Polaris Holdings I, LLC is not required by law to have financial statements and they are a special limited partner with no operational or decision making authority. Housing Services Incorporated financial statements are attached.

26. Volume 3, Tab 6, Occupied Rehabilitations: A current rent roll that includes the terms and rate of each lease, the rent, unit mix, tenant names or vacancy, date of first occupancy and date of expiration of each lease was not provided.

Please see attached rent roll.

27. Volume 3, Tab 6, Occupied Rehabilitations: A statement identifying the number of tenants that qualify under the Intergenerational target population was not provided.

The development is not intergenerational; it is a scattered site development with one site consisting of family units and the other site consisting of elderly units. There is no mention in the directions of Volume 3, Tab 6 that there must be some sort of statement provided, which is why there was no statement provided.

3. Funding Request

Complete the table below to describe this Application's funding request.

TDHCA Programs for which this Application will be used:	Requested Amount	If the award will be in the form of a loan, the requested terms are:		
		Interest Rate (%)	Amortization (Yrs)	Term (Yrs)
HOME Activity Funds	\$			
HOME CHDO Operating Expenses	\$			
Housing Trust Fund	\$			
Housing Tax Credit (Annual amount)	\$ 637,724			
Private Activity Mortgage Revenue Bond	\$			
501(c) (3) Mortgage Revenue Bond	\$			

4. Previously Awarded State and Federal Funding

Has this site/activity previously received TDHCA funds? Yes No

If "Yes", enter Project # _____ and TDHCA Funding Source _____


Has this site/activity previously received non-TDHCA federal funding? Yes No

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? Yes No

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

 Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Village of Kaufman**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	\$ 2,890,000	\$ 1,690,000	Alliant Capital
2	Assumed HUD 2nd Mortgage (Cash Flow Note)	2	\$ 957,352	\$ 957,352	HUD
3	Assumed HUD Held Replacement Reserves	N/A	\$ 266,497	\$ 266,497	HUD
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 2,872,960	\$ 4,542,960	Alliant Capital
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant	4	\$ 470,000	-	Capital Area HFC
15	Capitalized Expenses	N/A	\$ 176,690	\$ 176,690	Capitalized Costs During Constr.
16	In-Kind Equity/Deferred Developer Fee	3	\$ 270,064	\$ 270,064	Deferred Developer Fee
TOTAL SOURCES OF FUNDS			\$ 7,903,563	\$ 7,903,563	
TOTAL USES OF FUNDS				\$ 7,903,563	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: 3	Amount: \$ 266,497	<input type="checkbox"/> Interim <input type="checkbox"/> Permanent <input checked="" type="checkbox"/> Equity	Commitment Date	/ /
Source Name:	Assumed HUD Replacement Reserves	Contact Name:	Not Applicable	
Address:		City:	State:	ZIP:
Phone: () -	Fax: () -			
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input checked="" type="checkbox"/> Other: Replacement Reserves			
<input type="checkbox"/> Grant	Terms:			
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse <input type="checkbox"/> Non-Recourse	Amortization Term:	_____ yrs	Repayment Term: _____ yrs
Interest Rate:	_____ %	<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable <input type="checkbox"/> Floating		
Rate Index:	_____	Annual Payment	\$ _____	Lien Priority _____
<input type="checkbox"/> Syndication	Tax Credits Estimate: \$ _____	Syndication Factor:	\$ _____ Per Credit Dollar	

Source #: 8	Amount: \$ 4,542,960	<input type="checkbox"/> Interim <input type="checkbox"/> Permanent <input checked="" type="checkbox"/> Equity	Commitment Date	02/25/09
Source Name:	HTC Syndication Proceeds (Alliant Capital)	Contact Name:	Joel Hauenstein	
Address:	119 Fairfax Court	City:	Granville	State: OH ZIP: 43023
Phone: (740) 927-1077	Fax: (740) 927-0014			
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: (Describe)			
<input type="checkbox"/> Grant	Terms:			
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse <input type="checkbox"/> Non-Recourse	Amortization Term:	_____ yrs	Repayment Term: _____ yrs
Interest Rate:	_____ %	<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable <input type="checkbox"/> Floating		
Rate Index:	_____	Annual Payment	\$ _____	Lien Priority _____
<input checked="" type="checkbox"/> Syndication	Tax Credits Estimate: \$ 6,309,662	Syndication Factor:	\$.72 Per Credit Dollar	

Source #: 15	Amount: \$ 176,690	<input checked="" type="checkbox"/> Interim <input type="checkbox"/> Permanent <input type="checkbox"/> Equity	Commitment Date	/ /
Source Name:	Capitalized Expenses	Contact Name:	Not Applicable	
Address:		City:	State:	ZIP:
Phone: () -	Fax: () -			
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input checked="" type="checkbox"/> Other: Capitalized Expenses			
<input type="checkbox"/> Grant	Terms:			
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse <input type="checkbox"/> Non-Recourse	Amortization Term:	_____ yrs	Repayment Term: _____ yrs
Interest Rate:	_____ %	<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable <input type="checkbox"/> Floating		
Rate Index:	_____	Annual Payment	\$ _____	Lien Priority _____
<input type="checkbox"/> Syndication	Tax Credits Estimate: \$ _____	Syndication Factor:	\$ _____ Per Credit Dollar	

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates² that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "Part C. List of Organizations with an Ownership Interest in the Applicant.") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "List of Principals of Organizations with an Ownership Interest in the Applicant" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name:	<u>Ownership Entity:</u> <u>Kaufman Leased Housing Associates I, Limited Partnership</u>		
Contact Name:	<u>Mark S. Moorhouse</u>		
Address:	<u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u>	State: <u>MN</u> ZIP: <u>55447</u>
Phone:	<u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u>	Email: <u>m Moorhouse@dominiuminc.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Applicant and Ownership Entity</u> 100%		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>2/19/09</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>General Partner: Kaufman Leased Housing Associates GP I, LLC</u> <u>(Housing Services Incorporated)</u>		
Contact Name:	<u>Lee Anderson</u>		
Address:	<u>10580 Newkirk, Suite 304</u>	City: <u>Dallas</u>	State: <u>TX</u> ZIP: <u>75220</u>
Phone:	<u>(214) 696-6077</u>	Fax: <u>(214) 594-9188</u>	Email: <u>landerson@hsiusa.org</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>General Partner and Limited Partnership</u> .005%		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>2/19/09</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>Developer:</u> <u>Kaufman Leased Housing Development I, LLC</u>		
Contact Name:	<u>Mark S. Moorhouse</u>		
Address:	<u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u>	State: <u>MN</u> ZIP: <u>55447</u>
Phone:	<u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u>	Email: <u>m Moorhouse@dominiuminc.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Developer</u> 0%		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>2/25/2009</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		

² Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

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PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates² that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "Part C. List of Organizations with an Ownership Interest in the Applicant.") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "List of Principals of Organizations with an Ownership Interest in the Applicant" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name:	<u>Housing Services Incorporated</u>		
Contact Name:	<u>Lee Anderson</u>		
Address:	<u>10580 Newkirk, Suite 304</u>	City:	<u>Dallas</u> State: <u>TX</u> ZIP: <u>75229</u>
Phone:	<u>(214) 696-6077</u>	Fax:	<u>(214) 594-9188</u> Email: <u>landerson@hsiusa.org</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Owner of General Partner (Kaufman Leased Housing Associates GP I, LLC)</u> <u>100%</u>		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>11/17/03</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>Administrative Limited Partner: To be determined Alliant entity and investor</u>		
Contact Name:	<u>Joel Hauenstein</u>		
Address:		City:	<u>Granville</u> State: <u>OH</u> ZIP: <u>43023</u>
Phone:	<u>(740) 927-1077</u>	Fax:	<u>(740) 927-0014</u> Email: <u>joel.hauenstein@alliantcapital.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>.01%</u>		
Is Organization legally formed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date of formation:	<u>N/A</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>Investor Limited Partner: To be determined Alliant entity and investor</u>		
Contact Name:	<u>Joel Hauenstein</u>		
Address:	<u>119 Fairfax Court</u>	City:	<u>Granville</u> State: <u>OH</u> ZIP: <u>43023</u>
Phone:	<u>(740) 927-1077</u>	Fax:	<u>(740) 927-0014</u> Email: <u>joel.hauenstein@alliantcapital.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>See applicant chart, exact entity name to be determined</u> <u>99.98%</u>		
Is Organization legally formed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date of formation:	<u>N/A</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

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Organization Legal Name: <u>Special Limited Partner: Polaris Holdings I, LLC</u>	
Contact Name: <u>Mark S. Moorhouse</u>	
Address: <u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u> State: <u>MN</u> ZIP: <u>55447</u>
Phone: <u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u> Email: <u>mmoorhouse@dominiuminc.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls: <u>Special Limited Partnership and Limited Partnership</u> <u>.005%</u>	
Is Organization legally formed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date of formation: <u>11/05/04</u>	
Legal Form of Organization is or will be (mark all that apply):	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA
Other Designations (mark all that apply):	
<input type="checkbox"/> Historically Underutilized Business	<input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.

Organization Legal Name: _____	
Contact Name: _____	
Address: _____	City: _____ State: _____ ZIP: _____
Phone: (____) - _____	Fax: (____) - _____ Email: _____
Name(s) and Ownership % of Entities the Organization Owns or Controls: _____ %	
Is Organization legally formed? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of formation: _____	
Legal Form of Organization is or will be (mark all that apply):	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA
Other Designations (mark all that apply):	
<input type="checkbox"/> Historically Underutilized Business	<input type="checkbox"/> Federal Tax Exemption <input checked="" type="checkbox"/> Community Housing Development Org.

Organization Legal Name: _____	
Contact Name: _____	
Address: _____	City: _____ State: _____ ZIP: _____
Phone: (____) - _____	Fax: (____) - _____ Email: _____
Name(s) and Ownership % of Entities the Organization Owns or Controls: _____ %	
Is Organization legally formed? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of formation: _____	
Legal Form of Organization is or will be (mark all that apply):	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA
Other Designations (mark all that apply):	
<input type="checkbox"/> Historically Underutilized Business	<input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.

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PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Kaufman Leased Housing Associates GP I, LLC
 Entity/Person Represented by this form


By: 5/11/09 Its: Manager
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 11 day of May, 2009, (seal)

 01/31/2012
 Notary Public Signature Commission Expires



JUDY A. RATH
 Notary Public-State of Minnesota
 My Commission Expires
 January 31, 2012

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

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- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
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 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
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10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

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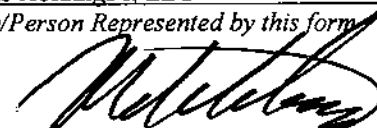
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Polaris Holdings I, LLC

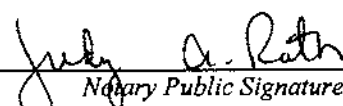
Entity/Person Represented by this form

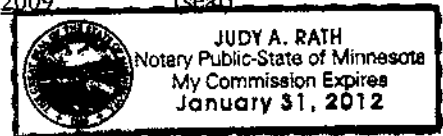
By:  5/11/09 Its: Vice President
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 11 day of May, 2009 (seal)

 01/31/2012
Notary Public Signature *Commission Expires*



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

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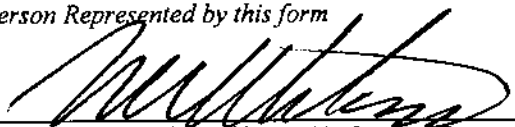
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 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. **TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).**

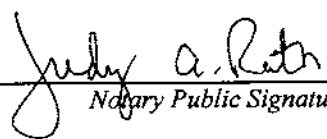
Kaufman Leased Housing Associates I, Limited Partnership
 Entity/Person Represented by this form

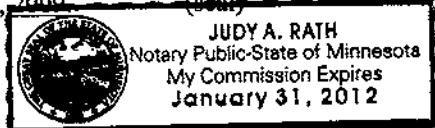
By:  5/11/09 Its: Manager
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 11 day of May, 2009 (year)

 01/31/2012
 Notary Public Signature Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5
PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Kaufman Leased Housing Development I, LLC
 Entity/Person Represented by this form

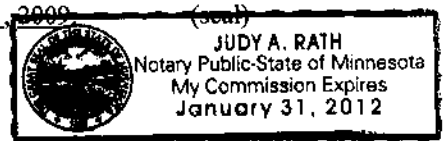
By: 5/14/09 Its: Manager
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 14 day of May

01/31/2012
 Notary Public Signature Commission Expires



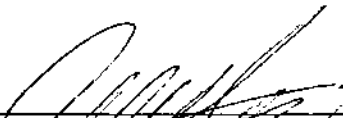
List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____



2009 MULTIFAMILY UNIFORM APPLICATION
 Texas Department of Housing and Community Affairs (TDHCA)
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §49.9(c), **Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules**, and certifies that all information herein is true and correct to the best of their knowledge and belief. **By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).**

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.


 Applicant's Authorized Representative's Signature

Mark S. Moorhouse, Manager
 Representative's Printed Name, Title

2/23/09
 Date

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name: <u>Village of Kaufman</u>	Region: <u>3</u>
Address: <u>421 E. 7th Street</u>	ZIP Code: <u>75142</u>
City: <u>Kaufman</u>	County: <u>Kaufman</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number: <u>09222</u>	

2. Target Population (Check Only One):

- Family
- Elderly
- Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name: <u>Kaufman Leased Housing Associates I, Limited Partnership</u>	
Applicant Name:	Contact <u>Mark S. Moorhouse</u>
Mailing Address: <u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u> State: <u>MN</u> ZIP: <u>55447</u>
Phone: <u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u> Email: <u>m Moorhouse@dominiuminc.com</u>

If Applicant's "Physical Address" is different from the "Mailing Address," provide the physical address below:

Applicant Physical Address:	State:	ZIP:
City:		

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "unit Size" from lowest to highest "Rental Income/Unit".

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%), Employee Occupied (EO), Market Rate (MR), as allowed by Sec. 42.

501(c)(3) Mortgage Revenue Bond: (MRB), (MRB30%), (MRB40%), (MRB50%), (MRB60%), Market Rate(MRBMR).

HOME: High (HH), Low (LH), Employee Occupied non LI unit (MR/EO), Market Rate (MR)

Other: describe any "Other" rental assistance or rent restrictions in the space provided; documentation supporting the rental assistance or restrictions must be provided

Housing Trust Fund: (HTF30%), (HTF40%), (HTF50%), (HTF60%), (HTF80%), Market Rate (MR)

Units funded under more than one program, the "Program Rent Limit" should be the most restrictive - for example, a LH and TC60% unit would use the "LH" Program rent limit.

The rent and utility limits available at the time the Application Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.

Development Name: **Village of Kaufman**

City: **Kaufman, TX**

HTC Unit Designation	HOME Unit Designation	HTF Unit Designation	MRB Unit Designation	Other Designation/S subsidy	# of Units (A)	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit (E)	Total Monthly Rent (A) x (E)
TC60%				S8 HAP	24	2	1.00	879	21,096	898	47	605	14,513
TC60%				S8 HAP	10	3	1.00	1,079	10,790	1,037	53	759	7,585
									0				-
TC50%				S8 HAP	21	1	1.00	658	13,818	623	33	493	10,360
TC50%				S8 HAP	2	2	1.00	879	1,758	748	47	605	1,209
									0				-
TC30%				S8 HAP	11	1	1.00	658	7,238	374	33	493	5,427
									0				-
									0				-
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TOTAL					68				54,700				39,094
Non Rental Income					\$3.00	per unit/month for:		Late Charges & Other Income				204	
Non Rental Income					0.00	per unit/month for:		describe source here					
Non Rental Income					0.00	per unit/month for:		describe source here					
+ TOTAL NONRENTAL INCOME					\$3.00	per unit/month						204	
= POTENTIAL GROSS MONTHLY INCOME													39,298
- Provision for Vacancy & Collection Loss										% of Potential Gross Income:		5.00%	1,955
- Rental Concessions													
= EFFECTIVE GROSS MONTHLY INCOME													37,343
x 12 = EFFECTIVE GROSS ANNUAL INCOME													448,121

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING	TC30%	11
	TC40%	0
	TC50%	23
	TC60%	34
	TAX	HTC LI Total
CREDITS	TCEO	0
	MR	0
	MR Total	0
	TC Total	68
MORTGAGE	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
REVENUE	MRB LI Total	0
	MRBMR	0
BOND	MRBMR Total	0
	MRB Total	0

HOUSING	HTF30%	0
	HTF40%	0
TRUST	HTF50%	0
	HTF60%	0
	HTF80%	0
	HTF LI Total	0
FUND	MR	0
	MR Total	0
	HTF Total	0
HOME	HOME HH	0
	HOME LH	0
	HOME LI Total	0
	MR/EO	0
	MR	0
	MR Total	0
OTHER	HOME Total	0
	Total OT Units	68

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.

Volume 1, Tab 2. ACTIVITY OVERVIEW

Part F. Building/Unit Type Configuration (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un hiding the columns between J and Z in Excel.

Development Name: **Village of Kaufman**

City: **Kaufman, TX**

Unit Type				Building Configuration					Total # of Buildings	Total # of Units	Total Sq Ft for Unit Type		
				Building Label	Bldg "A" (Site 1)	Bldg "B" (Site 1)	Bldg "A" (Site 2)	Bldg "B" (Site 2)					
				Number of Buildings	1	8	5	12			26		
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building									
1 BR	1	1	658		4						32	21,056	
2 BR	2	1	879	2			2				26	22,854	
3 BR	3	1	1,079			2					10	10,790	
											-	-	
											-	-	
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											-	-	
											-	-	
											-	-	
Totals				2	32	10	24	-	-	-	68	54,700	

Net Rentable Square Footage from Rent Schedule **54,700**

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcshane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
				Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	38,518.00	34,905.00	0.00	34,905.00	13,379.00
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-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	68	804	566.44	0.70	562.98	0.70	62	91.18	2

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	38,518.00	68	38,412.00

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	34,905.00

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	34,905.00
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eBIZ

OPTIONS

HELP

EXIT

Summary | Accounts | Funds Management | Fraud Management | Print

General Wire: Funds Transfer Detail as of 03/04/2009 9:42 AM Eastern Standard Time

Transfer Information	
Transfer Type:	Domestic Wire
Current Status:	Approved
Placement Date & Time:	03/04/2009 9:42 AM Eastern Standard Time
Transfer Date:	03/04/2009
Transfer Amount:	1,000.00
Confirmation Number:	114887269
Display Group:	Wire Transfer
Recurring:	No

Account Information:	
From Institution R/T Number:	0960-10415
From Account Type:	Demand Deposit
From Account:	7106553
From Account Nickname:	DDA 25x4 Operating

Employee Information	
Employee Name:	Lynn Schlagel (06)
Employee Group:	
Reviewing Employee Name:	

Receiving Information	
Institution R/T Number:	0530-00219
Institution Name:	Wachovia
Institution Address:	
Institution City State Zip:	Charlotte NC

Beneficiary Information	
Beneficiary Institution R/T Number:	0530-00219
Beneficiary Institution Name:	Wachovia
Beneficiary Institution Address:	
Beneficiary Institution City State Zip:	Charlotte NC
Beneficiary Account Type:	Demand Deposit
Beneficiary Account:	2000010968907
Beneficiary Name:	AIMCO Properties Partnership Concentrati
Beneficiary Address:	none provided
Beneficiary City State Zip:	
Beneficiary Instructions:	Village of Kaufman 042734 Purchase Option Pmt
Message:	eBiz Domestic Wire Transfer

CUT OFF TIMES

PRIVACY STATEMENT

CONTACT US

Copyright Information Technology, Inc. 2001 - 2009

9/01 1575-0100 (Earnings Monthly)

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification Form* (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. Must Accurately Check Below if a Pre-Application was Submitted:

- I (We) certify that:
- Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
 - A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications as required under §49.9(h)(8)(A).

2. Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):

- I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
- I (We) certify that:
- No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
 - The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
 - All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*.
- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
- Superintendent of the school district containing the Development;
 - Presiding officer of the board of trustees of the school district containing the Development;

Initial: 

- Mayor of any municipality containing the Development;
- All elected members of the Governing Body of any municipality containing the Development;
- Presiding officer of the Governing Body of the county containing the Development;
- All elected members of the Governing Body of the county containing the Development;
- State senator of the district containing the Development; and
- State representative of the district containing the Development.

While not required to be submitted in this Pre-Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only be completed if mailings were completed in lieu of posting signage on the Development site:

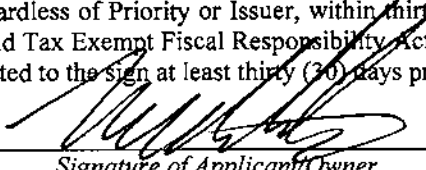
I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on ___/___/___ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

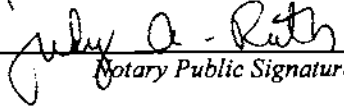
I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

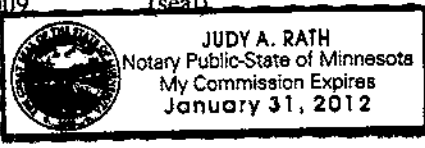
By:  5/12/09 Its: Manager
Signature of Applicant/Owner *Date*

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 12 day of May, 2009 (seal)

 01/31/2012
Notary Public Signature *Commission Expires*





409.832.0117
 Fax 409.842.5659
 P.O. Box 20054
 Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

Cast Plaques

Cast Letters

Fabricated Letters

Channel Letters

Flat Cut Letters

Plastic Letters

Site Signage

Post and Panel Signage

Pylon Signage

Traffic Signage

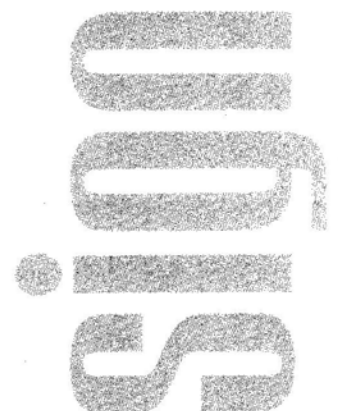
Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 100 – 135 Village Drive, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: Scott Bryson
 Name: Scott Bryson
 Title: Signs International Express
 Date: February 27, 2009





409.832.0117
 Fax 409.842.5659
 P.O. Box 20054
 Beaumont, Texas 77720-0054

Interior Sign Systems

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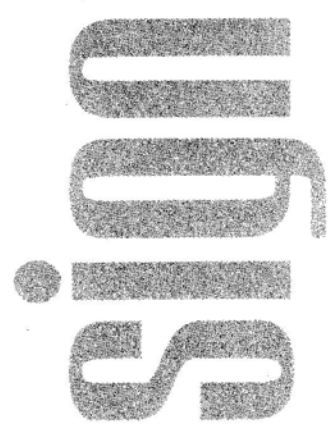
Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 405 – 440 E. 7th Street, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: *Scott Bryson*
 Name: Scott Bryson
 Title: Signs International Express
 Date: February 27, 2009



NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community Village of Kaufman, located at 100-135 Village Drive, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 3.76 acres.

There will be a public hearing to receive public comment on the proposed development.

Date: April 7, 2009 Time: 6:00 p.m.

Location: J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Domin um Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community, Village of Kaufman, located at 405-440 E 7th Street, Kaufman, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 4.12 acres.

There will be a public hearing to receive public comment on the proposed development.

Date. April 7, 2009 Time: 6:00 p.m.

Location. J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Dominion Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us

LLC-OR

**ARTICLES OF ORGANIZATION
OF
KAUFMAN LEASED HOUSING DEVELOPMENT I, LLC**

The undersigned organizer, being a natural person 18 years of age or older, in order to form a limited liability company under Minnesota Statutes, Chapter 322B, hereby adopts the following Articles of Organization:

**ARTICLE I.
NAME**

The name of the Company is: Kaufman Leased Housing Development I, LLC (the "Company").

**ARTICLE II.
REGISTERED OFFICE AND REGISTERED AGENT**

The registered office of the Company is located at 2355 Polaris Lane, Suite 100, Plymouth, Minnesota 55447.

**ARTICLE III.
ORGANIZER**

The name and address of the organizer of this Company is as follows:

Paul R. Sween
2355 Polaris Lane North, Suite 100
Plymouth, MN 55447

**ARTICLE IV.
TERM**

The Company shall have a perpetual duration.

**ARTICLE V.
DISSOLUTION**

The Company shall not be dissolved or required to be wound up upon the occurrence of any event set forth in Section 322B.80, Subd. 1(5) of the Act and such events shall not trigger dissolution of the Company.

ARTICLE VI.
CUMULATIVE VOTING; PREEMPTIVE RIGHTS

No member of this Company shall have any cumulative voting rights. No member of this Company shall have any preemptive rights under Minnesota Statutes, Section 322B.33, to make contributions of a certain amount or to make a contribution allowance agreement specifying future contributions of a certain amount before the Company may accept new contributions from other persons or make contribution allowance agreements with other persons.

ARTICLE VII.
WRITTEN ACTION OF BOARD

Any action required or permitted to be taken at a meeting of the Board of Governors of the Company not needing approval by the members, may be taken by written action signed by the number of governors that would be required to take such action at a meeting of the Board of Governors at which all governors are present.

ARTICLE VIII.
LIMITATION OF LIABILITY

No governor of the Company shall be personally liable to the Company or its members for monetary damages for breach of fiduciary duty by such governor as a governor; provided, however, that this Article VIII shall not eliminate or limit the liability of a governor to the extent provided by applicable law (i) for any breach of the governor's duty of loyalty to the Company or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 322B.56 or 80A.23 of the Minnesota Statutes, (iv) for any transaction from which the governor derived an improper personal benefit or (v) for any act or omission occurring prior to the effective date of this Article VIII. No amendment to or repeal of this Article VIII shall apply to or have any effect on the liability or alleged liability of any governor of the Company for or with respect to any acts or omissions of such governor occurring prior to such amendment or repeal.

ARTICLE IX.
FIRST GOVERNORS

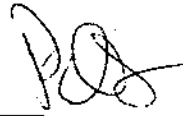
The names of the first governors of this Company are as follows:

David L. Brierton
Jack W. Safar
Armand E. Brachman
Paul R. Sween
Mark S. Moorhouse
Christopher P. Barnes

ARTICLE X.
MANAGEMENT


The Company will be managed by its Board of Governors, as further provided in the Company's Operating Agreement. Except as authorized by the Board of Governors, no member is an agent of the Company or has the authority to make any contracts, enter into any transactions or make any commitments on behalf of the Company.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this ___ day of February, 2009.



Paul R. Sween, Organizer

4336030v1

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED 
FEB 25 2009
Mark Ritchie
Secretary of State



Internal Revenue Service

United States Department of the Treasury

EIN Assistant

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.

EIN Assigned: **26-4331223**

Legal Name: **KAUFMAN LEASED HOUSING DEVELOPMENT
ILLC**

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

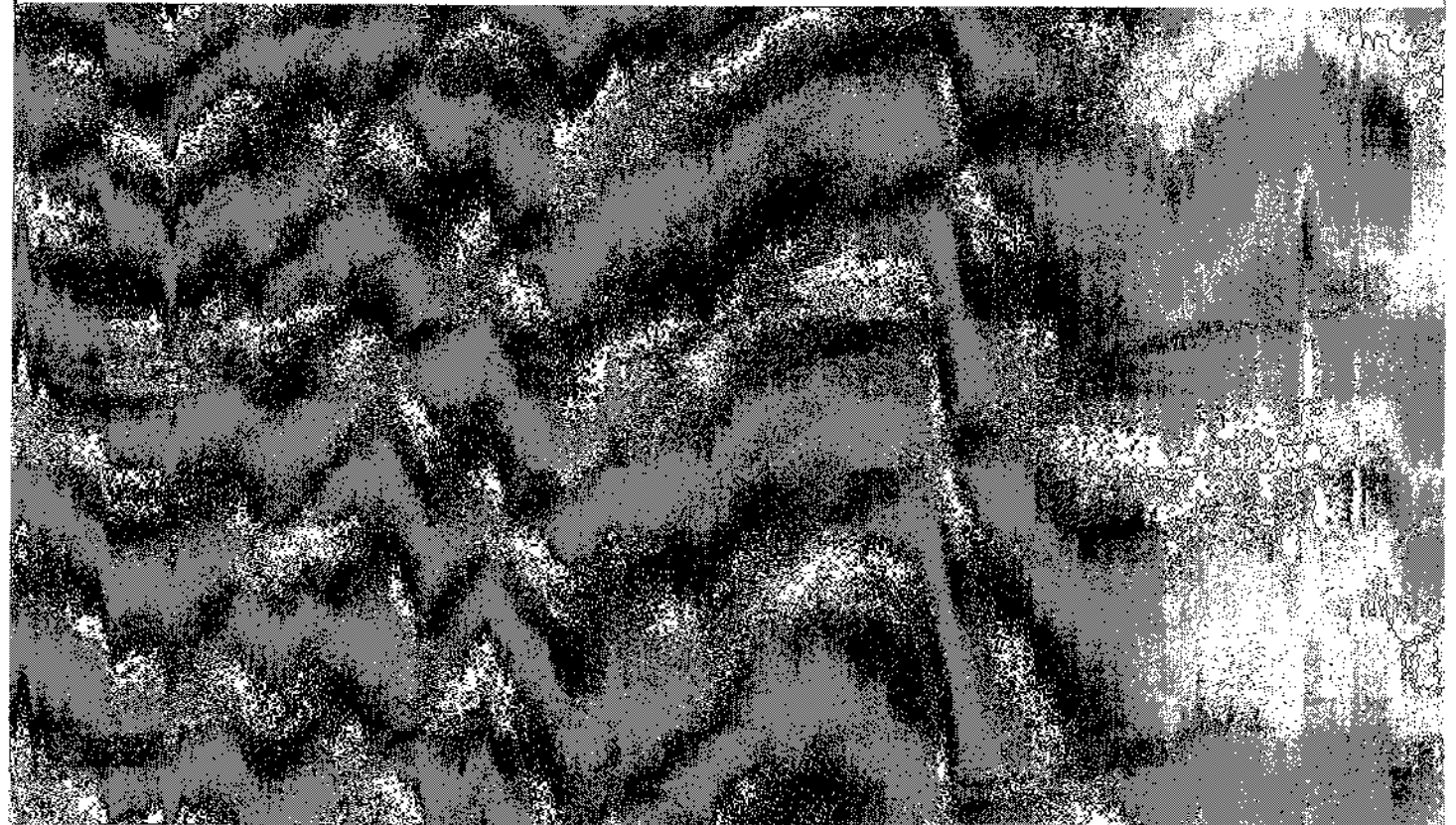
We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

[Continue >>](#)

Help Topics

- Can the EIN be used before the confirmation letter is received?




[Taxable Entity Search Results](#)

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, [Requirements to Dissolve, Merge or Convert a Texas Entity](#).

Certification of Account Status	Officers And Directors Information
---------------------------------	------------------------------------

Entity Information:

HOUSING SERVICES INCORPORATED
10580 NEWKIRK ST STE 304
DALLAS, TX 75220-2329

Status:

IN GOOD STANDING - EXEMPT CORPORATION

Registered Agent:

SHACKLEFORD, MILTON, MCKINLEY
3333 LEE PARKWAY, TENTH FL
DALLAS, TX 75219

Registered Agent Resignation Date:

State of Formation:

File Number:

0147219301

SOS Registration Date:

December 29, 1997

Taxpayer Number:

17527518801

Texas Online | Statewide Search from the Texas State Library | State Link Policy | Texas Homeland Security

Susan Combs, Texas Comptroller • Window on State Government • Contact Us
Privacy and Security Policy | Accessibility Policy | Link Policy | Public Information Act | Compact with Texans

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF AMENDMENT
OF**

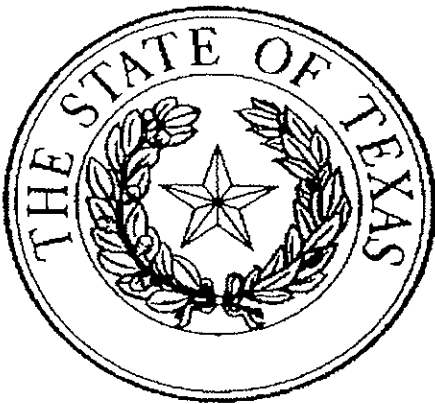
**HOUSING SERVICES INCORPORATED
147219301**

[formerly: HOUSING SERVICES OF TEXAS]

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of amendment for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Amendment.

Dated: 11/17/2003
Effective: 11/17/2003



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

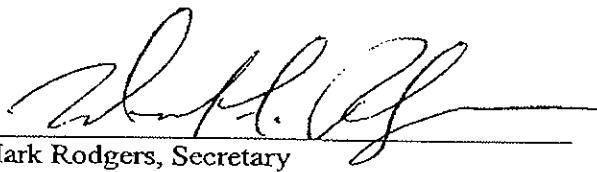
FILED
In the Office of the
Secretary of State of Tex

NOV 17 2003

Corporations Section

AMENDMENT TO ARTICLES OF INCORPORATION
OF
HOUSING SERVICES OF TEXAS

A meeting of the Board of Directors of HOUSING SERVICES OF TEXAS was held on October 10, 2003, whereby a quorum of voting member of the Corporation's Board were present and passed with unanimous consent this amendment to the Articles of Incorporation changing the name of the corporation from **HOUSING SERVICES OF TEXAS** to **HOUSING SERVICES INCORPORATED**. This name change will take affect upon approval by the Secretary of State of the State of Texas.


Mark Rodgers, Secretary



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

HOUSING SERVICES OF TEXAS
CHARTER NUMBER 01472193

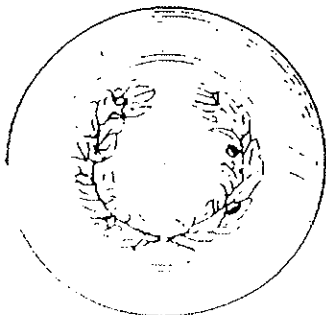
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE
ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE
FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE
THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF
ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,
THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED DEC. 29, 1997

EFFECTIVE DEC. 29, 1997

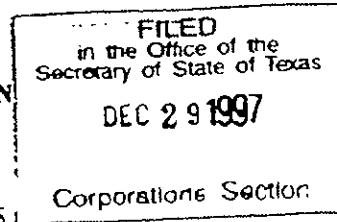


[Handwritten Signature]
Attest: B. Gonzalez, Secretary of State

DEC-29-97 MON 15:32 CINSBURG

P. 02

ARTICLES OF INCORPORATION
OF
HOUSING SERVICES OF TEXAS



(a nonprofit corporation)

The undersigned, Susan A. Cobb, whose address is 1250 Connecticut Avenue, N.W., Suite 700, Washington, D.C. 20036, being at least eighteen years of age, acting as incorporator, does hereby form a nonprofit corporation under and by virtue of the Texas Nonprofit Corporation Act.

ARTICLE I: The name of the corporation (hereinafter the "Corporation") shall be Housing Services of Texas

ARTICLE II: The Corporation is a nonprofit corporation. The period of duration of the Corporation shall be perpetual.

ARTICLE III: The purposes for which the Corporation is organized are as follows

1. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code").
2. Solely for the above purposes, the Corporation is empowered to and may exercise all other powers and authority now or hereafter conferred upon nonprofit corporations in the State of Texas.
3. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's directors, officers or private individuals, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the aforementioned purposes of the Corporation. The Corporation shall not engage in any activity which is prohibited to a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or any corresponding future provision of the federal tax law. In accordance with the existing federal tax law, the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office by publishing or distributing statements, or in any other way. No substantial part of the

DEC-29-97 MON 13:32 GINSBURG

P. 03

activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation.

ARTICLE IV. The name of the initial registered agent of the Corporation in the State of Texas is Corporation Service Company dba CSC-Lawyers Incorporating Service Company, and the street address of the initial registered office of the Corporation is 1 Commodore Plaza, 800 Brazos, Suite 330, Austin, Texas 78701

ARTICLE V. The Corporation shall have no members

ARTICLE VI. Provisions for the distribution of assets on dissolution or other termination of the Corporation are as follows

Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of the property of the Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors of the Corporation. In such event, all property and proceeds of the Corporation, subject to the discharge of valid obligations of the Corporation, and to the applicable provisions of the Texas Nonprofit Corporation Act, shall be distributed as directed by the Board of Directors to such Section 501(c)(3) organizations that are organized and operated for purposes similar to those of the Corporation as the Board of Directors of the Corporation shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office of the Corporation is then located, exclusively for the aforesaid purposes of the Corporation or to such organization or organizations, as said Court shall determine.

ARTICLE VII. The names and addresses of the persons who shall serve as the initial directors of the Corporation are:

Sandy Abernathy
600 N. Pearl Street
Dallas, Texas 75201

Arcilia Acosta
1717 Main Street
Dallas, Texas 75201

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and have
acknowledged the same to be my act, on this the 23rd day of December, 1997

Susan A. Cobb
Susan A Cobb
Incorporator

HOUSING SERVICES OF TEXAS

BYLAWS

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February 25, 2009

Jeff Spicer
State Street Housing
5843 Royal Crest Drive
Dallas, TX 75230

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

A handwritten signature in black ink, appearing to be 'Lee Anderson', written over the word 'Sincerely,'.

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888



February 25, 2009

Judy Rath
Dominium Development and Acquisition
2355 Polaris Lane, Suite 100
Minneapolis, MN 55447

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lee Anderson', with a large, stylized flourish.

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcshane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
		N/A		Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	38,518.00	34,905.00	0.00	34,905.00	13,379.00
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-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	68	804	566.44	0.70	562.98	0.70	62	91.18	2

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	38,518.00	68	38,412.00

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	34,905.00

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	34,905.00
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09308

Executive
Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Juan S. Muñoz, Ph.D.

May 20, 2009

Mr. Mark S. Moorhouse
Kaufman Leased Housing Associates I, Limited Partnership
2355 Polaris Lane North, Ste 100
Plymouth, MN 55447
Telephone: (763) 354-5613
Facsimile: (763) 354-5633

Re: Application #09308, Village of Kaufman

Dear Mr. Moorhouse,

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on April 1, 2009, regarding your request that your application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Threshold Criteria.

This section of the QAP very clearly states that an Application will be terminated, without being processed as an Administrative Deficiency, if the Application has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your response, we noticed that you corrected many of the items listed in your termination, but the following items remain deficient:

- The financing narrative, as required by §49.9(h)(6) of the QAP, was not provided.
- The Certification of Principal form was not provided for Housing Services Incorporated.
- In response to the items regarding appropriate documentation to support the Intergenerational housing type, you selected both Family and Elderly as the housing type. This is not an allowable selection, and none of the Intergenerational documentation was submitted.
- The square footage on the unit floor plans is still inconsistent with the rent schedule and the Part F Building/Unit Configuration.
- A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.
- The certificate of name reservation or application for name reservation from the Texas Secretary of State for Kaufman Leased Housing Development I, LLC was not provided.

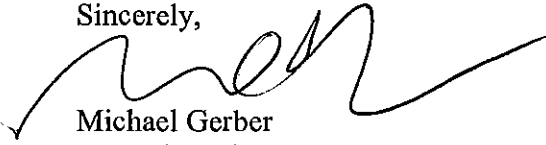
My review of the Application confirms staff's determination that this Application is still incomplete and a thorough review of the Application can not be performed by the Department.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on June 18, 2009 to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written over a horizontal line.

Michael Gerber
Executive Director

09308

Board Appeal
Documents



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Development Name:	Village of Kaufman Apartments
Development Address:	405-440 E. 7th Street & 101-135 Village Drive Kaufman, TX 75142
Signer's Name	Mark S. Moorhouse
Signer's Title:	Manager of General Partner of Kaufman Leased Housing Associates I, LP
Date:	May 14, 2009

Signed:



DOMINIUM

Development & Acquisition, LLC

June 11, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing & Community Affairs
221 East 11th St.
Austin, TX 78701

Via Email

Re: Village of Kaufman Apartments — TDHCA #09308

Dear Ms. Meyer:

This letter is in response to the letter dated May 20th, 2009 from Mr. Michael Gerber. The aforementioned letter terminated the application of Village of Kaufman apartments based on the opinion of the Department that our application contained omissions that made our application so unclear, disjointed or incomplete that thorough review can not be reasonably performed and that the application is substantially incomplete. We respectfully disagree with the decision by both the Staff and Executive Director to terminate the application and would like to appeal to the Board.

The proposed preservation of the Village of Kaufman development is an extremely complicated transaction with many nuances. It is an existing scattered site project based Section 8 development that was originally developed in the early 1980's and has been serving extremely low-income families and elderly through rental subsidy (a Housing Assistance Payment Contract or "HAP Contract") from HUD. The HAP Contract was restructured in 2007 through a mark-to-market restructuring. With this restructuring, a second mortgage payable to HUD out of operating cash flow was established. Leveraging the existing loan payable to HUD and the HAP Contract rental subsidy with 9% tax credits makes for an application that is multifaceted. An additional level of complexity is created by partnering with a Dallas based non-profit service organization to provide and coordinate needed services for the residents.

This unique combination of Federal and State resources as well as a private and non-profit partnership allows for the preservation of an important affordable housing option, and many times the only housing option, for the families and elderly tenants of Village of Kaufman. Residents only are required to pay 30% of their monthly income in rent. This means that several residents of Village of Kaufman pay nothing in rent, while the average resident pays only \$208 per month, which is roughly half the 30% AMI rent limits of Kaufman County. Further, in order to qualify to live at Village of Kaufman 100% of the residents must make less than 30% of the Area Median Income as required under the HAP Contract, a more stringent income restriction than selected in the application. With that said, this site truly is serving the poorest members of the city of Kaufman. To ensure these

residents continue to receive safe, healthy, affordable housing the scattered site development requires a significant rehabilitation.

It is clear based on the thorough and specific items identified by Staff as deficiencies that our application was not in fact so “unclear, disjointed, or incomplete that a thorough review can not be reasonably performed” and that our application was not “substantially incomplete.” Several of the items identified by Staff as being omissions that attributed to their determination that our application was unable to be reviewed were immaterial to staff being able to determine the merits of the application and whether the project meets underwriting guidelines.

To help demonstrate that a majority of the items listed as omissions and contributing to termination were immaterial and very subjective we would like to outline a few specific examples from the original list of 27 omissions from the letter dated May 8th, 2009.

- One omission stated we didn't identify what other income was when it was clearly identified as “late charges” in the application. Attachment B shows this was identified in the original application.
- Three of the omissions related to a very small and immaterial discrepancy in units sizes. The size of the units identified on the rent roll and rent schedule was different than the hand drawn unit layouts by 7 square feet for a two bedroom unit and 15 square feet for a three bedroom unit. As this is a rehab of an existing development the unit sizes are not being altered and a small discrepancy does not hinder the reviewer's ability to comprehend the application.
- Two omissions stated that there was a discrepancy between the various commitment letters and the sources and uses; however there was in fact no discrepancy between these documents in the application. Please see Attachment C showing that there were not any discrepancies in the original application.
- Two omissions stated some discrepancy between whether the site was “intergenerational.” The development is a scattered site development with the sites located approximately 1.5 miles apart. One site is 100% family and the other site is 100% elderly, which is why there was some confusion on the Applicants part whether to select “intergenerational” or both “family” and “elderly.” This is certainly important to the application and was clearly outlined in the Development Narrative submitted as part of Volume 1, Tab 1.
- Seven omissions were regarding some missing signatures pages for certain forms, a sub-box that should have been checked, and some missing organization documents. Important items, but easily rectified and not so severe that the application would be considered substantially incomplete. These items have all been rectified and are no longer omissions.
- Two omissions regarding the site plan were noted. One stating there was no scale or dimensions, which the survey for each of the scattered sites (one family and one elderly located approximately 1.5 miles apart) clearly had. The second stating that the site plan doesn't note if there are separate entrances and/or personnel in the leasing office for family and elderly residents, which is not a requirement of the application, ASPM or QAP, would not typically show up on a site plan, and is not critical to the completeness of the application.
- One omission asked for an “escrow receipt” issued by the title company. The site control is through an option agreement that was executed and purchased. The money was directly wired to the Seller to purchase the option. The purchase option agreement was attached with the application and clearly stated the terms of the purchase of the option.

- One omission asked for evidence of the installation of the public notification sign, which was installed the day the application was submitted to the Department, making it impossible to include the picture with the application. While the picture was provided to Staff after the application, the receipt for the installation of the sign and the proper certification was provided with the application, see Attachment D. Again, this is obviously important but would not hinder a reviewer from properly assessing the materiality of the application.

As stated in the original letter from TDHCA the application was being terminated because "the significance of the omissions stated above renders the Application substantially incomplete." The fact is that the application was substantially complete. The fact is the application is complete enough that the reviewer was able to notice a 7 square foot difference between the total square feet of a two bedroom apartment on a hand drawn floor plan versus the square feet noted in the actual rent roll and rent schedule in the application. A discrepancy of less than 1% is immaterial and does not constitute an application being "substantially incomplete." While this is only one example of the subjectivity of the reviewer, it does high light some of the frustrations of the Applicant.

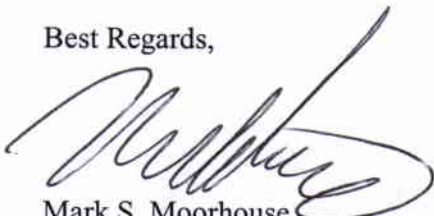
To help clear up any and all remaining deficiencies please see the enclosed Attachment A, which directly responds to the remaining 6 open items that were identified in the termination letter dated May 20th, 2009. These items are in addition to what was previously provided to Staff in our response dated May 14th and enclosed as Attachment E.

Based on previous correspondence and enclosed documentation we have now made all of the corrections requested by Staff, including ones erroneously listed by staff as omissions and/or immaterial in nature, and therefore hereby respectfully request Staff to re-evaluate what type of omissions truly make an application "substantially incomplete" and use their authority and judgment to recommend to the Board that our appeal be granted and to allow the application to be scored and underwritten by staff. While we are not trying to deny that there were deficiencies and omissions, we are trying to understand how these deficiencies and omissions made the application that was submitted "substantially incomplete."

We are very sensitive to the fact that Staff is wasting its time reviewing applications with material omissions (i.e. missing tabs or volumes); however it appears as though our application was terminated even though the application was substantially complete. We also understand the precedence set in earlier Board meetings but we are hopeful that Staff will reconsider the language in the QAP regarding an application being "substantially incomplete."

We thank Staff and you for your consideration of this appeal and hope that you are able to understand our confusion as to how these items render our application unable to be reviewed and "substantially incomplete."

Best Regards,



Mark S. Moorhouse
Partner



Owen C. Metz
Associate

Cc: Michael Gerber, Executive Director
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

Encl (5)
OCM

ATTACHMENT A

Our responses to each of the six remaining deficiency items are listed below in bold and italics.

Item-by-item Response to Remaining Deficiencies Noted by TDHCA

1. The financing narrative, as required by §49.9(h)(6) of the QAP, was not provided.

Pursuant to the QAP, please see attached financing narrative (Exhibit 1).

2. The Certification of Principal form was not provided for Housing Services Incorporated.

Please see attached Certification of Principal form for HSI (Exhibit 2).

3. In response to the items regarding appropriate documentation to support the Intergenerational housing type, you selected both Family and Elderly as the housing type. This is not an allowable selection, and none of the Intergenerational documentation was submitted.

Because the site is a scattered site development and each site has its own occupancy requirements we checked the boxes for both Family and Elderly. It was unclear that this was not an appropriate selection as one site is ONLY elderly and the other site is ONLY family. The appropriate forms have been changed and attached to reflect "Intergenerational."(Exhibit 3)

4. The square footage on the unit floor plans is still inconsistent with the rent schedule and the Part F Building/Unit Configuration.

The square footages included in the rent schedule and the building/unit configuration is taken directly from the attached rent roll provided by the Seller. The estimated square footages in Volume 3, Tab 1 are only an estimate. We relied on the rent roll for accuracy.

Updated unit floor plans have been attached that are consistent with the rent schedule and the Part F Building/Unit Configuration. (Exhibit 4)

5. A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.

Please see attached and updated title commitment, the development owner has been added to the commitment. On page 4 of the original commitment and the updated commitment (page 180 of the original PDF Application and attached Exhibit 5) the Seller is listed as The Village of Kaufman, Ltd., a Texas limited partnership.

6. The certificate of name reservation or application for name reservation from the Texas Secretary of State for Kaufman Leased Housing Development I, LLC was not provided.

Please see attached (Exhibit 6).

Village of Kaufman Apartments

Rec'd TDHCA 6/15/2009

Financing Narrative

Source #1 – First Mortgage:

The first mortgage will be conventional financing in the face amount of \$1,690,000. The terms of the financing are outlined on the attached letter from Alliant.

Source #1 – Construction Loan:

In addition to the First Mortgage, a construction loan of \$2,890,000 will also be used. The terms of the financing are outlined on the attached letter from Alliant.

Source #2 – Assumed HUD 2nd Mortgage (Cash Flow Note):

A 2nd Mortgage payable solely from Cash Flow will be assumed at closing. The note is payable to HUD. The note bears simple interest at 2.5 percent per annum. Annually, the Partnership is required to pay 75 percent of its surplus cash as of December 31, as calculated in its audited financial statements, to HUD as payments on this note. Annual payments are to be made ten days after the Partnership's financial statements are due to HUD. The payments are applied first to accrued interest and then to outstanding principal. The remaining unpaid principal and accrued interest, if any, are due and payable on July 1, 2037.

Source #3 – Assumed HUD Held Replacement Reserves:

The Buyer, Kaufman Leased Housing Associates I, Limited Partnership will retain the benefit for the property of the HUD held replacement reserves.

Source #8 – Federal Low Income Tax Credit Equity:

9% tax credits are awardable from the Texas Department of Housing and Community Affairs on a competitive basis. We will syndicate these tax credits to an investor, who will become a 99.98% limited partner. We plan on working with Alliant, see attached commitment letter.

Source #14 – Private Loan or Grant:

A short term loan payable to the Capital Area Housing Finance Corporation will be utilized to help fund construction costs and will be repayable from the final equity installment from the tax credit investor.

Source #15 – Imputed Expenses:

Imputed expenses of \$176,690 are included as both a source and use. See attached explanation of imputed expenses.

Source #16 – In-Kind Equity/Deferred Developer Fee:



DOMINIUM.

Financing Narrative

We are deferring approximately \$ 270,064 of developer fee that will need to be paid off by year 13 per tax counsel's requirements. The deferred developer fee will be paid out of available cash flow. Kaufman Leased Housing Development I, LLC (the Developer) will be receiving this deferred fee/loan.

Note: These numbers are subject to change as the project moves closer to closing. However, they are a good estimate and shouldn't change significantly.



EXPLANATION OF IMPUTED EXPENSES

The Partnership will capitalize amounts related to the interest that will accrue on the Investor Limited Partner's loan pursuant to the substitute cost method set forth in Section 263A(f)(2)(C) of the Internal Revenue Code (the "Code") and Internal Revenue Service Notice 88-99, 1988-2 C.B. 422. Pursuant to the substitute cost method, the Partnership is permitted to capitalize otherwise deductible expenditures that it incurs with respect to the construction of the Project, and the Partnership will include these capitalized substitute expenditures in the eligible basis of the Project. The Investor Limited Partner, rather than capitalizing the interest on the loan to fund its construction-period equity installments, will be permitted to report an interest deduction for federal income tax purposes. The calculation of the amount of such substitute expenditures that the Partnership is permitted to capitalize, and the amount of interest that the Investor Limited Partner is permitted to deduct, is governed by Code Section 263A(f) and Notice 88-99, 1988-2 C.B. 422.

The remaining balance of imputed expenses, relates to projected operating indirect costs and service costs with respect to the operation of the Project property during the construction period, including, but not limited to, taxes, utilities, insurance, repairs and maintenance, and general and administrative costs. During each month of the Project construction period, approximately 10% of the Project units will be uninhabitable and vacant to allow for rehabilitation of these units. Accordingly, approximately 10% of the operating indirect costs and service costs related to the operation of the Project during the construction period will be attributable to the portion of the Project property uninhabitable and under construction. Therefore, the Partnership will capitalize these operating indirect costs and service costs pursuant to Code Section 263A and Treas. Reg. § 1.263A-1.

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

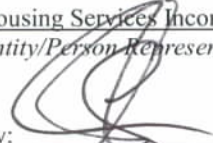
I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant’s Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Housing Services Incorporated
Entity/Person Represented by this form

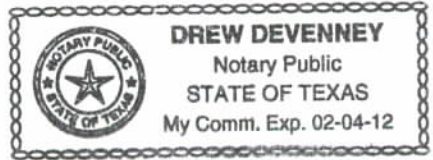
By:  _____ Its: Executive Director
Signature of Applicant/Owner/Authorized Person 6.10.09 Date

STATE OF: TX
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Lee Anderson, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 10 day of June, 2009. (seal)

 _____
Notary Public Signature 2/4/12 Commission Expires



List the “Applicant Legal Name” followed by the “Program Code” for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____



2009 MULTIFAMILY UNIFORM APPLICATION
 Texas Department of Housing and Community Affairs (TDHCA)
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §49.9(c), **Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules**, and certifies that all information herein is true and correct to the best of their knowledge and belief. **By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).**

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

[Signature] Mark S. Moorhouse, Manager 6/09/09
 Applicant's Authorized Representative's Signature Representative's Printed Name, Title Date

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name: <u>Village of Kaufman</u>	Region: <u>3</u>
Address: <u>421 E. 7th Street</u>	ZIP Code: <u>75142</u>
City: <u>Kaufman</u>	County: <u>Kaufman</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number: <u>09222</u>	

2. Target Population (Check Only One):

- Family
- Elderly
- Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name: <u>Kaufman Leased Housing Associates I, Limited Partnership</u>	
Applicant Name:	Contact <u>Mark S. Moorhouse</u>
Mailing Address: <u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u> State <u>MN</u> ZIP: <u>55447</u>
Phone: <u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u> Email: <u>m Moorhouse@dominiuminc.com</u>

If Applicant's "Physical Address" is different from the "Mailing Address," provide the physical address below:

Applicant Physical Address: _____
City: _____ State: _____ ZIP: _____

**Volume 1, Tab 8
REVELANT DEVELOPMENT INFORMATION FORM, Part 1**

This form, Parts 1 and 2 (pages 1-4) must be completed by the Applicant in its entirety.

The information will be utilized by the Department to notify officials required under §49.11(a)(3)(B) of the QAP. Note: The Department is not responsible for notifying Applicants if information contained herein is inaccurate. It is the Applicants' sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.

IF A PRE-APPLICATION WAS SUBMITTED, ONLY INFORMATION CHANGES FROM THE PRE-APPLICATION TO APPLICATION MUST BE INDICATED BELOW.

NOTE: IF A PRE-APPLICATION WAS SUBMITTED, AND THERE HAS BEEN A CHANGE FROM PRE-APPLICATION TO APPLICATION THAT RESULTED IN A TOTAL UNIT INCREASE OF GREATER THAN 10%, AND INCREASE OF GREATER THAN 10% FOR ANY GIVEN LEVEL OF AMGI, OR A CHANGE IN POPULATION SERVED (FAMILY, ELDERLY OR INTERGENERATIONAL) THE APPLICANT MUST RE-NOTIFY AS REQUIRED BY §49.9(h)(8)(A).

HOWEVER, THE DEPARTMENT REQUESTS ALL CHANGES FROM PRE-APPLICATION TO APPLICATION IN ALL OF THE INFORMATION BELOW, EVEN IF A RE-NOTIFICATION WAS NOT REQUIRED.

CHECK IF THERE WERE NO CHANGES FROM PRE-APPLICATION TO APPLICATION THAT RESULTED IN A TOTAL UNIT INCREASE OF GREATER THAN 10%, AND INCREASE OF GREATER THAN 10% FOR ANY GIVEN LEVEL OF AMGI, OR A CHANGE IN POPULATION SERVED (FAMILY, ELDERLY OR INTERGENERATIONAL).

Building/Unit Configuration:

- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Detached Residence | <input checked="" type="checkbox"/> Duplex | <input type="checkbox"/> Triplex | <input checked="" type="checkbox"/> Fourplex |
| <input type="checkbox"/> 5 units or more/building | <input checked="" type="checkbox"/> Scattered Site Development | <input type="checkbox"/> Single Room Development | <input type="checkbox"/> Townhome |

Maximum # Floors: <u>2</u>	Elevator-Served: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Total Site Acreage: <u>7.88</u>
# Res. Buildings: <u>26</u>	# of Non-Res. Buildings: <u>1</u>	# Units per Acre: <u>8.6</u>
Total Units: <u>68</u>	Total Market Rate Units: <u>0</u>	Total LI Units: <u>68</u>

Tenant Services (describe): The applicant will provide the number and type of services necessary to receive the full 8 points for Services Provided to Tenants of the Development.

CHANGE FROM PRE-APP

Complete all rent information as applicable to this Application: **CHANGE FROM PRE-APP**

Average Rent for a 1 bedroom LI Unit: <u>\$493</u>	Average Rent for a 1 bedroom MR Unit: <u>\$n/a</u>
Average Rent for a 2 bedroom LI Unit: <u>\$605</u>	Average Rent for a 2 bedroom MR Unit: <u>\$n/a</u>
Average Rent for a 3 bedroom LI Unit: <u>\$759</u>	Average Rent for a 3 bedroom MR Unit: <u>\$n/a</u>
Average Rent for a 4 bedroom LI Unit: <u>\$n/a</u>	Average Rent for a 4 bedroom MR Unit: <u>\$n/a</u>

Target Population (check only one) **CHANGE FROM PRE-APP**

- Family Elderly Intergenerational Housing

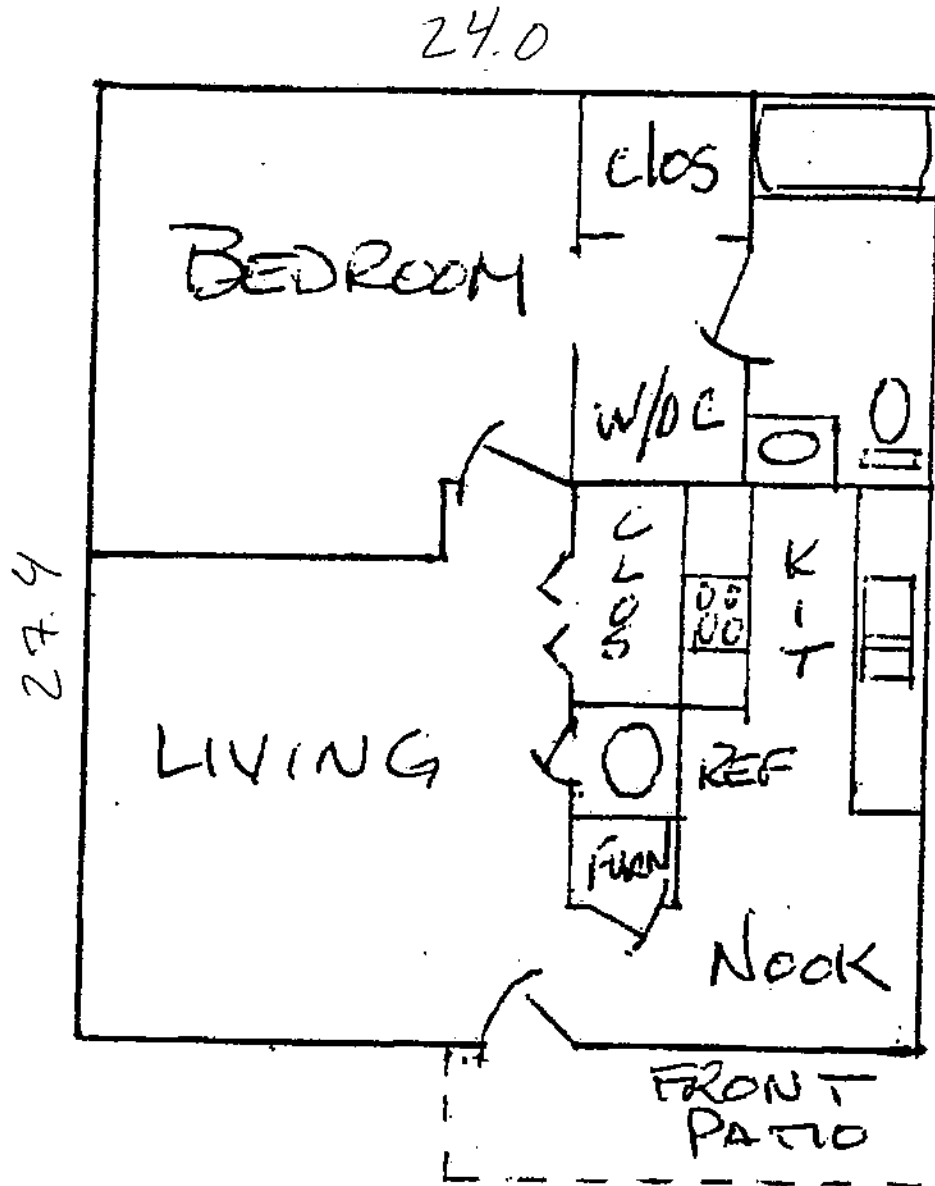
SUMMARY OF PROPOSED PROJECT

VILLAGE OF KAUFMAN

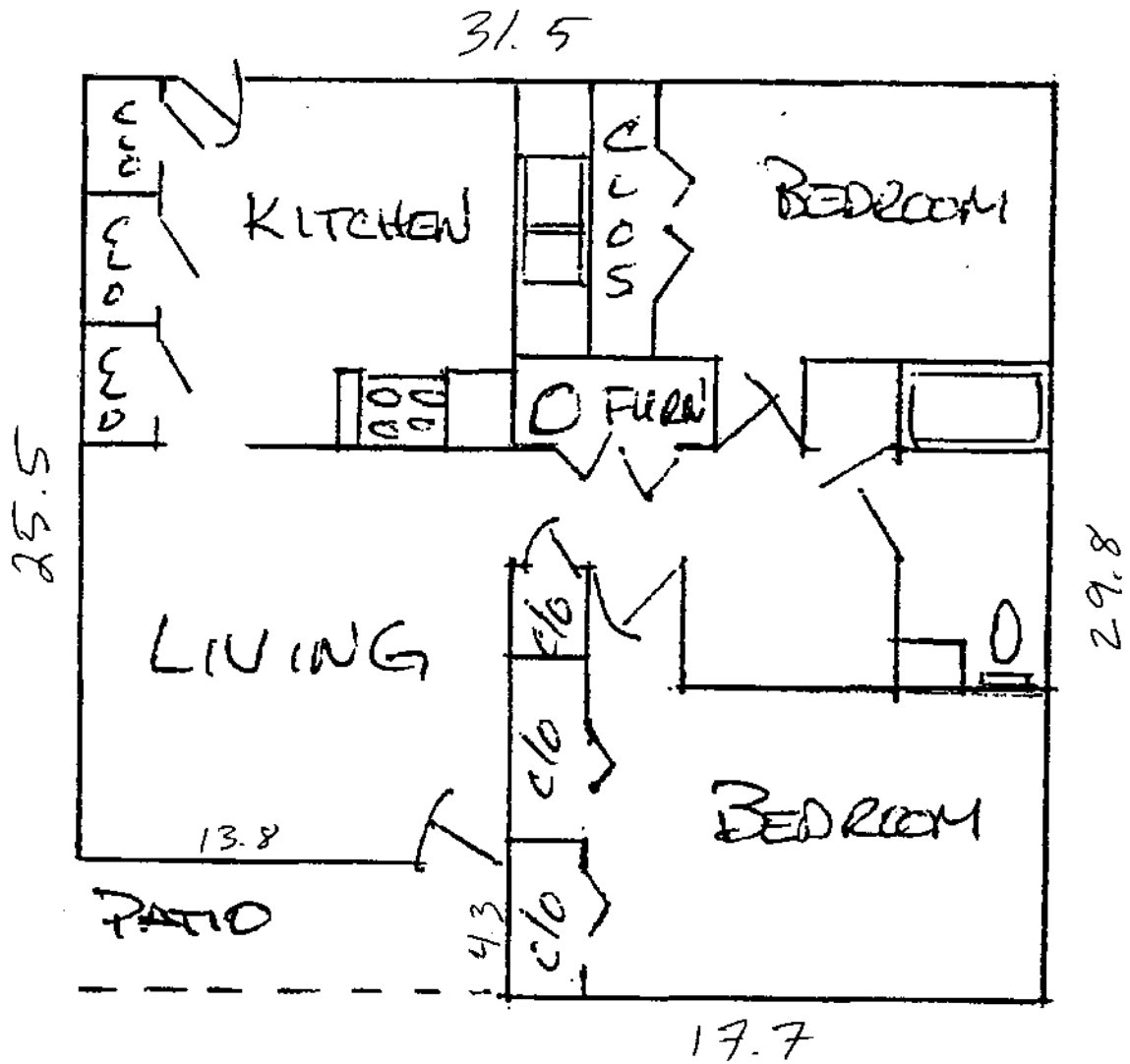
Current Site Address	405-440 E. 7 th Street & 101-135 Village Drive, Kaufman, TX 75142
Project Name	Village of Kaufman
State whether the project is existing or proposed	Existing
Indicate housing type	Rehabilitation of Multi-Family Apartments (Intergenerational)
Owner name, contact name and phone number	Kaufman Leased Housing Associates I, Limited Partnership Mark Moorhouse ▪ 763.354.5613
Current Development Owner	The Village of Kaufman, Ltd. Ashley Poley (310) 258-5141
Number of Units	68
Acreage	7.88 Acres
Units per Acre	8.6
Parking	Adequate on-site parking
Existing Community Features	Management Office, Community Room/Kitchen



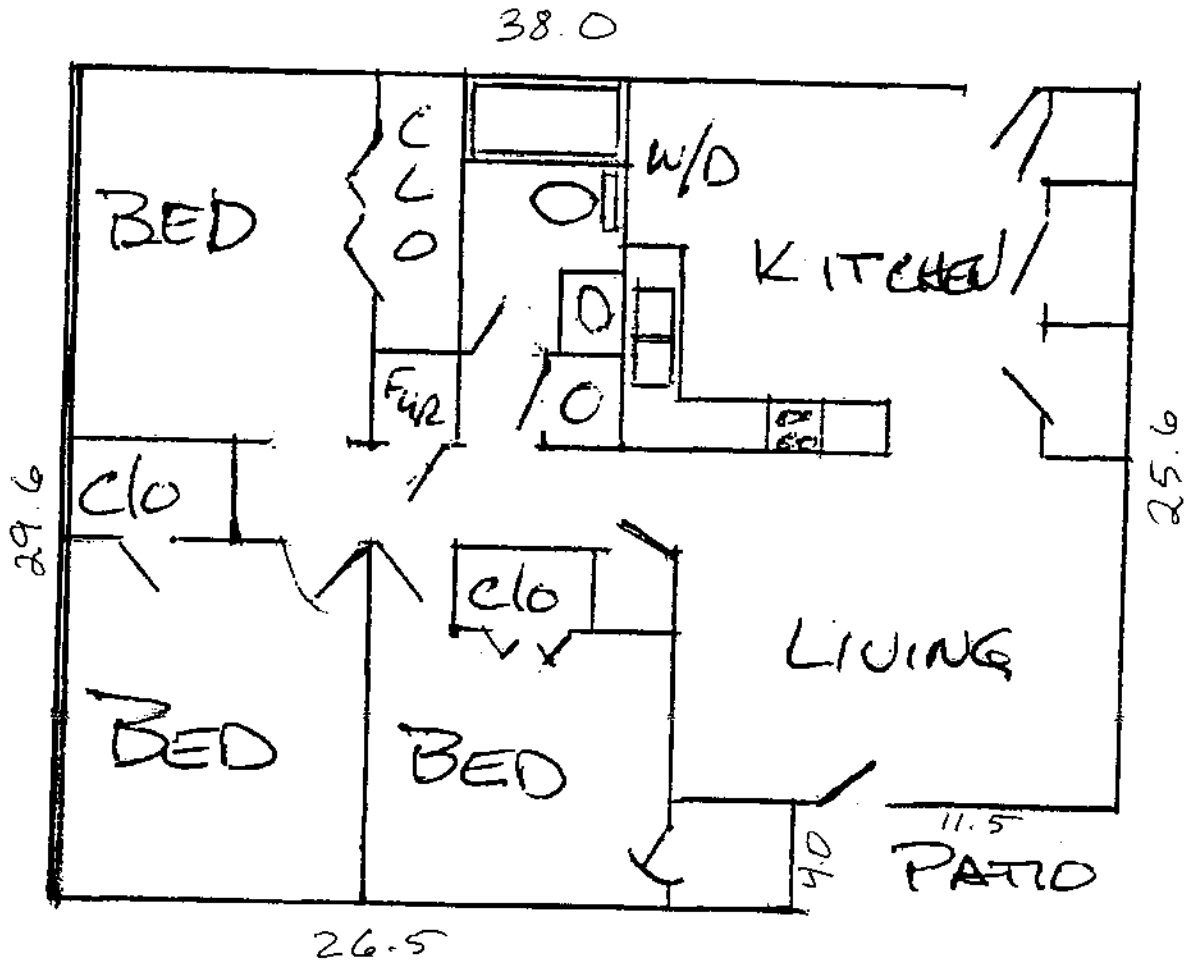
One Bedroom Apartment 658 Square Feet



Two Bedroom Apartment 879 Square Feet

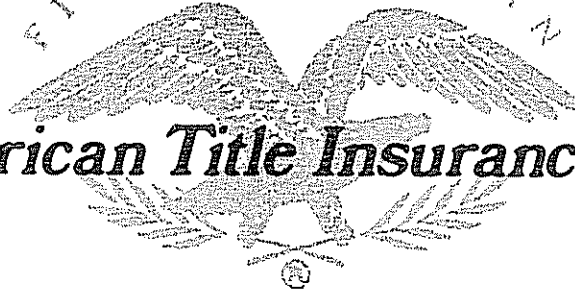


Three Bedroom Apartment 1,079 Square Feet



Issued by

FIRST AMERICAN



First American Title Insurance Company

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We, First American Title Insurance Company, will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

ATTEST

First American Title Insurance Company



Mark R. Arnesen

Secretary

By: *Gary L. Keruett*
PRESIDENT

REPUBLIC TITLE OF TEXAS, INC.

Rose M. Boisse
Authorized Signature
ROSE M. BOISSE, SENIOR VICE PRESIDENT

ISSUING AGENT



REPUBLIC TITLE

2626 Howell Street, 10th Floor
Dallas, Texas 75204-4064
(214) 855-8888 Fax: (214) 855-8848

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, Exceptions and Exclusions.

G.F. NO. 09R06462 ND5

POLICY NO. 09R06462

DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

"Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

SIGNATURE

DATE

COMMITMENT:

1 COMMITMENT NUMBER
 2 PROPERTY TYPE
 3 COUNTY
 4 PURCHASE PRICE
 5
 6 LOAN AMOUNT
 7 EFFECTIVE DATE
 8
 9

09R06462	CI		9,000,000.00		\$	06/03/2009		
1	2	3	4	5	6	7	8	9

First American Title Insurance Company

SCHEDULE A

Effective Date: June 3, 2009 GF No. 09R06462 ND5
 Commitment No. 09R06462, issued June 8, 2009, 08:30 AM.

1. The policy or policies to be issued are:

- (a) OWNER POLICY OF TITLE INSURANCE (Form T-1) \$ 9,000,000.00
 (Not applicable for improved one-to-four family residential real estate)
 Proposed Insured:
 KAUFMAN LEASED HOUSING ASSOCIATES I, LIMITED PARTNERSHIP,
 a Texas limited partnership
- (b) TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE \$
 -- ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
 Proposed Insured:
- (c) MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2) \$ To Be Determined.
 Proposed Insured:
 TO BE DETERMINED
 Proposed Borrower:
 KAUFMAN LEASED HOUSING ASSOCIATES I, LIMITED PARTNERSHIP,
 a Texas limited partnership
- (d) TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R) \$
 Proposed Insured:
 Proposed Borrower:
- (e) MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13) \$
 Proposed Insured:
 Proposed Borrower:
- (f) OTHER \$
 Proposed Insured:

2. The interest in the land covered by this Commitment is:

FEE SIMPLE

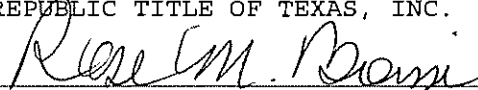
3. Record title to the land on the Effective Date appears to be vested in:

THE VILLAGE OF KAUFMAN, LTD., a Texas limited partnership

4. Legal description of land:

Tract 1: A.L. Carter Subdivision to the City of Kaufman, Texas, according to the Plat thereof recorded in Cabinet 1, Envelope 476, Plat Records, Kaufman County, Texas, and being more particularly described on Exhibit A attached hereto and made a part hereof for all purposes.

REPUBLIC TITLE OF TEXAS, INC.


 ROSE M. BOISSE, SENIOR VICE PRESIDENT
 Authorized Signatory

Countersigned at DALLAS, TEXAS.

This commitment is invalid unless the insuring provisions and Schedules A, B, and C are attached.

First American Title Insurance Company

GF Number: 09R06462

09R06462

SCHEDULE A

Tract 2: Village South Addition to the City of Kaufman, Texas, according to the Plat thereof recorded in Cabinet 1, Envelope 531, Plat Records, Kaufman County, Texas, and being more particularly described on Exhibit A attached hereto and made a part hereof for all purposes. (.7255 acres in Village Drive)

First American Title Insurance Company

09R06462

Exhibit A

GF-Number 09R06462

Tract 1

All that certain lot, tract or parcel of land situated within the corporate limits of the City of Kaufman, Kaufman County, Texas, part of the Anna L. Carter Survey, Abstract No. 98 and part of that certain called 45.535 acre tract conveyed to Rodney Ray Adams by A.J. Kupper, et al, on February 5, 1974, and recorded in Volume 587, Page 608, of the Deed Records of Kaufman County, Texas, and being more completely described as follows, to wit:

BEGINNING at a punch hole in concrete found at the Northwest corner of Installment No. 3, of the Kaufman East Addition to the City of Kaufman and being at the Southwest corner of the above mentioned 45.535 acre tract;

THENCE North 11 degrees 32 minutes 39 seconds East, with the West line of said 45.535 acre tract, a distance of 377.05 feet to a 1/2 inch iron rod with cap found for corner, from which a 1/2 inch iron rod found bent bears South 64 degrees 21 minutes East, a distance of 0.51 feet;

THENCE South 78 degrees 27 minutes 21 seconds East, a distance of 100.00 feet to a 1/2 inch iron rod and a 1/2 inch iron rod with cap found at corner;

THENCE South 49 degrees 04 minutes 39 seconds East, a distance of 404.95 feet to an "X" cut in concrete, lying in the West line of the proposed extension of Royal Drive (50 feet wide);

THENCE South 11 degrees 14 minutes 02 seconds West, with the said West line, a distance of 350.00 feet to the intersection of same with the Northeast line of the above mentioned Installment No. 3 of Kaufman East Addition, from which a found 1/2 inch iron pipe bears South 40 degrees 03 minutes East, a distance of 0.60 feet;

THENCE North 57 degrees 46 minutes 58 seconds West with said Northeast line, a distance of 486.06 feet to the PLACE OF BEGINNING, and containing 4.011 acres of land, more or less.

And being the same property conveyed to The Village of Kaufman, Ltd., a Texas limited partnership from The Wallace-Dean Corporation, a Texas corporation pursuant to that certain Warranty Deed dated October 28, 1980, recorded September 15, 1981 in Deed Book 704, Page 829 among the Deed Records, Kaufman County, Texas.

Tract 2

All that certain lot, tract or parcel of land, part of the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, part of that certain called 15.0 acre tract conveyed to Calvin W. Williams by Humana of Texas, Inc. on April 15, 1977

First American Title Insurance Company

09R06462

Exhibit A (Continued)

GF-Number 09R06462

and recorded in Volume 630, Page 271 of the Deed Records of Kaufman County, Texas, and being more completely described as follows, to-wit:

BEGINNING at a found 1/2 inch iron rod for corner at the Southeast corner of the above mentioned 15.0 acre tract and this tract, lying in the West Right of Way line of Old Hwy. No. 40, also known as County Road 151;

THENCE North 88 degrees 10 minutes 53 seconds West, with the South line of said 15.0 acre tract, a distance of 673.87 feet to a 1/2 inch iron rod for corner at the Southwest corner of the 15.0 acre tract and this tract;

THENCE North 01 degree 49 minutes 07 seconds East with the West line of said 15.0 acre tract, a distance of 290.00 feet to the Northwest corner of this tract, from which a 1/2 inch iron rod bears North 86 degrees 24 minutes 12 seconds East, a distance of 0.40 feet;

THENCE South 88 degrees 10 minutes 53 seconds East, a distance of 673.87 feet to a 1/2 inch iron rod found in the East line of said 15.0 acre tract and being in the West line of aforesaid Old Highway No. 40 and marking for the Northwest corner of this tract;

THENCE South 1 degree 49 minutes 07 seconds West, with said line a distance of 290.00 feet to the PLACE OF BEGINNING, containing 4.486 acres (195,422 square feet) of land and being now known as VILLAGE SOUTH ADDITION, an Addition in Kaufman County, Texas according to the Plat thereof recorded in Volume 11, Page 26, and now in Cabinet 1, Envelope 531 of the Plat Records of Kaufman County, Texas.

And being the same property conveyed to The Village of Kaufman, Ltd., a Texas limited partnership from Calvin W. Williams, pursuant to that certain Warranty Deed dated October 21, 1980, recorded October 29, 1981 in Deed Book 687, Page 245 among the Deed Records, Kaufman County, Texas.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

COMMITMENT FOR TITLE INSURANCE NO. 09R06462**SCHEDULE B****EXCEPTIONS FROM COVERAGE**

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):
 - a. Restrictive covenants recorded in Volume 3189, Page 62, Real Property Records of Kaufman County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted. [2]
 - b. Restrictive covenants recorded in Volume 3189, Page 92, Real Property Records of Kaufman County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted. [3]
 - c. Restrictive covenants recorded in Volume 3189, Page 145, Real Property Records of Kaufman County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted. [4]
2. ~~Any easements, covenants, or shortages in area or boundary lines, or any encroachments or projections or any overlapping of improvements.~~ Shortages in Area. (Will be amended in owner's policy only upon receipt of required additional premiums.)
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities:
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
 (Applies to the Owner Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 2009, and subsequent years; ~~and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership,~~ but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Mortgagee Policy (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2009 and subsequent years.")

Company insures that standby fees, taxes and assessments by any taxing authority for the year 2009 are not yet due and payable. (amendment is for mortgagee policy only.)
6. The terms and conditions of the documents creating your interest in the land.

(CONTINUED ON NEXT PAGE)

COMMITMENT FOR TITLE INSURANCE NO. 09R06462**SCHEDULE B**

Page 2

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception):
 - a. Easement granted by the County of Kaufman by Monroe Ashworth, County Judge, to the State of Texas, dated 04/13/1939, filed 07/12/1939, recorded in Volume 264, Page 367, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [16]
 - b. Easement granted by the County of Kaufman by Monroe Ashworth, County Judge, to Texas Power & Light Co., dated 07/10/1939, filed 08/28/1939, recorded in Volume 265, Page 147, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [17]
 - c. Easement granted by Kaufman County, to Texas Power & Light Co., dated 03/10/1947, filed 07/26/1947, recorded in Volume 311, Page 467, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [18]
 - d. 7.5' and 15' utility easements per plat recorded in Cabinet 1, Envelope 531, Plat Records of Kaufman County, Texas, as shown on survey prepared by Fred W. Lawton, RPLS No. 2321, dated 2/18/2009. (Affects Tract 2) [20]
 - e. Mineral lease, and all rights incident thereto, to Amoco Production Company, as Lessee, from Rodney Ray Adams, as Lessor, described in instrument filed 01/04/1980, recorded in Volume 669, Page 511, Real Property Records of Kaufman County, Texas. Title to said interest not checked subsequent to the date thereof. Waiver of Surface Rights filed 08/21/1980, recorded in Volume 683, Page 381, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [19]
 - f. Rights of parties in possession and rights of tenants under any unrecorded leases or rental agreements. (may be amended or deleted upon execution of affidavit with respect to parties in possession and tenants at closing.) [13]
 - g. Terms, provisions, and conditions of Use Agreement for Multifamily Projects Participating in the Mark-To-Market Program under the Multifamily Assisted Housing Reform and Affordability Act of 1997, dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 62, Real Property Records of Kaufman County, Texas. [8]

(CONTINUED ON NEXT PAGE)

COMMITMENT FOR TITLE INSURANCE NO. 09R06462
SCHEDULE B

Page 3

- h. Terms, provisions, and conditions of U.S. Department of Housing and Urban Development Housing - Federal Housing Commissioner Regulatory Agreement for Insured Multi-Family Housing Projects, (With Section 8 Housing Assistance Payments Contracts), dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 92, Real Property Records of Kaufman County, Texas. [9]
- i. Terms, provisions, and conditions of U.S. Department of Housing & Urban Development Federal Housing Administration Regulatory Agreement For Mortgage Restructuring Deed of Trust Insured Multi-Family Housing Projects (With Section 8 Housing Assistance Payments Contracts), dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 145, Real Property Records of Kaufman County, Texas. [10]
- j. Intentionally Deleted. [11]
- k. Intentionally Deleted. [12]
- l. Easement rights, if any, relative to overhead electric lines, power poles and sanitary sewer manhole, not located within an easement, as shown on survey prepared by Fred W. Lawton, RPLS No. 2321, dated 2/18/2009. (Affects Tract 1) [21]
- m. Easement rights, if any, relative to overhead electric lines and sanitary sewer manhole, not located within an easement, as shown on survey prepared by Fred W. Lawton, RPLS No. 2321, dated 2/18/2009. (Affects Tract 2) [22]

COMMITMENT FOR TITLE INSURANCE NO. 09R06462**SCHEDULE C**

Your Policy will not cover loss, costs, attorneys fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - there is legal right of access to and from the land,
 - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. In accordance with Section 11.008 of the Texas Property Code, all deeds and deeds of trust transferring an interest in real property to or from an individual and disclosing that individual's social security number or driver's license number must include the following notice on the top of the first page of the instrument in 12 point bold or uppercase font:
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER. [1]
6. With respect to item 2 of Schedule C above, the Company will not except in any policies to be issued pursuant to this commitment to 'Lack of a right of access to and from the land'. [14]
7. Require examination of partnership agreement of The Village of Kaufman, Ltd., to determine authority to act in this transaction. [15]
8. Deed of Trust from THE VILLAGE OF KAUFMAN, LTD., a Texas Limited Partnership, to CHARLES F. HINTON, JR., Trustee, dated 10/28/1980, filed 10/28/1980, recorded in Volume 252, Page 823, Real Property Records of Kaufman County, Texas, securing a note in the principal sum of \$1,934,300.00, payable to HINTON MORTGAGE & INVESTMENT CO., and securing other indebtedness as described therein, if any. Ultimately assigned to THE CHASE MANHATTAN BANK, by instrument filed 04/24/2001, recorded in Volume 1705, Page 48, Real Property Records, Kaufman County, Texas. Said note and lien modified by instrument filed 08/17/1982, recorded in Volume 721, Page 304, Real Property Records, Kaufman County, Texas. Said note and lien modified by instrument

(CONTINUED ON NEXT PAGE)

COMMITMENT FOR TITLE INSURANCE NO. 09R06462**SCHEDULE C**

Page 2

filed 02/25/1994, recorded in Volume 1118, Page 786, Real Property Records, Kaufman County, Texas. [5]

9. Deed of Trust from THE VILLAGE OF KAUFMAN, LTD., a limited partnership, to WILLIAM Z. FAIRBANKS, JR., Attorney at Law, Trustee, dated 06/20/2007, filed 06/26/2007, recorded in Volume 3189, Page 81, Real Property Records of Kaufman County, Texas, securing a note in the principal sum of \$631,800.00, payable to WELLS FARGO BANK, NATIONAL ASSOCIATION, and securing other indebtedness as described therein, if any. Said note further secured by UCC Financing Statement filed 06/26/2007, recorded in Volume 3189, Page 116, Real Property Records, Kaufman County, Texas. [6]
10. Mortgage Restructuring Deed of Trust from THE VILLAGE OF KAUFMAN, LTD., to WILLIAM Z. FAIRBANKS, JR., Attorney at Law, Trustee, dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 124, Real Property Records of Kaufman County, Texas, securing a note in the principal sum of \$1,264,707.96, payable to SECRETARY OF HOUSING AND URBAN DEVELOPMENT, or its successors and assigns, and securing other indebtedness as described therein, if any. Said note further secured by UCC Financing Statement filed 06/26/2007, recorded in Volume 3189, Page 171, Real Property Records, Kaufman County, Texas. [7]

First American Title Insurance Company

SCHEDULE D

No: 09R06462

Page 1

GF-Number: 09R06462

The following disclosures are made pursuant to Procedural Rule P-21 promulgated by the Commissioner of Insurance:

You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this Commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm, or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium * is:

Owner Policy	\$	43,342.35
Mortgagee Policy	\$	
Endorsement charges	\$	
Other	\$	
Total	\$	43,342.35

Of this amount: 15.000% will be paid to the policy issuing Title Insurance Company; 45.000% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows: 40.000% to COMMERCIAL PARTNERS TITLE for Title Evidence or Closing Services.

* The estimated premium is based upon information furnished us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance.

UNDERWRITER

First American Title Insurance Company, A California Corporation
(wholly owned subsidiary of The First American Corporation, a public company).

DIRECTORS:

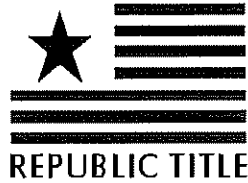
D.P. Kennedy, Parker S. Kennedy, Gary J. Beban, J. David Chatham, William G. Davis, James L. Doti, Lewis W. Douglas, Jr., Paul B. Fay, Jr., Frank E. O'Bryan, Roslyn B. Payne, D. Van Skilling, Herbert B. Tasker and Virginia M. Ueberroth

OFFICERS:

Chairman of the Board and Chief Executive Officer: Parker S. Kennedy; President: Craig I. DeRoy; Senior Executive Vice President and Chief Financial Officer: Thomas A. Klemens; Executive Vice President and Chief Operating Officer: Dennis J. Gilmore; Executive Vice President, Lenders Services: Curt A. Caspersen; Executive Vice President, Technology: John M. Hollenbeck; Executive Vice President, Title Insurance and Services: Gary L. Kermott; Senior Vice President and General Counsel: Kenneth D. DeGiorgio; Senior Vice President and Chief Information Officer: Roger S. Hull; Senior Vice President and National Litigation Counsel: Timothy P. Sullivan; Vice President, Secretary and Corporate Counsel: Mark R. Arnesen; Vice President, Corporate Communications: Jo Etta Bandy; Vice President Regulatory Counsel and Special Counsel: James J. Dufficy; Vice President and Controller: Paul W. Knutson

DIRECT OPERATIONS:

Republic Title of Texas, Inc. (Dallas, TX)
William A. Kramer, Chairman of the Board
Ward Williford, Vice Chairman
Paul A. Pulliam, Chief Executive Officer
David A. Shuttee, President and Chief Operating Officer
Mike Richards, Executive Vice President
Dennis Eastland, Secretary/Treasurer



REPUBLIC TITLE OF TEXAS, INC.

PRIVACY STATEMENT of Republic Title of Texas, Inc. and its underwriters,



First American Title Insurance Company, Lawyers Title Insurance Corporation, Commonwealth Land Title Insurance Company, Old Republic National Title Insurance Company, Stewart Title, Title Resources Guaranty Company

Republic Title of Texas, Inc. and its subsidiary and affiliated companies ("RTT") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains RTT's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. RTT follows the privacy practices described in this Privacy Statement and, depending on the business performed, RTT may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- * Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- * Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- * Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- * Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- * To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- * To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- * To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- * To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements; and/or
- * To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other related companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, RTT's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

General Counsel
Republic Title of Texas, Inc.
2701 West Plano Parkway, Suite 100
Plano, TX 75075

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

TEXAS TITLE INSURANCE INFORMATION

Rec'd TDHCA 6/15/2009

Title insurance insures you against loss resulting from certain risks to your title.

The Commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The Commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

— **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Requirements section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

— **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

— **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the State Board of Insurance by calling the Title Insurance Company at 1-800-347-7826 or by calling the title insurance agent that issued the Commitment. The State Board of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

— Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy.

— Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

IMPORTANT NOTICE

**FOR INFORMATION, OR
TO MAKE A COMPLAINT
CALL OUR TOLL-FREE TELEPHONE NUMBER**

1-800-347-7826

**ALSO
YOU MAY CONTACT
THE TEXAS DEPARTMENT
OF INSURANCE AT**

1-800-252-3439

to obtain information on:

1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company or agent,
4. policyholder rights, and
5. a list of consumer publications and services available through the Department.

**YOU MAY ALSO WRITE TO
THE TEXAS DEPARTMENT OF INSURANCE
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426**

AVISO IMPORTANTE

**PARA INFORMACION, O
PARA SOMETER UNA QUEJA
LLAME AL NUMERO GRATIS**

1-800-347-7826

**TAMBIEN
PUEDE COMUNICARSE CON
EL DEPARTAMENTO DE SEGUROS
DE TEXAS AL**

1-800-252-3439

para obtener información sobre:

1. como someter una queja en contra de una compañía de seguros o agente de seguros,
2. si una compañía de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compañía de seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a través del Departamento.

**TAMBIEN PUEDE ESCRIBIR AL
DEPARTAMENTO DE SEGUROS DE TEXAS
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426**



Office of the Secretary of State

CERTIFICATE OF FILING OF

Kaufman Leased Housing Development I, LLC
File Number: 801127063

The undersigned, as Secretary of State of Texas, hereby certifies that an Application for Registration for the above named Foreign Limited Liability Company (LLC) to transact business in this State has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing the authority of the entity to transact business in this State from and after the effective date shown below for the purpose or purposes set forth in the application under the name of

Kaufman Leased Housing Development I, LLC

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/26/2009

Effective: 05/26/2009



A handwritten signature in cursive script, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

Form 304
(Revised 1/06)
 Return in duplicate to:
 Secretary of State
 P.O. Box 13697
 Austin, TX 78711-3697
 512 463-5555
 FAX: 512/463-5709
 Filing Fee: \$750



This space reserved for office use.

FILED
 In the Office of the
 Secretary of State of Texas

MAY 26 2009

Corporations Section

**Application for
 Registration
 of a Foreign Limited
 Liability Company**

1. The entity is a foreign limited liability company. The name of the entity is:

Kaufman Leased Housing Development I, LLC

2A. The name of the entity in its jurisdiction of formation does not contain the word "limited liability company" or "limited company" (or an abbreviation thereof). The name of the entity with the word or abbreviation that it elects to add for use in Texas is:

2B. The entity name is not available in Texas. The assumed name under which the entity will qualify and transact business in Texas is:

3. Its federal employer identification number is: 26-4331223

Federal employer identification number information is not available at this time.

4. It is organized under the laws of: (set forth state or foreign country) Minnesota

and the date of its formation in that jurisdiction is: 02/25/2009

mm/dd/yyyy

5. As of the date of filing, the undersigned certifies that the foreign limited liability company currently exists as a valid limited liability company under the laws of the jurisdiction of its formation.

6. The purpose or purposes of the limited liability company that it proposes to pursue in the transaction of business in Texas are set forth below. The entity also certifies that it is authorized to pursue such stated purpose or purposes in the state or country under which it is organized.

Real estate development.

7. The date on which the foreign entity intends to transact business in Texas, or the date on which the foreign entity first transacted business in Texas is: 05/18/2009

mm/dd/yyyy

8. The principal office address of the limited liability company is:

2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447
<i>Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip/Postal Code</i>

Complete item 9A or 9B, but not both. Complete item 9C.

9A. The registered agent is an organization (cannot be entity named above) by the name of:

C T Corporation System

OR

9B. The registered agent is an individual resident of the state whose name is:

<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>
-------------------	-------------	------------------	---------------

9C. The business address of the registered agent and the registered office address is:

350 N. St. Paul Street	Dallas	TX	75201
<i>Street Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

10. The entity hereby appoints the Secretary of State of Texas as its agent for service of process under the circumstances set forth in section 5.251 of the Texas Business Organizations Code.

11. The name and address of each governing person is:

IF INDIVIDUAL				
David	L.	Brierton		
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
OR				
IF ORGANIZATION				
<i>Organization Name</i>				
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>
IF INDIVIDUAL				
Jack	W.	Safar		
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
OR				
IF ORGANIZATION				
<i>Organization Name</i>				
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>
IF INDIVIDUAL				
Armand	E.	Brachman		
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
OR				
IF ORGANIZATION				
<i>Organization Name</i>				
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>



Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Please see attached Addendum - Additional Governing Persons



- A. This document becomes effective when the document is filed by the secretary of state.
 - B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
 - C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____
- The following event or fact will cause the document to take effect in the manner described below:
- _____
- _____



The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: _____

Paul R. Sween, Vice President
Signature and title of authorized person on behalf of the foreign entity

**ADDENDUM
ADDITIONAL GOVERNING PERSONS**

NAME OF GOVERNING PERSON IF INDIVIDUAL			
Paul	R.	Sween	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	
ADDRESS OF GOVERNING PERSON			
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA 55447
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country Zip Code</i>
NAME OF GOVERNING PERSON IF INDIVIDUAL			
Mark	S.	Moorhouse	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	
ADDRESS OF GOVERNING PERSON			
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA 55447
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country Zip Code</i>
NAME OF GOVERNING PERSON IF INDIVIDUAL			
Christopher	P.	Barnes	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	
ADDRESS OF GOVERNING PERSON			
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA 55447
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country Zip Code</i>

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Volume 1

Tab 4

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

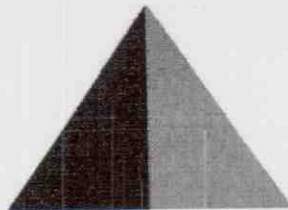
Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Village of Kaufman**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	\$ 2,890,000	\$ 1,690,000	Alliant Capital
2	Assumed HUD 2nd Mortgage (Cash Flow Note)	2	\$ 957,352	\$ 957,352	HUD
3	Assumed HUD Held Replacement Reserves	N/A	\$ 266,497	\$ 266,497	HUD
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 2,872,960	\$ 4,542,960	Alliant Capital
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant	4	\$ 470,000	-	Capital Area HFC
15	Capitalized Expenses	N/A	\$ 176,690	\$ 176,690	N/A
16	In-Kind Equity/Deferred Developer Fee	3	\$ 270,064	\$ 270,064	N/A
TOTAL SOURCES OF FUNDS			\$ 7,903,563	\$ 7,903,563	
TOTAL USES OF FUNDS				\$ 7,903,563	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction



ALLIANT

February 25, 2009

Dominium Development & Acquisitions, LLC
c/o Mr. Mark Moorhouse
2355 Polaris Lane N. Suite 100
Plymouth, MN 55447

Re: Kaufman Leased Housing Associates I, Limited Partnership

Dear Mr. Moorhouse

It has been a pleasure working with you regarding the above referenced project. The purpose of this correspondence is to advise you of Alliant Mortgage Company, Inc., ("Alliant") approval of providing construction and permanent loan financing for this project on the terms and conditions set forth below.

Borrower: Kaufman Leased Housing Associates I, Limited Partnership

Property Address: 100 Village Dr.
Kaufman, TX

Construction Loan Amount: \$2,890,000

Permanent Loan Amount: \$1,690,000; this loan amount is subject to 90% of appraised value based on restricted rents and a market cap rate.

Term: Construction Phase of Loan – Construction Phase shall be that period of time until the project reaches rental achievement for three (3) consecutive months but not greater than twenty-four (24) months. Rental achievement shall be defined as not less than 90% of the units leased and occupied to qualifying tenants at rental rates approved by the lender. The construction loan will have one six (6) month extension at the borrower's option.

Permanent Phase of Loan – Fifteen (15) years from the date the loan is converted to a permanent loan. Amortization schedule shall be thirty (30) years.

Village of Kaufman
February 26, 2009
Page 2

Interest rate: Construction Loan: The construction interest rate will be set at the time of closing. The rate is based on prime plus 100 basis points. The interest rate will be variable for the entire term of the construction loan.

Permanent Loan: The permanent loan rate will be set and rate locked at the time of construction loan closing. The rate is based on a spread of approximately 260 basis points above the 30-year Treasury Bill. The spread is subject to change. The rate is projected to be 7.25%.

Commitment Fee: Construction Loan fee is 1.25%. 0.5% of the fee is due at acceptance of the construction loan commitment, with the balance (0.75%) paid at closing.

Permanent Loan fee is 1%. 0.5% paid upon acceptance of the loan commitment, with the balance (0.5%) paid at closing.

Other Fees: A construction administration fee of 0.20% paid at loan closing.

Recourse: Construction loan: Personal guarantees required

Permanent loan: None, with the exception of customary, "carve-out" for matters such as, but not limited to, fraud, misappropriation of funds, environmental matters, other bad acts, breach of Special Purpose Entity requirements, and breach of reporting requirements.

Anticipated Funding Date: December 2009

Minimum DSCR: The minimum debt service coverage is 1.15 to 1.

Loan To Value (Permanent): 90%; Based on Restricted Rents and using a market cap rate

Construction Loan: Loan is limited to 80% of costs.

Minimum Occupancy: 90% for 3 consecutive months prior to loan conversion.

Village of Kaufman
 February 26, 2009
 Page 3

- Net Operating Income: Required to be at a minimum of 90% of projected stabilized net operating income, for 3 consecutive months prior to conversion to permanent loan.
- Minimum Low Income Housing Tenancy: 50%. The referenced project must be maintained as an affordable housing project as defined by Section 42 of the Internal Revenue Code and as per the terms of the applicable Low Income Housing Tax Credit State Letter.
- Prepayment: Partial prepayment is not allowed except for application of insurance proceeds or condemnation awards. Prepayment is not allowed in years 1-10; yield maintenance premiums will apply thereafter.
- Security: First priority mortgage encumbering the referenced project. First security interest in all furniture, fixtures, equipment, permits, documents and contracts. First priority assignment of leases, rents, profits, licenses, permits and contracts. Pledge of all escrow and reserve accounts.
- Taxes and Insurance: A monthly escrow deposit for taxes and insurance will be required.
- Replacement Reserve: \$300 annually per unit subject to change pursuant to the recommendation of the third party reports referenced below. A monthly escrow deposit equal to 1/12 of the annual reserve amount will be required.
- Third Party Reports: An appraisal, environmental assessment report, and building condition survey, acceptable to Alliant in its sole authority. Dated not more than 6 months prior to closing will be required. The aforementioned third party reports must be received not less than 30 days prior to closing.
- Additional Loan Expenses: The borrower will pay all customary closing costs, including but not limited to, Alliant's application and processing fees, Alliant's legal fees, and third party due diligence reports.

Alliant shall have the right to assign its rights and obligations hereunder. References herein to "credits" shall mean low income housing tax credits with respect to the property, in amounts satisfactory to Alliant.

Village of Kaufman

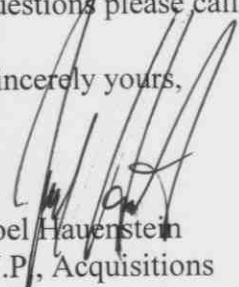
February 26, 2009

Page 4

Any materially adverse change in the condition of the Borrower or the Property, prior to funding in the sole discretion of Alliant will render this letter null and void. The subject loan shall be evidenced by loan documents executed on Alliant's form and acceptable to Alliant. If the above arrangement is acceptable to you, please execute and return this Term Sheet, by the close of business on August 30, 2009, otherwise this letter shall become null and void.

We look forward to working with you to bring this loan to a rapid closing. If you have any questions please call me at (740) 927-1077.

Sincerely yours,



Joel Hauerstein
V.P., Acquisitions

Kaufman Leased Housing Associates I, Limited Partnership
It's General Partner

By: _____



February 25, 2009

Dominium Development & Acquisitions, LLC
c/o Mr. Mark Moorhouse
2355 Polaris Lane N. Suite 100
Plymouth, MN 55447

Re: Village of Kaufman Leased Housing Associates I, Limited Partnership

Dear Mr. Moorhouse

We are pleased to advise you that we have conditionally approved an equity investment in Village of Kaufman Leased Housing Associates I, Limited Partnership, a Texas limited partnership, which will own and operate a 68 unit affordable multi-family housing development to be known as Village of Kaufman Apartments, located in Kaufman, TX. This firm commitment is made subject to compliance with the financial information and projections provided to us in support of your request, and under the following terms and conditions:

Investment Entity: Village of Kaufman Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the "Partnership"), with Village of Kaufman Leased Housing Associates I, LLC as General Partner with a .02% ownership interest in the Partnership, and Alliant Capital, Ltd. or its designated affiliate, as Limited Partner with a 99.98% ownership interest in the Partnership.

Tax Credits Available: \$631,092 ("projected credits").
State and Federal The Limited Partner is acquiring 99.98% of the partnership's tax credits; annual housing credit allocation of \$630,966.

Net Federal Price to Partnership: \$0.72

Net Capital Contribution: \$4,542,960.

Equity Proceeds Pay-In Schedule: Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the

Partnership by the Limited Partner at the times and in the amounts set forth below:

1. \$1,135,740 will be funded prior to or simultaneous with construction loan closing; said funds to be used solely for site acquisition, development and construction costs.
2. \$908,592 will be funded the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1); and (b) at 50% construction completion.
3. \$1,817,184 will be funded the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1); and (b) at 100% construction completion.
4. \$681,444 will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1) and (2), (b) completion of construction of all the improvements sufficient for all units to be "placed in service," pursuant to IRC Section 42, (c) the issuance of temporary or final Municipal or County Occupancy Certificates, (d) receipt of the certification of qualified expenditures by an independent certified public accountant, (e) 90% qualified occupancy for three consecutive months ("Stabilized Operations"), and (f) the issuance of all Treasury Forms 8609.

Obligations of the General Partner and Guarantor(s):

Operating Deficit Guaranty: The General Partner and Guarantors will guarantee and agree to loan to the Partnership sufficient funds, for a period of 60 months following the date stabilized operations is achieved (the "Operating Deficit Guarantee Period"), to fund operating deficits.

Development Completion Guaranty: The General Partner and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Alliant Capital, Ltd., including, without limitation, a guaranty: (i) to pay any amounts

needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The General Partners will provide that, if in any year actual credits are less than Projected Credits, then Limited Partner shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

Asset Management Fee (AMF): \$10,000 per year.

Cash Flow Split: Cash Flow to the Partnership shall be distributed as follows:

- a. To the Limited Partner, to make any tax credit adjuster payment not previously made;
- b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
- c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
- d. To the payment of any unpaid Development Fee, until such fee has been paid in full;
- e. The balance, 50% to the General Partner as an Incentive Property Management Fee and 50% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the General Partner and 99.99% to the Limited Partner.

Residual Split:

From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Partnership debts except those due to Partners and/or their affiliates;

- b. To the Limited Partner, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and General Partners capital contribution;
- d. The balance, 50% to the General Partner and 50% to the Limited Partner.

Replacement Reserves:

\$300/unit/year.

Other Terms and Conditions:

- 1) Allocation of tax credits from the state of Texas of at least \$631,092;
- 2) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;
- 3) The Capital Contributions are determined on the projected credits delivered to Alliant Capital, Ltd. based on the lease-up schedule provided to Alliant Capital by the General Partner. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.

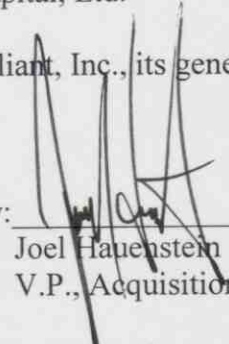
In recognition of the time and expense to be spent by Alliant in evaluating this transaction prior to closing, Village of Kaufman Leased Housing Associates I, Limited Partnership, will deal exclusively with Alliant with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Very truly yours,

Alliant Capital, Ltd.

By: Alliant, Inc., its general partner

By: 

Joel Hauenstein
V.P., Acquisitions

The foregoing is hereby agreed to and confirmed:

Village of Kaufman Leased Housing Associates I, Limited Partnership

By: Village of Kaufman Leased Housing Associates I, LLC, its General Partner

By: _____

Date: _____



February 26, 2009

Kauffman Leased Housing Associates I, LP
c/o Mr. Lee Anderson
10580 Newkirk, Suite 304
Dallas, TX 75220

RE: Village of Kauffman

Dear Mr. Anderson,

This letter acknowledges receipt of your request for funding from Capital Area HFC in the amount of \$470,000.00. The term of the loan is expected to be for 12 months or the length of the construction period, whichever is greater. The interest rate will be determined upon further underwriting of the development. Capital Area HFC further acknowledges that no portion of the funding for this proposed loan has been provided to the organization by the developer, consultant, applicant or any other member of the applicant's development team.

Should you have additional questions about the application, do not hesitate to call me at (512) 347-9903.

Sincerely,

Jim Shaw
Executive Director
Capital Area Housing Finance Corporation

Volume 3

Tab 3

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification Form* (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. Must Accurately Check Below if a Pre-Application was Submitted:

- I (We) certify that:
- Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
 - A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications as required under §49.9(h)(8)(A).

2. Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):

- I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
- I (We) certify that:
- No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
 - The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
 - All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*.
- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
- Superintendent of the school district containing the Development;
 - Presiding officer of the board of trustees of the school district containing the Development;

Initial: 

Sign International **EXPRESS**

Estimate No. 4036

Estimate Printed On 2/16/2009
01:19:15PM

Dominium Development & Acquisition
Attn: Judy Rath
2355 Polaris Lane North Suite 100
Plymouth, MN 55447

Acct #: 7175
Terms: 50% Down/80% COD
Phone: 763-354-5618
Fax: 763-240-8712

Prepared For Judy Rath,

Thank you for taking time with me, and for your interest in Sign International Express!
If you have any questions please feel free to call.
This quote is good for 30 days.

Estimate Description

2 pc. 48"x 96" white MDO signs with a 1 color vinyl graphic (black) single sided to be fabricated and installed in Kaufman Texas

Item	1	Category	MDO	Product Code	MDO .50				
Quantity	2.00	Color	WHITE	Size	48 INCH x 1 INCH x 9 Sides	1	Price @	\$987.51	
Description	Fabricate and install 2 pcs. 48"x 96" white MDO sign with a 1 color vinyl graphic (black) single sided in Kaufman Texas								\$1,775.02
**Proofs will be provided before production									



Notes:

Sub-Total	\$1,775.02
Sales Tax	\$148.44
Shipping	\$0.00
Total:	\$1,921.46

Yours Sincerely,



Scott Bryson

TO: Michael Gerber, Executive Director of the Texas Department of Housing & Community Affairs (TDHCA)

CC: Robbye Meyer, Director of Multifamily Finance
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

FROM: Mark Moorhouse, Manager of Kaufman Leased Housing Associates I, LLC

DATE: May 14th, 2009

RE: Appeal regarding Notice of Ineligibility for Application #09308—Village of Kaufman Apartments

In response to the letter dated May 8th, 2009 from Robbye Meyer please accept this response as a formal appeal. It was stated in the letter that the application for 9% tax credits for Village of Kaufman Apartments (#09308) was being terminated because a “thorough review can not be reasonably performed.” There were several “omissions, clarifications or corrections” noted in the letter that led to this finding by TDHCA staff members.

While several of these deficiency items were accurate, there were also several of them that noted inconsistencies or omissions that were either not inconsistent or were provided in the electronic application that was submitted to TDHCA. If these items were removed from the list provided by TDHCA the list of deficiency items is a shorter list that is primarily signature pages that were accidentally left out of the application. In addition, some of the items listed by TDHCA staff are not listed as requirements in the application or weren't shown in the directions for certain tabs of the application.

Based on the following item by item responses to the deficiency items noted and applicable back-up that is provided, these items have been either resolved or noted as already being resolved in the application previously submitted. These items could have been resolved quickly and thoroughly through the normal deficiency notice process, as they have been here.

Our response to each deficiency item is listed below in bold and italics.

Item-by-item Response to Omissions, Clarifications, or Corrections Noted by TDHCA

1. Volume 1, Tab 2, Part B, Rent Schedule: The form includes non-rental income that is not described.

The non-rental income was already described as “Late Charges & Other Income.” The majority of the \$204/month, or \$2,448 per year, is late charges with some nominal amount for application fees. <Page 9 of original PDF Application>

2. Volume 1, Tab 2, Part C Utility Allowances: Supporting documentation for the utility allowances was not provided.

The HUD Rent Schedule that was referenced was attached as part of the application under Volume 3, Tab 6. <Page 237 of original PDF Application> I have attached it for reference as well.

3. Volume 1, Tab 2, Part F, Building/Unit Configuration: The square footage and number of bathrooms indicated on this form are inconsistent with the Rent Schedule.

There are no inconsistencies between the Volume 1, Tab 2, Part B and Volume 1, Tab 2, Part F. Both pages show the same breakdown of units and square footage. <Page 9 and page 14 of the original PDF Application>

Volume 1, Tab 2, Part B shows: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 9 of the original PDF Application>

Volume 1, Tab 2, Part F shows the same: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 14 of the original PDF Application>

4. Volume 1, Tab 3, Part A, Development Cost Schedule: The owner's requested credits stated in this form is inconsistent with Volume 1, Tab 1.

See attached and updated Volume 1, Tab 1, Part C showing the correct credit amount. The amount shown in the Development Cost Schedule is correct.

5. Volume 1, Tab 5, Part A, Sources and Uses: The source for the Capitalized Expenses and Inkind/Deferred Developer Fee is not indicated.

Neither of these sources are "cash sources." There is no source for Capitalized Expenses; these are costs that are incurred during construction and are capitalized for tax purposes and included in eligible basis. The Deferred Developer Fee also has no source as it is only deferred developer fee and payable out of cash flow over time. The development entity, Kaufman Leased Housing Development I, LLC will be deferring this estimated amount of development fee. See attached and updated Volume 1, Tab 4, Part A, Sources and Uses.

6. Volume 1, Tab 5, Part A, Sources and Uses: The amounts on the form are inconsistent with the commitment letters.

All sources of funds shown on Volume 1, Tab 5, Part A tie to the commitment letters. There are no inconsistencies. The "Conventional Loan," the "HTC Syndication Proceeds," and the "Private Loan or Grant" all tie. The Deferred Developer Fee and the Capitalized Expenses are non-cash sources and are calculated estimates. The Assumed HUD Notes and Replacement Reserves are not new money and therefore it is impossible to provide a new commitment of the funds. However, the assumption of this note is noted in the purchase agreement on page 158 of the original PDF Application.

7. Volume 1, Tab 5, Part A Financing Narrative: The financing narrative was not provided.

Per the directions on Volume 1, Tab 5, Part B a narrative is not a requirement. It only states if can be used to explain items "other than grants, loans or equity." All sources for Village of Kaufman are either loans or equity.

8. Volume 1, Tab 5, Part B, Financing Participants: The form is inconsistent with the Sources and Uses and commitment letters.

Capitalized Expenses were shown roughly \$3k too low on this form; it has been updated and attached. All other items tie and there aren't any inconsistencies.

9. Volume 1, Tab 5, Part B, List of Organizations: Housing Services Incorporated should be listed separately on the form.

Please see updated form adding Housing Services Incorporated separately.

10. Volume 1, Tab 5, Part D, Certification of Principal: The form was not provided for any of the entities.

Please see updated forms for all the entities; they were mistakenly left out of the application.

11. Volume 1, Tab 7, Part E, Part II, Credit Limit Certification: The form was not provided for Kaufman Leased Housing Associates GP I, LLC.

This form was mistakenly left out of the application, please see attached form.

12. Volume 1, Tab 8, Relevant Development: The box for Intergenerational, consistent with Volume 1, Tab 1, was not checked.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

13. Volume 2, Tab 1, Site Information: The housing type Intergenerational, consistent with Volume 1, Tab 1, was not selected.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

14. Volume 3, Tab 1, Site Plan: The site plan submitted is from a document that is in draft form, has no dimensions and no scale.

There were two site plans attached behind Volume 3, Tab 1 for each site. One was a hand drawn site plan and the other was the survey. The survey has all the dimensions (and a scale). <They were included on pages 151 and 152 of the original PDF Application>

15. Volume 3, Tab 1, Site Plan: The plan does not indicate whether there are separate entrances or separate personnel in the leasing office for elderly and non-elderly residents.

The plan accurately represents the leasing office location. There is not a separate leasing office or entrance for elderly and family residents. It is operationally infeasible for a 68 unit site to have two separate leasing offices. One community manager and a temporary leasing agent is more than sufficient staffing to handle both family and elderly current and potential residents.

16. Volume 3, Tab 1, Unit Floor Plans: The three-bedroom floor plan is inconsistent with Volume 1, Tab 2, Part F Building/Unit Configuration.

The information provided by the Seller and their broker indicated that the Three Bedroom apartments had 2 bathrooms. After further discovery, post application submittal, it has been determined that the three bedroom units only have one bathroom. These forms have been updated to reflect the fact that there is only one bathroom in the three bedroom units.

17. Volume 3, Tab 1, Unit Floor Plans: The square footage on the unit floor plans is inconsistent with the rent schedule and the Part F Building/Unit Configuration.

The square footages included in the rent schedule and the building/unit configuration is taken directly from the attached rent roll provided by the Seller. The estimated square footages in Volume 3, Tab 1 are only an estimate. We relied on the rent roll for accuracy. Depending on how the calculation is done there can be differences in square footage for units, i.e. net rentable versus gross. For a rehabilitation property for which original plans aren't available it is difficult to get an exact square footage or to avoid different calculations of square footage.

18. Volume 3, Tab 2, Site Information Form: Evidence of all sellers of the property since December 8, 2005 was not provided.

There have been no sellers of the property since December 8, 2005. The current owner has and continues to own it throughout that entire period. In addition, with the passing of the 2008 Housing and Economic Recovery Act the 10-year hold rule has been waived as a requirement to earn acquisition basis on all Project Based Section 8 sites, which Village of Kaufman is.

19. Volume 3, Tab 2, Site Control: An escrow receipt executed by the title company was not provided.

There is no escrow receipt because there is no earnest money held in escrow by the title company. According to the option agreement included in the application there was a fee paid to the Seller for the purchase of an option. This money was wired directly to the

Seller and a copy of this wire transfer is attached. <The Purchase Option Agreement is located on page 158 of the original PDF Application>

20. Volume 3, Tab 2, Title Commitment: A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.

At the time title was ordered the Buyer, Kaufman Leased Housing Associates I, Limited Partnership was not created and/or organized so the developer, Dominion Development & Acquisition through Kaufman Leased Housing Development I, LLC, had the title put in their name as the proposed insured. The proposed insured will be renamed to Kaufman Leased Housing Associates I, Limited Partnership. On page 4 of the commitment (page 180 of the original PDF Application) the Seller is listed as The Village of Kaufman, Ltd., a Texas limited partnership.

21. Volume 3, Tab 3, Certification of Notifications: The fifth sub-box under the second main box, indicating you have no knowledge of any neighborhood organizations, was not selected.

Please see updated certification, that box was mistakenly left unchecked.

22. Volume 3, Tab 3, Signage: A photograph of the public notification sign was not provided.

Please see attached photo, the sign was installed the day the application was due and the photo was unable to be provided with the application. The sign installer also certified (see attached) that the signs were installed pursuant to TDHCA requirements.

23. Volume 3, Tab 4, Organizational Documents: The certificate of name reservation for Kaufman Leased Housing Development I, LLC was not provided.

The submission to the Texas Secretary of State for the name reservation for Kaufman Leased Housing Development I, LLC has been submitted. We are currently waiting for the state confirmation and will provide upon receipt. This entity was created as a Minnesota entity and if necessary will receive a "doing business as" in Texas (d.b.a.). Also, please see attached Articles of Organization and EIN for Kaufman Leased Housing Development I, LLC.

24. Volume 3, Tab 4, Organizational Documents: Evidence of authority to do business in Texas for Housing Services, Inc. and Polaris Holdings I, LLC was not provided.

Polaris Holdings I, LLC is a special limited partner and will have no operational or decision making authority and therefore is not needed to be authorized to do business in Texas.

Housing Services Incorporated is a non-profit based in Texas and has provided its Certificate of Experience with the application. Their registration and good standing documents are also attached.

25. Volume 3, Tab 5, Certifications and Financials: Financial statements for Housing Services Inc. and Polaris Holdings I, LLC were not provided.

Polaris Holdings I, LLC is not required by law to have financial statements and they are a special limited partner with no operational or decision making authority. Housing Services Incorporated financial statements are attached.

26. Volume 3, Tab 6, Occupied Rehabilitations: A current rent roll that includes the terms and rate of each lease, the rent, unit mix, tenant names or vacancy, date of first occupancy and date of expiration of each lease was not provided.

Please see attached rent roll.

27. Volume 3, Tab 6, Occupied Rehabilitations: A statement identifying the number of tenants that qualify under the Intergenerational target population was not provided.

The development is not intergenerational; it is a scattered site development with one site consisting of family units and the other site consisting of elderly units. There is no mention in the directions of Volume 3, Tab 6 that there must be some sort of statement provided, which is why there was no statement provided.

3. Funding Request

Complete the table below to describe this Application's funding request.

TDHCA Programs for which this Application will be used:	Requested Amount	If the award will be in the form of a loan, the requested terms are:		
		Interest Rate (%)	Amortization (Yrs)	Term (Yrs)
HOME Activity Funds	\$			
HOME CHDO Operating Expenses	\$			
Housing Trust Fund	\$			
Housing Tax Credit (Annual amount)	\$ 637,724			
Private Activity Mortgage Revenue Bond	\$			
501(c) (3) Mortgage Revenue Bond	\$			

4. Previously Awarded State and Federal Funding

Has this site/activity previously received TDHCA funds? Yes No

If "Yes", enter Project # _____ and TDHCA Funding Source _____


Has this site/activity previously received non-TDHCA federal funding? Yes No

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? Yes No

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

 Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Village of Kaufman**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	\$ 2,890,000	\$ 1,690,000	Alliant Capital
2	Assumed HUD 2nd Mortgage (Cash Flow Note)	2	\$ 957,352	\$ 957,352	HUD
3	Assumed HUD Held Replacement Reserves	N/A	\$ 266,497	\$ 266,497	HUD
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 2,872,960	\$ 4,542,960	Alliant Capital
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant	4	\$ 470,000	-	Capital Area HFC
15	Capitalized Expenses	N/A	\$ 176,690	\$ 176,690	Capitalized Costs During Constr.
16	In-Kind Equity/Deferred Developer Fee	3	\$ 270,064	\$ 270,064	Deferred Developer Fee
TOTAL SOURCES OF FUNDS			\$ 7,903,563	\$ 7,903,563	
TOTAL USES OF FUNDS				\$ 7,903,563	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: 3	Amount: \$ 266,497	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input checked="" type="checkbox"/> Equity	Commitment Date	/ /
Source Name:	Assumed HUD Replacement Reserves	Contact Name:	Not Applicable			
Address:		City:		State:		ZIP:
Phone:	() -	Fax:	() -			
Level of Commitment:	<input type="checkbox"/> Closed	<input type="checkbox"/> Firm	<input type="checkbox"/> Conditional	<input type="checkbox"/> Letter of Interest	<input checked="" type="checkbox"/> Other:	Replacement Reserves
<input type="checkbox"/> Grant	Terms:					
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	___ yrs	Repayment Term:	___ yrs
Interest Rate:	___ %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating		
Rate Index:	___	Annual Payment	\$ ___	Lien Priority	___	
<input type="checkbox"/> Syndication	Tax Credits Estimate:	\$ ___	Syndication Factor:	\$ ___	Per Credit Dollar	

Source #: 8	Amount: \$ 4,542,960	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input checked="" type="checkbox"/> Equity	Commitment Date	02/25/09
Source Name:	HTC Syndication Proceeds (Alliant Capital)	Contact Name:	Joel Hauenstein			
Address:	119 Fairfax Court	City:	Granville	State:	OH	ZIP:
Phone:	(740) 927-1077	Fax:	(740) 927-0014			
Level of Commitment:	<input type="checkbox"/> Closed	<input type="checkbox"/> Firm	<input checked="" type="checkbox"/> Conditional	<input type="checkbox"/> Letter of Interest	<input type="checkbox"/> Other:	(Describe)
<input type="checkbox"/> Grant	Terms:					
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	___ yrs	Repayment Term:	___ yrs
Interest Rate:	___ %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating		
Rate Index:	___	Annual Payment	\$ ___	Lien Priority	___	
<input checked="" type="checkbox"/> Syndication	Tax Credits Estimate:	\$ 6,309,662	Syndication Factor:	\$.72	Per Credit Dollar	

Source #: 15	Amount: \$ 176,690	<input checked="" type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input type="checkbox"/> Equity	Commitment Date	/ /
Source Name:	Capitalized Expenses	Contact Name:	Not Applicable.			
Address:		City:		State:		ZIP:
Phone:	() -	Fax:	() -			
Level of Commitment:	<input type="checkbox"/> Closed	<input type="checkbox"/> Firm	<input type="checkbox"/> Conditional	<input type="checkbox"/> Letter of Interest	<input checked="" type="checkbox"/> Other:	Capitalized Expenses
<input type="checkbox"/> Grant	Terms:					
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	___ yrs	Repayment Term:	___ yrs
Interest Rate:	___ %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating		
Rate Index:	___	Annual Payment	\$ ___	Lien Priority	___	
<input type="checkbox"/> Syndication	Tax Credits Estimate:	\$ ___	Syndication Factor:	\$ ___	Per Credit Dollar	

Volume 1, Tab 5

PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates² that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "Part C. List of Organizations with an Ownership Interest in the Applicant.") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "List of Principals of Organizations with an Ownership Interest in the Applicant" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name:	<u>Ownership Entity:</u> <u>Kaufman Leased Housing Associates I, Limited Partnership</u>		
Contact Name:	<u>Mark S. Moorhouse</u>		
Address:	<u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u>	State: <u>MN</u> ZIP: <u>55447</u>
Phone:	<u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u>	Email: <u>m Moorhouse@dominiuminc.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Applicant and Ownership Entity</u> <u>100%</u>		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>2/19/09</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>General Partner: Kaufman Leased Housing Associates GP I, LLC</u> <u>(Housing Services Incorporated)</u>		
Contact Name:	<u>Lee Anderson</u>		
Address:	<u>10580 Newkirk, Suite 304</u>	City: <u>Dallas</u>	State: <u>TX</u> ZIP: <u>75220</u>
Phone:	<u>(214) 696-6077</u>	Fax: <u>(214) 594-9188</u>	Email: <u>landerson@hsiusa.org</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>General Partner and Limited Partnership</u> <u>.005%</u>		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>2/19/09</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>Developer:</u> <u>Kaufman Leased Housing Development I, LLC</u>		
Contact Name:	<u>Mark S. Moorhouse</u>		
Address:	<u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u>	State: <u>MN</u> ZIP: <u>55447</u>
Phone:	<u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u>	Email: <u>m Moorhouse@dominiuminc.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Developer</u> <u>0%</u>		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>2/25/2009</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		

² Affiliate - An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates² that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "Part C. List of Organizations with an Ownership Interest in the Applicant.") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "List of Principals of Organizations with an Ownership Interest in the Applicant" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name:	<u>Housing Services Incorporated</u>		
Contact Name:	<u>Lee Anderson</u>		
Address:	<u>10580 Newkirk, Suite 304</u>	City:	<u>Dallas</u> State: <u>TX</u> ZIP: <u>75229</u>
Phone:	<u>(214) 696-6077</u>	Fax:	<u>(214) 594-9188</u> Email: <u>landerson@hsiusa.org</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Owner of General Partner (Kaufman Leased Housing Associates GP I, LLC)</u> <u>100%</u>		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>11/17/03</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>Administrative Limited Partner: To be determined Alliant entity and investor</u>		
Contact Name:	<u>Joel Hauenstein</u>		
Address:		City:	<u>Granville</u> State: <u>OH</u> ZIP: <u>43023</u>
Phone:	<u>(740) 927-1077</u>	Fax:	<u>(740) 927-0014</u> Email: <u>joel.hauenstein@alliantcapital.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>01%</u>		
Is Organization legally formed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date of formation:	<u>N/A</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	<u>Investor Limited Partner: To be determined Alliant entity and investor</u>		
Contact Name:	<u>Joel Hauenstein</u>		
Address:	<u>119 Fairfax Court</u>	City:	<u>Granville</u> State: <u>OH</u> ZIP: <u>43023</u>
Phone:	<u>(740) 927-1077</u>	Fax:	<u>(740) 927-0014</u> Email: <u>joel.hauenstein@alliantcapital.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>See applicant chart, exact entity name to be determined</u> <u>99.98%</u>		
Is Organization legally formed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date of formation:	<u>N/A</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

² Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

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PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates² that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "Part C. List of Organizations with an Ownership Interest in the Applicant.") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "List of Principals of Organizations with an Ownership Interest in the Applicant" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name:	<u>Special Limited Partner:</u> <u>Polaris Holdings I, LLC</u>		
Contact Name:	<u>Mark S. Moorhouse</u>		
Address:	<u>2355 Polaris Lane North, Suite 100</u>	City:	<u>Plymouth</u> State: <u>MN</u> ZIP: <u>55447</u>
Phone:	<u>(763) 354-5613</u>	Fax:	<u>(763) 354-5633</u> Email: <u>m Moorhouse@dominiuminc.com</u>
Name(s) and Ownership % of Entities the Organization Owns or Controls:	<u>Special Limited Partnership and Limited Partnership</u> <u>.005%</u>		
Is Organization legally formed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	<u>11/05/04</u>
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	_____		
Contact Name:	_____		
Address:	_____	City:	_____ State: _____ ZIP: _____
Phone:	() - _____	Fax:	() - _____ Email: _____
Name(s) and Ownership % of Entities the Organization Owns or Controls:	_____ %		
Is Organization legally formed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	_____
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input checked="" type="checkbox"/> Community Housing Development Org.		

Organization Legal Name:	_____		
Contact Name:	_____		
Address:	_____	City:	_____ State: _____ ZIP: _____
Phone:	() - _____	Fax:	() - _____ Email: _____
Name(s) and Ownership % of Entities the Organization Owns or Controls:	_____ %		
Is Organization legally formed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Date of formation:	_____
Legal Form of Organization is or will be (mark all that apply):	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Unit of Local Government <input type="checkbox"/> Housing Authority <input type="checkbox"/> Individual/DBA		
Other Designations (mark all that apply):	<input type="checkbox"/> Historically Underutilized Business <input type="checkbox"/> Federal Tax Exemption <input type="checkbox"/> Community Housing Development Org.		

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PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

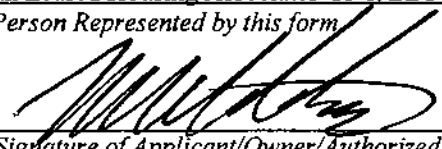
- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Kaufman Leased Housing Associates GP I, LLC

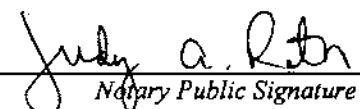
Entity/Person Represented by this form

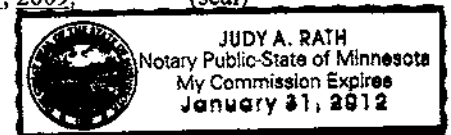
By:  5/11/09 Its: Manager
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 11 day of May, 2009, (seal)

 01/31/2012
 Notary Public Signature Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

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I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
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- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
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- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
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Polaris Holdings I, LLC
 Entity/Person Represented by this form

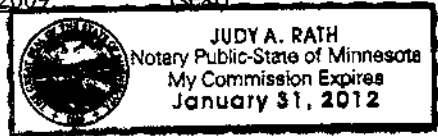
By: 5/11/09 Its: Vice President
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 11 day of May, 2009 (seal)

 01/31/2012
 Notary Public Signature Commission Expires



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 Entity/Person Represented by this form

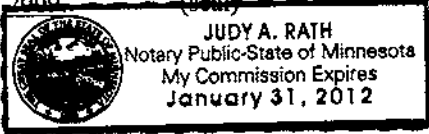
By: 5/11/09 Its: Manager
 Signature of Applicant/Owner/Authorized Person Date

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 COUNTY OF: Hennepin

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 Notary Public Signature Commission Expires



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- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
- d) A suspension or termination of payments under any state or federal assistance contract.

10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :

- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
- b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
- c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
- d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. **TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).**

Kaufman Leased Housing Development I, LLC
 Entity/Person Represented by this form

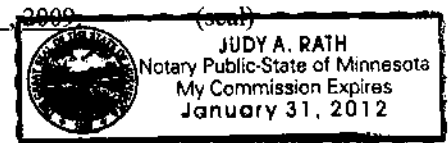
By: 5/14/09 Its: Manager
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Minnesota
 COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 14 day of May

 01/31/2012 Commission Expires
 Notary Public Signature



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Village of Kaufman

Applicant Name: Kaufman Leased Housing Associates I, Limited Partnership

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Mark S. Moorhouse for Kaufman Leased Housing Associates GP I, LLC

- which is: [] the Applicant for a tax credit allocation. [X] a Developer for the Applicant for this specific Application. [] a Related Party to the Applicant. [] a Guarantor on the Application.

Address: 2355 Polaris Ln. N, Suite 100 City: Plymouth State: MN ZIP: 55447

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Table with 4 columns: Development Name, City, If Joint Venture: % Ownership, If Joint Venture: % of Dev Fee. Row 1: Village of Kaufman, Kaufman, blank, blank.

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: [] Yes [X] No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury I certify that this information and these statements are true, complete and accurate:

By: [Signature] 5/12/09 Its: Manager

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.



2009 MULTIFAMILY UNIFORM APPLICATION
 Texas Department of Housing and Community Affairs (TDHCA)
 Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
 Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands §49.9(c), **Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules**, and certifies that all information herein is true and correct to the best of their knowledge and belief. **By signing this document, Applicant is affirming that all statements and representations made in this document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (VERNON 2003 & SUPP. 2007).**

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

 Mark S. Moorhouse, Manager 2/23/09
Applicant's Authorized Representative's Signature *Representative's Printed Name, Title* *Date*

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name: <u>Village of Kaufman</u>	Region: <u>3</u>
Address: <u>421 E. 7th Street</u>	ZIP Code: <u>75142</u>
City: <u>Kaufman</u>	County: <u>Kaufman</u>
If a Pre-Application was submitted, enter TDHCA assigned Development number: <u>09222</u>	

2. Target Population (Check Only One):

- Family
- Elderly
- Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name: <u>Kaufman Leased Housing Associates I, Limited Partnership</u>	
Applicant Name:	Contact <u>Mark S. Moorhouse</u>
Mailing Address: <u>2355 Polaris Lane North, Suite 100</u>	City: <u>Plymouth</u> State <u>MN</u> ZIP: <u>55447</u>
Phone: <u>(763) 354-5613</u>	Fax: <u>(763) 354-5633</u> Email: <u>m Moorhouse@dominiuminc.com</u>

If Applicant's "Physical Address" is different from the "Mailing Address," provide the physical address below:

Applicant Physical Address: _____
City: _____ State: _____ ZIP: _____

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "unit Size" from lowest to highest "Rental Income/Unit".

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%), Employee Occupied (EO), Market Rate (MR), as allowed by Sec. 42.

501(c)(3) Mortgage Revenue Bond: (MRB), (MRB30%), (MRB40%), (MRB50%), (MRB60%), Market Rate(MRBMR).

HOME: High (HH), Low (LH), Employee Occupied non LI unit (MR/EO), Market Rate (MR)

Other: describe any "Other" rental assistance or rent restrictions in the space provided; documentation supporting the rental assistance or restrictions must be provided

Housing Trust Fund: (HTF30%), (HTF40%), (HTF50%), (HTF60%), (HTF80%), Market Rate (MR)

Units funded under more than one program, the "Program Rent Limit" should be the most restrictive - for example, a LH and TC60% unit would use the "LH" Program rent limit.

The rent and utility limits available at the time the Application Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.

Development Name: Village of Kaufman

City: Kaufman, TX

Table with columns for Unit Designation, # of Units, # of Bedrooms, # of Baths, Unit Size, Total Net Rentable Sq. Ft., Program Rent Limit, Tenant Paid Utility Allow., Rent Collected /Unit, and Total Monthly Rent. Includes a summary section for TOTAL, Non Rental Income, and EFFECTIVE GROSS MONTHLY INCOME.

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING	TC30%	11
	TC40%	0
	TC50%	23
	TC60%	34
TAX	HTC LI Total	68
	TCEO	0
CREDITS	MR	0
	MR Total	0
	TC Total	68
MORTGAGE	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
REVENUE	MRB LI Total	0
	MRBMR	0
BOND	MRBMR Total	0
	MRB Total	0

HOUSING	HTF30%	0
	HTF40%	0
	HTF50%	0
	HTF60%	0
TRUST	HTF80%	0
	HTF LI Total	0
FUND	MR	0
	MR Total	0
	HTF Total	0
HOME	HOME HH	0
	HOME LH	0
	HOME LI Total	0
	MR/EO	0
	MR	0
	MR Total	0
	HOME Total	0
OTHER	Total OT Units	68

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.

Volume 1, Tab 2. ACTIVITY OVERVIEW

Part F. Building/Unit Type Configuration (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un hiding the columns between J and Z in Excel.

Development Name: **Village of Kaufman**

City: **Kaufman, TX**

Unit Type				Building Configuration					Total # of Buildings	Total # of Units		Total Sq Ft for Unit Type		
				Building Label	Bldg "A" (Site 1)	Bldg "B" (Site 1)	Bldg "A" (Site 2)	Bldg "B" (Site 2)						
				Number of Buildings	1	8	5	12				26		
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building										
1 BR	1	1	658		4							32	21,056	
2 BR	2	1	879	2			2					26	22,854	
3 BR	3	1	1,079			2						10	10,790	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
												-	-	
Totals				2	32	10	24	-	-	-		68	54,700	

Net Rentable Square Footage from Rent Schedule **54,700**

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcsbane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
				Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	38,518.00	34,905.00	0.00	34,905.00	13,379.00
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-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	68	804	566.44	0.70	562.98	0.70	62	91.18	2

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	38,518.00	68	38,412.00

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	34,905.00

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	34,905.00
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eBIZ

OPTIONS

HELP

EXIT

Summary | Accounts | Funds Management | Fraud Management | Print

General Wire: Funds Transfer Detail as of 03/04/2009 9:42 AM Eastern Standard Time

Transfer Information	
Transfer Type:	Domestic Wire
Current Status:	Approved
Placement Date & Time:	03/04/2009 9:42 AM Eastern Standard Time
Transfer Date:	03/04/2009
Transfer Amount:	1,000.00
Confirmation Number:	114887269
Display Group:	Wire Transfer
Recurring:	No

Account Information	
From Institution R/T Number:	0960-10415
From Account Type:	Demand Deposit
From Account:	7106553
From Account Nickname:	DDA 25x4 Operating

Employee Information	
Employee Name:	Lynn Schlagel (06)
Employee Group:	
Reviewing Employee Name:	

Receiving Information	
Institution R/T Number:	0530-00219
Institution Name:	Wachovia
Institution Address:	
Institution City State Zip:	Charlotte NC

Beneficiary Information	
Beneficiary Institution R/T Number:	0530-00219
Beneficiary Institution Name:	Wachovia
Beneficiary Institution Address:	
Beneficiary Institution City State Zip:	Charlotte NC
Beneficiary Account Type:	Demand Deposit
Beneficiary Account:	2000010968907
Beneficiary Name:	AIMCO Properties Partnership Concentrati
Beneficiary Address:	none provided
Beneficiary City State Zip:	
Beneficiary Instructions:	Village of Kaufman 042734 Purchase Option Pmt
Message:	eBiz Domestic Wire Transfer

CUT OFF TIMES

PRIVACY STATEMENT

CONTACT US

Copyright Information Technology, Inc. 2001 - 2009

9/01 1575-0100 (Correct Hand)

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification Form* (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. Must Accurately Check Below if a Pre-Application was Submitted:

- I (We) certify that:
- Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
 - A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications as required under §49.9(h)(8)(A).

2. Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):

- I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
- I (We) certify that:
- No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
 - The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
 - All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*.
- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
- Superintendent of the school district containing the Development;
 - Presiding officer of the board of trustees of the school district containing the Development;

Initial: 

Mayor of any municipality containing the Development;

- All elected members of the Governing Body of any municipality containing the Development;
- Presiding officer of the Governing Body of the county containing the Development;
- All elected members of the Governing Body of the county containing the Development;
- State senator of the district containing the Development; and
- State representative of the district containing the Development.

While not required to be submitted in this Pre-Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only be completed if mailings were completed in lieu of posting signage on the Development site:

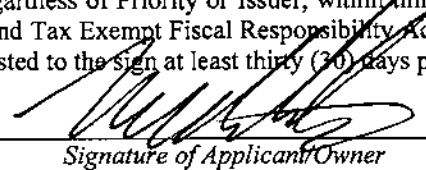
I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on / / (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

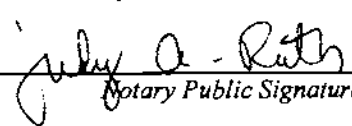
I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

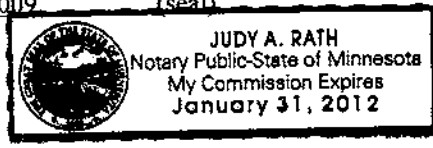
By:  5/12/09 Its: Manager
Signature of Applicant/Owner *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 12 day of May, 2009 (seal)

 01/31/2012
Notary Public Signature *Commission Expires*





409.832.0117
 Fax 409.842.5659
 P.O. Box 20054
 Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

Cast Plaques

Cast Letters

Fabricated Letters

Channel Letters

Flat Cut Letters

Plastic Letters

Site Signage

Post and Panel Signage

Pylon Signage

Traffic Signage

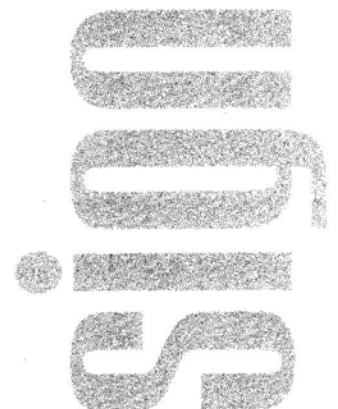
Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 100 – 135 Village Drive, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: Scott Bryson
 Name: Scott Bryson
 Title: Signs International Express
 Date: February 27, 2009





409.832.0117
 Fax 409.842.5659
 P.O. Box 20054
 Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

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Pylon Signage

Traffic Signage

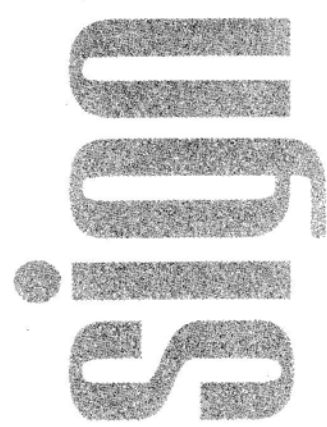
Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 405 – 440 E. 7th Street, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: *Scott Bryson*
 Name: Scott Bryson
 Title: Signs International Express
 Date: February 27, 2009



NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community Village of Kaufman, located at 100-135 Village Drive, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 3.76 acres.

There will be a public hearing to receive public comment on the proposed development.

Date: April 7, 2009 Time: 6:00 p.m.

Location: J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Domin um Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community, Village of Kaufman, located at 405-440 E 7th Street, Kaufman, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 4.12 acres.

There will be a public hearing to receive public comment on the proposed development.

Date. April 7, 2009 Time: 6:00 p.m.

Location. J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Dominion Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us

LLC-OR

**ARTICLES OF ORGANIZATION
OF
KAUFMAN LEASED HOUSING DEVELOPMENT I, LLC**

The undersigned organizer, being a natural person 18 years of age or older, in order to form a limited liability company under Minnesota Statutes, Chapter 322B, hereby adopts the following Articles of Organization:

**ARTICLE I.
NAME**

The name of the Company is: Kaufman Leased Housing Development I, LLC (the "Company").

**ARTICLE II.
REGISTERED OFFICE AND REGISTERED AGENT**

The registered office of the Company is located at 2355 Polaris Lane, Suite 100, Plymouth, Minnesota 55447.

**ARTICLE III.
ORGANIZER**

The name and address of the organizer of this Company is as follows:

Paul R. Sween
2355 Polaris Lane North, Suite 100
Plymouth, MN 55447

**ARTICLE IV.
TERM**

The Company shall have a perpetual duration.

**ARTICLE V.
DISSOLUTION**

The Company shall not be dissolved or required to be wound up upon the occurrence of any event set forth in Section 322B.80, Subd. 1(5) of the Act and such events shall not trigger dissolution of the Company.

ARTICLE VI.
CUMULATIVE VOTING; PREEMPTIVE RIGHTS

No member of this Company shall have any cumulative voting rights. No member of this Company shall have any preemptive rights under Minnesota Statutes, Section 322B.33, to make contributions of a certain amount or to make a contribution allowance agreement specifying future contributions of a certain amount before the Company may accept new contributions from other persons or make contribution allowance agreements with other persons.

ARTICLE VII.
WRITTEN ACTION OF BOARD

Any action required or permitted to be taken at a meeting of the Board of Governors of the Company not needing approval by the members, may be taken by written action signed by the number of governors that would be required to take such action at a meeting of the Board of Governors at which all governors are present.

ARTICLE VIII.
LIMITATION OF LIABILITY

No governor of the Company shall be personally liable to the Company or its members for monetary damages for breach of fiduciary duty by such governor as a governor; provided, however, that this Article VIII shall not eliminate or limit the liability of a governor to the extent provided by applicable law (i) for any breach of the governor's duty of loyalty to the Company or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 322B.56 or 80A.23 of the Minnesota Statutes, (iv) for any transaction from which the governor derived an improper personal benefit or (v) for any act or omission occurring prior to the effective date of this Article VIII. No amendment to or repeal of this Article VIII shall apply to or have any effect on the liability or alleged liability of any governor of the Company for or with respect to any acts or omissions of such governor occurring prior to such amendment or repeal.

ARTICLE IX.
FIRST GOVERNORS

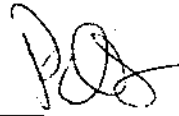
The names of the first governors of this Company are as follows:

David L. Brierton
Jack W. Safar
Armand E. Brachman
Paul R. Sween
Mark S. Moorhouse
Christopher P. Barnes

ARTICLE X.
MANAGEMENT


The Company will be managed by its Board of Governors, as further provided in the Company's Operating Agreement. Except as authorized by the Board of Governors, no member is an agent of the Company or has the authority to make any contracts, enter into any transactions or make any commitments on behalf of the Company.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this ___ day of February, 2009.



Paul R. Sween, Organizer

4336030v1

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED 
FEB 25 2009
Mark Ritchie
Secretary of State



Internal Revenue Service

United States Department of the Treasury

EIN Assistant

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.



The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

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Help Topics

- Can the EIN be used before the confirmation letter is received?


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Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, [Requirements to Dissolve, Merge or Convert a Texas Entity](#).

Certification of Account Status	Officers And Directors Information
---------------------------------	------------------------------------

Entity Information:

HOUSING SERVICES INCORPORATED
10580 NEWKIRK ST STE 304
DALLAS, TX 75220-2329

Status:

IN GOOD STANDING - EXEMPT CORPORATION

Registered Agent:

SHACKLEFORD, MILTON, MCKINLEY
3333 LEE PARKWAY, TENTH FL
DALLAS, TX 75219

Registered Agent Resignation Date:

State of Formation:

File Number:

0147219301

SOS Registration Date:

December 29, 1997

Taxpayer Number:

17527518801

Texas Online | Statewide Search from the Texas State Library | State Link Policy | Texas Homeland Security

Susan Combs, Texas Comptroller • Window on State Government • Contact Us
Privacy and Security Policy | Accessibility Policy | Link Policy | Public Information Act | Compact with Texans

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF AMENDMENT
OF**

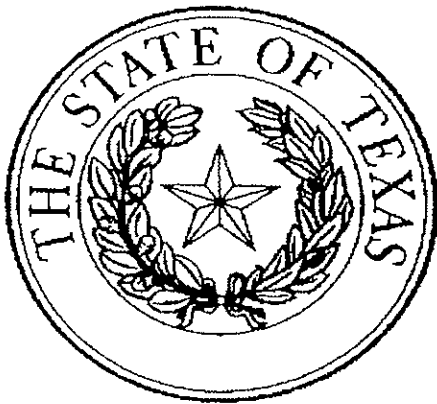
**HOUSING SERVICES INCORPORATED
147219301**

[formerly: HOUSING SERVICES OF TEXAS]

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of amendment for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Amendment.

Dated: 11/17/2003
Effective: 11/17/2003



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

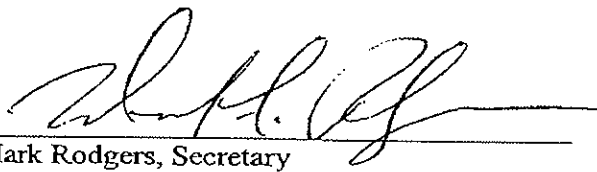
FILED
In the Office of the
Secretary of State of Tex

NOV 17 2003

Corporations Section

AMENDMENT TO ARTICLES OF INCORPORATION
OF
HOUSING SERVICES OF TEXAS

A meeting of the Board of Directors of HOUSING SERVICES OF TEXAS was held on October 10, 2003, whereby a quorum of voting member of the Corporation's Board were present and passed with unanimous consent this amendment to the Articles of Incorporation changing the name of the corporation from **HOUSING SERVICES OF TEXAS** to **HOUSING SERVICES INCORPORATED**. This name change will take affect upon approval by the Secretary of State of the State of Texas.



Mark Rodgers, Secretary



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

HOUSING SERVICES OF TEXAS
CHARTER NUMBER 01472193

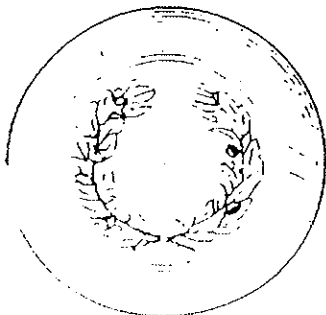
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE
ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE
FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE
THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF
ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,
THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED DEC. 29, 1997

EFFECTIVE DEC. 29, 1997

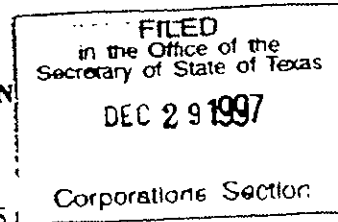


[Handwritten Signature]
Attest: R. Gonzalez, Secretary of State

DEC-29-97 MON 15:32 CINSBURG

P. 02

ARTICLES OF INCORPORATION
OF
HOUSING SERVICES OF TEXAS



(a nonprofit corporation)

The undersigned, Susan A. Cobb, whose address is 1250 Connecticut Avenue, N.W., Suite 700, Washington, D.C. 20036, being at least eighteen years of age, acting as incorporator, does hereby form a nonprofit corporation under and by virtue of the Texas Nonprofit Corporation Act.

ARTICLE I: The name of the corporation (hereinafter the "Corporation") shall be Housing Services of Texas

ARTICLE II: The Corporation is a nonprofit corporation. The period of duration of the Corporation shall be perpetual.

ARTICLE III: The purposes for which the Corporation is organized are as follows

1. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code").
2. Solely for the above purposes, the Corporation is empowered to and may exercise all other powers and authority now or hereafter conferred upon nonprofit corporations in the State of Texas.
3. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's directors, officers or private individuals, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the aforementioned purposes of the Corporation. The Corporation shall not engage in any activity which is prohibited to a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or any corresponding future provision of the federal tax law. In accordance with the existing federal tax law, the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office by publishing or distributing statements, or in any other way. No substantial part of the

DEC-29-97 MON 13:32 GINSBURG

P. 03

activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation.

ARTICLE IV. The name of the initial registered agent of the Corporation in the State of Texas is Corporation Service Company dba CSC-Lawyers Incorporating Service Company, and the street address of the initial registered office of the Corporation is 1 Commodore Plaza, 800 Brazos, Suite 330, Austin, Texas 78701

ARTICLE V The Corporation shall have no members

ARTICLE VI Provisions for the distribution of assets on dissolution or other termination of the Corporation are as follows

Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of the property of the Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors of the Corporation. In such event, all property and proceeds of the Corporation, subject to the discharge of valid obligations of the Corporation, and to the applicable provisions of the Texas Nonprofit Corporation Act, shall be distributed as directed by the Board of Directors to such Section 501(c)(3) organizations that are organized and operated for purposes similar to those of the Corporation as the Board of Directors of the Corporation shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office of the Corporation is then located, exclusively for the aforesaid purposes of the Corporation or to such organization or organizations, as said Court shall determine.

ARTICLE VII: The names and addresses of the persons who shall serve as the initial directors of the Corporation are:

Sandy Abernathy
600 N. Pearl Street
Dallas, Texas 75201

Arcilia Acosta
1717 Main Street
Dallas, Texas 75201

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and have
acknowledged the same to be my act, on this the 23rd day of December, 1997

Susan A. Cobb
Susan A Cobb
Incorporator

HOUSING SERVICES OF TEXAS

BYLAWS

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February 25, 2009

Jeff Spicer
State Street Housing
5843 Royal Crest Drive
Dallas, TX 75230

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888



February 25, 2009

Judy Rath
Dominium Development and Acquisition
2355 Polaris Lane, Suite 100
Minneapolis, MN 55447

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

A handwritten signature in black ink, appearing to be 'Lee Anderson', with a stylized, cursive script.

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888

HOUSING SERVICES INCORPORATED

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2007

Housing Services Incorporated
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June 30, 2007

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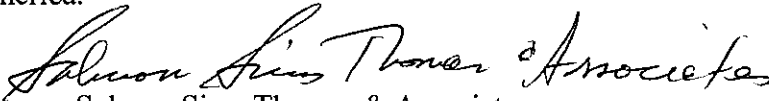
**SALMON SIMS THOMAS***Accountants and Consultants***INDEPENDENT AUDITORS' REPORT**

To the Board of Directors
Housing Services Incorporated

We have audited the accompanying statement of financial position of Housing Services Incorporated (a Texas nonprofit corporation) as of June 30, 2007, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Housing Services Incorporated as of June 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Salmon Sims Thomas & Associates
A Professional Limited Liability Company

Dallas, Texas
December 13, 2007

Housing Services Incorporated
Statement of Financial Position
June 30, 2007

ASSETS

Cash	\$ 23,503
Restricted cash	5,661
Accounts receivable	108,172
Notes receivable	3,021,916
Land held for investment	143,120
Property and equipment, net	20,117
Investment in limited partnerships	5
Investment in closely-held companies	560,523
Other assets	<u>11,748</u>
 TOTAL ASSETS	 <u><u>\$ 3,894,765</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 144,032
Accrued expenses	4,971
Unearned revenue	<u>3,979</u>
Total Liabilities	<u>152,982</u>

Net Assets

Unrestricted	3,736,122
Temporarily restricted	<u>5,661</u>
	<u>3,741,783</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,894,765</u></u>
----------------------------------	----------------------------

The accompanying notes are an integral part of this financial statement.

Housing Services Incorporated
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 576,732	\$ -	\$ 576,732
Development fees	50,000	-	50,000
Service fees	73,782	-	73,782
Other	3,266	-	3,266
	<u>703,780</u>	<u>-</u>	<u>703,780</u>
Impairment of investments	(177,631)	-	(177,631)
Net assets released from restrictions	314,560	(314,560)	-
Total Revenues and Support	<u>840,709</u>	<u>(314,560)</u>	<u>526,149</u>
Expenses			
Program services	741,291	-	741,291
Supporting services	266,888	-	266,888
Fundraising	18,364	-	18,364
Total Expenses	<u>1,026,543</u>	<u>-</u>	<u>1,026,543</u>
Decrease in Net Assets	(185,834)	(314,560)	(500,394)
Net Assets, beginning of year	<u>3,921,956</u>	<u>320,221</u>	<u>4,242,177</u>
Net Assets, end of year	<u>\$ 3,736,122</u>	<u>\$ 5,661</u>	<u>\$ 3,741,783</u>

The accompanying notes are an integral part of this financial statement.

Housing Services Incorporated
Statement of Functional Expenses
For the Year Ended June 30, 2007

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 87,313	\$ 44,410	\$ 9,450	\$ 141,173
General and administrative	18,099	5,021	2,101	25,221
Rent and rentals	21,513	4,153	1,942	27,608
Supplies	536,397	-	-	536,397
IDA program	20,573	-	-	20,573
Professional services	15,040	71,610	229	86,879
Advertising	6,313	-	107	6,420
Dues and subscriptions	388	230	100	718
Telephone	8,494	1,451	716	10,661
Travel	3,843	-	-	3,843
Postage and printing	9,478	653	2,696	12,827
Utilities	6,682	821	637	8,140
Maintenance	881	6,588	386	7,855
Return of funds	-	125,000	-	125,000
Interest	6,277	341	-	6,618
Depreciation	-	6,610	-	6,610
	<u>\$ 741,291</u>	<u>\$ 266,888</u>	<u>\$ 18,364</u>	<u>\$ 1,026,543</u>

The accompanying notes are an integral part of this financial statement.

Housing Services Incorporated
Statement of Cash Flows
For the Year Ended June 30, 2007

Cash Flows From Operating Activities	
Decrease in Net Assets	\$ (500,394)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	6,610
Impairment of investments	177,631
IDA funds released	314,560
(Increase) decrease in assets	
Receivables	71,040
Other assets	1,525
Increase (decrease) in liabilities	
Accounts payable	88,252
Unearned revenue	(3,984)
Net Cash Provided by Operating Activities	<u>155,240</u>
Cash Flows From Investing Activities	
Purchase of equipment	(16,872)
Return of funds on IDA program	<u>(125,000)</u>
Net Cash Used by Investing Activities	<u>(141,872)</u>
Net Increase in Cash	13,368
Cash, beginning of year	<u>10,135</u>
Cash, end of year	<u><u>\$ 23,503</u></u>
Supplemental Information	
Interest paid	<u>\$ -</u>
Taxes paid	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 1: NATURE OF ORGANIZATION

Housing Services Incorporated (originally incorporated and known as Housing Services of Texas) is a Texas nonprofit corporation formed in 1997. Housing Services Incorporated (Organization) provides specialized social support services to low and moderate income residents living in affordable housing communities. In addition, the Organization provides, develops, and facilitates safe and decent affordable housing for low to moderate income persons.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the fairness and objectivity embodied in the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Financial Statement Presentation - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Agency and/or the passage of time.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include the assumption in recording the realizable value of receivables, the allocation of expenses by function, and valuation of investments in closely held company and limited partnerships. It is at least reasonably possible that the significant estimates used will change within the next year.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents - The Organization considers all short-term investments with an original maturity of ninety days or less to be cash equivalents. There were no cash equivalents at June 30, 2007. The Organization places its cash, which, at times, may exceed federally insured limits with high credit quality financial institutions. The Organization has not experienced any losses on such amounts.

Restricted cash consists of amounts held for use in the IDA program. These funds are restricted as to use by a grant from the Department of Health and Human Services which requires the funds be held in separate bank accounts.

Accounts Receivable - The Organization provides services under a social services agreement with a related party. This contract was discontinued in November 2006. Management considers receivables to be fully collectible unless otherwise noted; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible they are charged to operations in the period in which that determination is made.

Unearned Revenue - The Organization provides social services to senior and low-income family residents of affordable housing facilities located across Texas. The Organization collects the social service fee revenue on these projects, and any prepaid service fees are reflected as unearned revenue at June 30, 2007.

Furniture and Equipment/Depreciation and Amortization - Furniture and equipment are stated at cost or fair market value at the date of donation or purchase, less accumulated depreciation and amortization. Major expenditures and those that substantially increase useful lives are capitalized. Maintenance, repairs and replacements, which do not improve or extend the lives of the respective assets, are charged to operations when incurred. When furniture or equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in operations. Depreciation and amortization has been calculated straight-line as follows:

Furniture and fixtures	7 years
Computer equipment	5 years

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services - The Organization recognizes contributions of goods and/or services if such services either (1) create or enhance nonfinancial assets or (2) require specialized skills that are provided by individuals possessing those skills and which would typically need to be purchased if not contributed.

In-kind contributions consisted primarily of rent, clothing, food and books and totaled approximately \$549,000. These funds are classified as unrestricted contributions on the Statement of Activities and Changes in Net Assets.

Investments in Closely-Held Companies and Limited Partnerships - The Organization received a donation of stock in Southwest Housing Investments, Inc., a closely-held company, during 1997. The investment was carried at cost, which approximated its fair value on the date of the donation, before impairment in 2005 (see Note 5).

The Organization has investments in seven limited partnerships. The investments are carried at cost unless impairments occurred.

The Organization set up three separate single-member limited liability companies during 2005. The purpose of these LLCs is to be a 1% general partner in three separate limited partnerships which developed affordable housing projects.

Management annually reviews all of these investments for impairment.

Support and Revenues - The Organization receives funding to support its programs from a variety of sources. A source of the Organization's revenue is derived from The Department of Health and Human Services under the IDA program. The funding for this program may be drawn when matching funds are acquired. This program requires at least 85% of the grant funds and an equal amount of nonfederal matching funds to be used to provide matching deposits for individuals participating in the program. The remaining 15% may be used for the administration of the program. In addition, the Organization receives support through public contributions from individuals, corporations, and other nonprofit organizations.

In October 2006, the Organization decided to no longer take on new clients in the IDA program; however, existing clients will be allowed to complete the program. As a result of this decision, the Organization returned \$125,000 of the monies held for the IDA program.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - As mentioned previously, the Organization is a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code (Code) that is exempt from federal income taxes under Section 509(a) of the Code. For the year ended June 30, 2007, the Organization did not conduct any unrelated business activities that would be subject to federal income taxes. Therefore, no tax provision or liability has been reported in the accompanying financial statements.

NOTE 3: PROPERTY AND EQUIPMENT

At June 30, 2007, fixed assets consisted of the following:

Furniture and fixtures	\$ 25,712
Computer equipment	4,115
Accumulated depreciation	<u>(9,710)</u>
	<u>\$ 20,117</u>

Total depreciation expense for the year ended June 30, 2007 was \$6,610.

NOTE 4: LAND HELD FOR INVESTMENT

During 2003, the Organization received an unrestricted donation of real property with a fair value of \$213,800. This land was adjusted to an appraised value of \$143,120 in 2006. The land is held as a long-term investment.

NOTE 5: INVESTMENTS IN CLOSELY HELD COMPANIES

In 1997, the Organization received a contribution of a 49% interest in Southwest Housing Investments, Inc. which is the general partner in a housing project in the Dallas area. Since the Organization does not have significant influence over Southwest Housing Investments, Inc., the Organization accounts for this investment on the cost method of accounting under which income is recognized only when distributions are received. There were no distributions during the year ended June 30, 2007. The Organization's management adjusted the value of the investment in 2005 due to losses incurred by the housing project. The value of the investment in the closely held company at June 30, 2007 was \$0.

The investment was disposed of subsequent to year-end as part of the settlement with Southwest Housing Development Company and certain related entities (See Note 11).

The investments in single-member L.L.C.s represent 100% ownership, by the Organization, in three separate limited liability companies. Each L.L.C. is a 1% general partner in three separate limited partnerships which own specific affordable housing, multifamily developments. These developments are all associated with Southwest Housing Investments, Inc. and one of its principals. The Organization's ownership of these 1% general partner interests (through the separate L.L.C.s), entitle

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 5: INVESTMENTS IN CLOSELY HELD COMPANIES (CONTINUED)

the limited partnerships to ad-valorem tax exemption under Sections 11.1825 and 11.1826 of the Texas Property Code. These Code sections require, among other things, that a not-for-profit organization have a controlling 100% general partner interest in a partnership. One partnership interest was received in August 2004, and subsequently appraised in May 2005 for \$175,875. The remaining partnership interests were received in November 2004 and January 2005 and were both appraised in January 2006 for \$659,421 and \$607,422, respectively, and have been recorded in the accompanying financial statements. These values were predicated on numbers that were estimated at the beginning of construction during the application process - specifically total construction costs, lease up time and unit rental amounts. On two of these partnerships, there have been significant deviations from the original estimates, and the present values (\$0 and \$125,000, respectively) are substantially less than estimated initially. The deviation on the third partnership was much less and the estimated present value was \$450,000. The Organization agreed to transfer these partnership interests as a result of the settlement (see Note 11). In addition, an allowance of \$36,000 has been recorded to reflect an adjustment to estimated market value based on values received as a result of the conclusion on the lawsuit previously mentioned.

NOTE 6: INVESTMENTS IN LIMITED PARTNERSHIPS

The investment in limited partnerships is comprised of a .001% limited partner interest and a co-general partner interest in seven partnerships. These nominal co-general partner interests were received due to the Organization lending subordinated debt in accordance with the Federal Home Loan Bank grants (see Note 7). The Organization is not considered to have significant influence over the partnerships because of the terms within the respective partnership agreements. Therefore, these investments are accounted for by the cost method of accounting under which income is recognized only when distributions are received. There were no distributions during the year ended June 30, 2007. The value of the investments in limited partnerships was \$5 at June 30, 2007.

NOTE 7: NOTES RECEIVABLE

The Federal Home Loan Bank granted the Organization certain funds under the Affordable Housing Program to partially fund the development of affordable housing projects as specified by the program.

The Organization received these grants, and made loans of equal amounts, to the partnerships developing these affordable housing projects under the Affordable Housing Program. These loans are recorded as long-term loans receivable and are described below.

In April 2005, the Organization signed a note receivable with Highland Gardens, L.P. for \$500,000.

The principal is due in April 2042, with interest of 0.5% due annually if sufficient cash flow exists. If the partnership is unable to pay interest due to negative cash flow, the interest accrues annually without compounding. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 7: NOTES RECEIVABLE (CONTINUED)

In April 2005, the Organization executed a note receivable with Tahoe Housing, L.P. for \$500,000. Principal is due in April 2042, with interest of 0.5% is due annually if sufficient cash flow exists. If the partnership is unable to pay interest due to negative cash flow, the interest accrues annually without compounding. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In May 2003, the Organization signed a note receivable with Oak Hollow Housing, L.P. for \$450,000. Principal is due in May 2021. Interest accrues annually at a rate of 4.75%, but is not payable until maturity. The note is secured by a subordinated deed of trust of certain real property owned by this partnership.

In May 2003, the Organization executed a note receivable with TX Hillside Apartments, L.P. for \$471,916. Principal is due in May 2021. Interest accrues at an annual rate of 4.79%, but is not payable until maturity. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In November 2003, the Organization signed a note receivable with Escondido Housing, L.P. for \$300,000. Principal is due in November 2021. Interest accrues at an annual rate of 4.99%, but is not payable until maturity. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In September 2003, the Organization executed a note receivable with Colorado Creekside Housing, L.P. for \$300,000. Principal is due in September 2021. Interest accrues at an annual rate of 5.08%, but is not payable until maturity. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In January 2003, the Organization signed a note receivable with TX Bluffview Housing, L.P. for \$500,000. The principal is due in January 2021. Interest accrues at an annual rate of 4.92%, but is not payable until the maturity date of the principal. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

Interest due on notes receivable is payable only when the note makers have sufficient cash flow. Accrued interest income as of June 30, 2007 was approximately \$23,000. The Organization does not expect to collect the interest from these notes; accordingly, no income has been recorded on the accompanying financial statements.

Total notes receivable balance at June 30, 2007 was \$3,021,916.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

Leases

The Organization entered into noncancellable lease agreements for the office space and various equipment. Future minimum annual rental commitments are as follows:

For the year ending June 30,	
2008	\$ 14,307
2009	9,486
2010	8,892
2011	7,047
2012	890
Thereafter	<u>-</u>
Total	<u>\$ 40,622</u>

Total rent expense was approximately \$27,500 for 2007.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2007, the temporarily restricted net assets consisted of the following:

IDA Program	\$ <u>5,661</u>
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NOTE 10: RELATED PARTY TRANSACTIONS

The Organization provides services for tenants whose apartments are managed by Southwest Housing Management, Inc., an entity affiliated with a former board member of the Organization. All service fees and development fees reported in the Statement of Activities and Changes in Net Assets are derived from services provided for the above-mentioned apartments. These amounts represent approximately eighteen percent of the Organization's revenues for the year ended June 30, 2007.

NOTE 11: SUBSEQUENT EVENT

The Organization was unable to conduct normal operations due to the negative public influence of being connected with Southwest Housing Management (SHM) and certain principals in that company. In November 2006, the Organization filed a lawsuit against SHM alleging that SHM failed to pay the Organization for services rendered from March to November 2006 (see Note 10). The Organization was also seeking settlement on the fair market values of investments (see Notes 5 and 6) and removal from various partnerships formed to participate in the low income housing tax credit program.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 11: SUBSEQUENT EVENT (CONTINUED)

In October 2007, the lawsuit between the Organization and SHM was settled for approximately \$711,000 (see components below) with payments received in October and November 2007 totaling approximately \$620,000. Approximately \$91,000 remains due from SHM for development fees.

The components of the settlement are as follows:

Social services	\$ 150,000
Investment in various entities	289,000
Development fees	<u>272,000</u>
	<u>\$ 711,000</u>

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
										Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010	RESIDENT	RENT
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
										Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010	RESIDENT	RENT
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcsbane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
				Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	38,518.00	34,905.00	0.00	34,905.00	13,379.00
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-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	68	804	566.44	0.70	562.98	0.70	62	91.18	2

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	38,518.00	68	38,412.00

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	34,905.00

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	34,905.00
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09319

Casa Messina

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Casa Messina.

Background and Recommendations

Casa Messina - 09319

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”), an Application is ineligible if:

“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a “thorough review cannot reasonably be performed”.

The Applicant’s appeal of the termination included a submission of many but not all of the deficient items. Staff’s review of the appeal and the subsequent submission identified the following items to remain deficient:

- Clear and consistent information regarding the syndication and deferred developer fees was not provided.
- Board member Juanita Valdez-Cox was not included on the Volume 1, Tab 5, Part A.2. Applicant Unique Identifier form.

- The General Partner, Aguila Village Housing GP LLC, was not included on the Volume 1, Tab 7, Part E. Part I. Applicant Credit Limit Documentation form.
- The Volume 1, Tab 7, Part E, Part II. Credit Limit Certification forms for Eva Vasquez Camacho and Roberto De La Rosa were not dated.
- An untitled balance sheet was provided. It is not clear if this is intended as the financial statement for Rufino Contreras Affordable Housing, L.P.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Edcouch Housing Development, L.P., a Texas limited liability partnership
Site Location:	7766 Mile 16 Road North
City/County:	Edcouch/Hidalgo
Regional Allocation Category:	Rural
Population Served:	General
Region:	11
Set Aside:	Non-Profit
Type of Development:	New Construction
Units:	76
Credits Requested:	\$172,919

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. Acceptance of an application with significant missing or inconsistent information provides an applicant with the competitive advantage of adjusting deliverables after knowing what the competition has submitted. Staff believes that in this instance the inconsistencies and missing information were more than mere oversight. The applicant’s inability to cure the matters in the appeal response clearly indicates that the omissions were not accidental or oversight, and provides evidence that the application was incomplete when it was submitted.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09319

Termination
Letter



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Juan S. Muñoz, Ph.D.

May 8, 2009

Ms. Jean Latsha
Edcouch Housing Development, LP
P.O. Box 684162
Austin, Texas 78768

Re: Application #09319, Casa Messina

Dear Ms. Latsha,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold and Selection requirements, the Department identified the following omissions, clarifications or corrections:

1. Volume 1, Tab 2, Part B. Rent Schedule: The gross rents for all units are not within the program limits and no evidence of rental subsidy was included to justify the rents provided.
2. Volume 1, Tab 2, Part C, Site Work Costs – The CPA letter allocating which portions of the site work costs should be included in Eligible Basis and which ones may be ineligible was not provided.
3. Volume 1, Tab 2, Part D. Annual Operating Expenses: The form does not include a source for the Annual Debt Service of \$115,553.68.
4. Volume 1, Tab 4, Part A. Summary of Sources and Uses: A source for the In-Kind Equity/Deferred Developer Fee was not provided.
5. Volume 1, Tab 4, Financing Narrative and Part B. Financing Participants: The document is not consistent with the commitment letters.
6. Volume 1, Tab 4, Part B, Financing Participants – The equity provider with the correct equity amounts and terms was not provided on this form.
7. Volume 1, Tab 4, Status of Funding – Current funding letters for construction, permanent and equity funding were not provided.
8. Volume 1, Tab 5, Organizational Charts: The owner's chart indicates that the National Farm Workers Service Center is controlled by Rufino Contreras Affordable Housing, L.P., inconsistent with the developer's chart.
9. Volume 1, Tab 5, Organizational Charts: The charts do not include all of the principals and/or board members for the entities listed.
10. Volume 1, Tab 5, Part A.2. Applicant Unique Identifier: The form is missing page 2 and does not include all principals/board members for the entities listed on the organizational charts.

11. Volume 1, Tab 5, Part C. List of Principals...: The form does not include all principals/board members for the entities listed on the organizational charts.
12. Volume 1, Tab 5, Part D. Certification of Principal: Forms for all principals/board members of entities listed on the organizational charts were not provided.
13. Volume 1, Tab 7, Part E. Part I. Applicant Credit Limit Documentation: The form does not include all principals/board members for the entities listed on the organizational charts.
14. Volume 1, Tab 7, Part E, Part II. Credit Limit Certification: Forms for all principals/board members of entities listed on the organizational charts were not provided.
15. Volume 2, Tab 1, Site Information: The description does not show the development as "Proposed" and the housing type as "Family".
16. Volume 3, Tab 1, Part B, Specifications and Amenities: The form indicates only 99% of exterior materials making up the walls.
17. Volume 3, Tab 1, Architectural Drawings: None of the drawings are legible.
18. Volume 3, Tab 3, Notification Sign – The photograph of the sign is not legible.
19. Volume 3, Tab 4, Organizational Documents: A certificate of name reservation for the GP was not provided.
20. Authorization to Release Credit: Authorization to Release Credit Information form or statements of no assets for all of the entities listed on the organizational charts were not provided.
21. Financials: The December 31, 2007 Audit Report for National Farm Workers Service Center did not include a copy of the draft financial statements for the most recent fiscal year ended 6 months prior to the date of Application submission.
22. Financials: No financial statement was provided for Rufino Contreras Affordable Housing, L.P.
23. Volume 3, Tab 6, Identity of Interest: A settlement statement or seller's most recent financial statement, indicating the original asset value of the property, was not provided.

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP") states that an application is ineligible for an allocation of Housing Tax Credits if:

"A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibly will be included in the termination letter to the Applicant."

The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 Q AP, the Department has determined the application to be ineligible for consideration because a "thorough review can not reasonably be performed".

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review

possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .


Sincerely,

A handwritten signature in black ink, appearing to read 'RGM', with a long horizontal flourish extending to the right.

Robbye Meyer
Director of Multifamily Finance

09319

Appeal
Documents



National Farm Workers Service Center, Inc. Housing and Economic Development Fund

29700 Woodford-Tehachapi Rd., PO Box 62, Keene, CA 93531 Tel (661) 823-6201 – Fax (661) 823-6175

Texas Office: PO Box 684162, Austin, TX 78768 –Tel. (512) 519-9444 – Fax (512) 519-9774

May 11, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin TX 78711-3941

Re: Applications #09319, Casa Messina

Dear Ms. Meyer,

Please accept this letter and attachments in response to your letter dated May 8, 2009. Also please consider this an appeal of the termination of the application #09319, Casa Messina.

The following items were addressed in the deficiency:

1. Volume 1, Tab 2, Part B. Rent Schedule: The gross rents that were used in the application were consistent with the attached memo dated September 2008 regarding rural rents. Also attached is correspondence with TDHCA staff confirming that the rents used in the application were acceptable. No change to the rents used in the application was made.
2. Volume 1, Tab 3, Part C, Site Work Costs: a CPA letter allocating which portions of the site work costs should be included in Eligible Basis and which ones may be ineligible is attached.
3. Volume 1, Tab 2, Part D. Annual Operating Expenses: The updated form which includes the source of the annual debt service is attached.
4. Volume 1, Tab 4, Part A. Summary of Sources and Uses: The updated form which includes the source for the Deferred Developer Fee is attached.
5. Volume 1, Tab 4, Financing Narrative and Part B. Financing Participants: A revised financial narrative and Part B is attached.
6. Volume 1, Tab 4, Part B, Financing Participants: The revised form with the equity amount and terms is attached.
7. Volume 1, Tab 4, Status of Funding: We closed on the convertible (permanent) and construction loans on November 26, 2007. The executed loan documents were included in the original application. Attached is a commitment letter from Centerline Capital for the additional credits.
8. Volume 1, Tab 5, Organizational Charts: The revised Developer Chart indicating that Rufino Contreras Affordable Housing Corp. ("Rufino") is a wholly owned subsidiary of National Farm Workers Service Center, Inc. ("NFWSC") is attached.
9. Volume 1, Tab 5, Organizational Charts: The organizational charts have been revised to include all board members.
10. Volume I, Tab 5, Part A.2. Applicant Unique Identifier: The revised form listing all board member is attached. Page 2 of the form is attached as well.
11. Volume 1, Tab 5 Part C. List of Principals...: The form has been revised to include all board members. Previous Participation Certification forms for all board members that were not included in the original application are also attached.



National Farm Workers Service Center, Inc. Housing and Economic Development Fund

29700 Woodford-Tehachapi Rd., PO Box 62, Keene, CA 93531 Tel (661) 823-6201 – Fax (661) 823-6175

Texas Office: PO Box 684162, Austin, TX 78768 –Tel. (512) 519-9444 – Fax (512) 519-9774

12. Volume 1, Tab 5, Part D. Certification of Principal: All certifications of Principals that were not included in the original application are attached here.
13. Volume 1, Tab 7, Part E. Part I. Applicant Credit Limit Documentation. The form has been revised to include all principals and all Affiliates of the Applicant, Developers, Related Parties, and Guarantors.
14. Volume 1, Tab 7, Part E, Part II. Credit Limit Certification: Certifications for the additional Principals that were not included in the original application and that are listed on the revised Part I of the form are attached here.
15. Volume 2, Tab 1, Site Information: The original application listed the site as existing, not proposed. This is a 2006 tax credit development that has already been built, so although it is New Construction, it is existing, not proposed. Housing Type (new construction) was also included in the original application. Revised site information that includes population served (Family) is attached.
16. Volume 3, Tab 1, Part B, Specifications and Amenities: The form submitted in the application included 99% stucco in order to be consistent with the application submitted in 2006 for the same Development. A revised form indicating 100% stucco is attached here.
17. Volume 3, Tab 1, Architectural Drawings: Legible copies are attached as a separate file.
18. Volume 3, Tab 3, Notification Sign: Legible photograph is attached as a separate file.
19. Volume 3, Tab 4, Organizational Documents: A name reservation was not included for the GP since the entity is already formed and in good standing. A certificate of fact was included in the original application. The Certificate of Organization is attached here.
20. Authorization to Release Credit: The authorizations are attached here.
21. Financials: The most recently audited financial statements were submitted with the application along with a certification as to no material change. Unaudited draft financials for NFWSC and a balance sheet and Job Cost Summary for Rufino for the fiscal year ending December 31, 2008 are attached.
22. Volume 3, Tab 6, Identity of Interest: A copy of the settlement statement is attached.

Revised lists of board members for Rufino and for NFWSC are also attached. Juanita Valdez-Cox is now acting as Secretary and Treasurer for Rufino, and Clifford Timmermans is not on the NFWSC board, which is reflected on the revised lists. This exhibit is consistent with the other exhibits in this response.

If you need any further information, please do not hesitate to contact me.

Sincerely,


Jean Latsha
Senior Project Manager



National Farm Workers Service Center, Inc. Housing and Economic Development Fund

29700 Woodford-Tehachapi Rd., PO Box 62, Keene, CA 93531 Tel (661) 823-6201 – Fax (661) 823-6175

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ATTACHMENTS

1. TDHCA memo dated September 2008 regarding rural rent limits
Correspondence with TDHCA staff regarding rent limits
2. CPA letter regarding site work costs included in Eligible Basis
3. Annual Operating Expenses form
4. Summary Sources and Uses form
5. Financial Narrative
6. Financing Participants form
7. Commitment letter from Centerline Capital
8. Ownership chart
9. Developer chart
10. Applicant Unique Identifier form (2 pages)
11. List of Principals of Organizations with an Ownership or Special Interest in the Applicant
Previous Participation Certification form – all those not included in original application
12. Certification of Principals – all those not included in the original application
13. Applicant Credit Limit Documentation form
14. Credit Limit Certifications – all those not included in the original application
15. Site Information
16. Specifications and Amenities form
17. Architectural Drawings – separate file
18. Picture of Notification Sign – separate file
19. Secretary of State Certificate of Organization for Aguila Village Housing GP LLC
20. Authorization to release credit – for all entities on organizational chart
21. Financials – unaudited statements from 2008 for both NFWSC and Rufino
22. Settlement Statement
23. List of Board Members of Rufino Contreras Affordable Housing Corp.
List of Board members of National Farm Workers Service Center, Inc.



To: Owners and Managers of TDHCA Sponsored Developments

From: Patricia Murphy
Director of Portfolio Management and Compliance

Date: September 3, 2008

RE: Rural Income and Rent Limits

The Housing and Economic Recovery Act of 2008 increased the income limits for certain Housing Tax Credit rural properties, as defined in Section 520 of the Housing Act of 1949, to the greater of Area Median Income or the National Non-metropolitan income limit. Section 520 of the Housing Act of 1949 states:

"As used in this subchapter, the terms "rural" and "rural area" mean any open country, or any place, town, village, or city which is not (except in the cases of Pajaro, in the State of California, and Guadalupe, in the State of Arizona) part of or associated with an urban area and which

(1) has a population not in excess of 2,500 inhabitants, or
(2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or
(3) has a population in excess of 10,000 but not in excess of 20,000, and
(A) is not contained within a standard metropolitan statistical area, and
(B) has a serious lack of mortgage credit for lower and moderate-income families, as determined by the Secretary and the Secretary of Housing and Urban Development. For purposes of this subchapter, any area classified as "rural" or a "rural area" prior to October 1, 1990, and determined not to be "rural" or a "rural area" as a result of data received from or after the 1990 or 2000 decennial census shall continue to be so classified until the receipt of data from the decennial census in the year 2010, if such area has a population in excess of 10,000 but not in excess of 25,000, is rural in character, and has a serious lack of mortgage credit for lower and moderate-income families. Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this subchapter, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the receipt of data from the decennial census in the year 2000."

The starting point for determining which areas these new income and rent limits apply to was a listing of all places shown as rural on the **2008 Housing Tax Credit Site Demographic, County and Tract level** (published on the Department's website). This list reflects the definition of rural found in §2306.004 of the Texas Government Code and was used to determine what areas:

- Are not part of or associated with a rural area and
- With a population between 2,500 and 10,000 are considered rural in character.

The following cities were eliminated from the list:

- Places with no Housing Tax Credit or Housing Trust Fund units,
- Places that have an income limit greater than the national non metropolitan income limit,
- Places that have a population in excess of 25,000 (as of the 2000 census) and
- Places with a population between 10,000 and 25,000 (as of the 2000 census) that are in a Metropolitan Statistical Area

The cities shown below are the result of this analysis and may begin using these increased income and rent limits immediately. If you believe that your property should qualify as a rural area and benefit from the income and rent limits based on the national non-metropolitan income limit, please contact James Roper at (512) 475-3907.

Income limits based on household size:

	1	2	3	4	5	6	7	8
30%	\$10,350	\$11,820	\$13,320	\$14,790	\$15,960	\$17,160	\$18,330	\$19,530
40%	\$13,800	\$15,760	\$17,760	\$19,720	\$21,280	\$22,880	\$24,440	\$26,040
50%	\$17,250	\$19,700	\$22,200	\$24,650	\$26,600	\$28,600	\$30,550	\$32,550
60%	\$20,700	\$23,640	\$26,640	\$29,580	\$31,920	\$34,320	\$36,660	\$39,060

Rent limits based on number of bedrooms:

	Efficiency	1	2	3	4	5
30%	\$258	\$277	\$333	\$384	\$429	\$473
40%	\$345	\$369	\$444	\$512	\$572	\$631
50%	\$431	\$461	\$555	\$640	\$715	\$788
60%	\$517	\$554	\$666	\$768	\$858	\$946

These new income and rent limits do not apply to any rural Housing Tax Credit property that also received an allocation of tax exempt bonds. Those properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

The HOME program income and rent limits are not changed by the Housing and Recovery Act of 2008. HOME rental properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

If your property received any other funding (i.e. Rural Development, HUD programs, other local funds, etc) it is the owner's responsibility to determine how these new income limits affect their other programs.

The Department permits the use of these new income limits for Housing Trust Fund or Preservation properties located in the cities listed below. The Department has the authority to measure Area Median Income by using a methodology acceptable under federal or state law (§2306.123 Texas Government Code). To provide this benefit to Housing Trust Fund and Preservation properties and streamline administration of layered properties, the Department is measuring Area Median Income in accordance with this new legislation.

The new income and rent limits apply to the Housing Tax Credit, Housing Trust Fund and Preservation properties located in the following cities:

City	County
Albany	Shackelford
Alice	Jim Wells
Alpine	Brewster
Alto	Cherokee
Alton	Hidalgo
Amherst	Lamb
Andrews	Andrews
Aransas Pass	San Patricio
Athens	Henderson
Bay City	Matagorda
Beeville	Bee
Big Lake	Reagan
Bogata	Red River
Bowie	Montague
Brackettville	Kinney
Brady	McCulloch
Breckenridge	Stephens
Brownfield	Terry
Brownwood	Brown
Bryson	Jack
Buffalo	Leon
Buna	Jasper
Cameron	Milam
Carrizo Springs	Dimmitt
Carthage	Panola
Center	Shelby
Chandler	Henderson
Childress	Childress
Cisco	Eastland
Clarksville	Red River
Clifton	Bosque
Clint	El Paso
Colorado City	Mitchell
Comanche	Comanche
Corsicana	Navarro
Cotulla	La Salle
Crockett	Houston
Crystal City	Zavala
Daingerfield	Morris
Dalhart	Dallam
Detroit	Red River
Devine	Medina

Dilley	Frio
Dimmit	Castro
Dublin	Erath
Eagle Pass	Maverick
Eastland	Eastland
Edcouch	Hidalgo
Edgewood	Van Zandt
Eldorado	Schleicher
Elsa	Hidalgo
Fabens	El Paso
Fort Stockton	Pecos
Frankston	Anderson
Gonzales	Gonzales
Grand Saline	Van Zandt
Grapeland	Houston
Groesbeck	Limestone
Groveton	Trinity
Hemphill	Sabine
Henderson	Rusk
Hereford	Deaf Smith
Hidalgo	Hidalgo
Hillsboro	Hill
Hondo	Medina
Horizon City	El Paso
Hallettsville	Lavaca
Hamilton	Hamilton
Hebbronville	Jim Hogg
Hubbard	Hill
Hughes Spring	Cass
Jacksboro	Jack
Jacksonville	Cherokee
Jasper	Jasper
Jefferson	Marion
Joaquin	Shelby
Karnes City	Karnes
Kerrville	Kerr
Kingsland	Llano
Kirbyville	Jasper
La Casita-Garciasville	Starr
La Feria	Cameron
Laguna Vista	Cameron
La Joya	Hidalgo
Lamesa	Dawson
La Villa	Hidalgo
Levelland	Hockley
Littlefield	Lamb
Livingston	Polk

Llano	Llano
Lone Star	Morris
Madisonville	Madison
Marfa	Presidio
Marlin	Falls
Marshall	Harrison
Mathis	San Patricio
Menard	Menard
Meridian	Bosque
Mexia	Limestone
Mineola	Wood
Mineral Wells	Palo Pinto
Mount Pleasant	Titus
Mount Vernon	Franklin
Muleshoe	Bailey
Navasota	Grimes
Newton	Newton
Nocona	Montague
Orange Grove	Jim Wells
Ozona	Crockett
Palacios	Matagorda
Palestine	Anderson
Pampa	Gray
Pearsall	Frio
Pecos	Reeves
Pittsburg	Camp
Plainview	Hale
Pleasanton	Atasocso
Port Isabel	Cameron
Port Lavaca	Calhoun
Poteet	Atascosa
Presidio	Presidio
Queen City	Cass
Quitman	Wood
Raymondville	Willacy
Refugio	Refugio
Reno (Lamar)	Lamar
Rio Grande City	Starr
Rio Hondo	Cameron
Rockport	Aransas
Roma	Starr
Runge	Karnes
Rusk	Cherokee
Saint Jo	Montague
San Augustine	San Augustine
San Diego	Duval
Santa Anna	Coleman

Santa Rosa	Cameron
Seagraves	Gaines
Sebastian	Willacy
Seven Points	Henderson
Sinton	San Patricio
Stephenville	Erath
Tatum	Rusk
Teague	Freestone
Three Rivers	Live Oak
Timpson	Shelby
Trinity	Trinity
Uvalde	Uvalde
Van	Van Zandt
Vernon	Willbarger
Wharton	Wharton
Whitney	Hill
Yantis	Wood
Yoakum	Lavaca
Zapata	Zapata

Jean Latsha

From: Sharon Gamble [sharon.gamble@tdhca.state.tx.us] **Sent:** Mon 5/11/2009 6:58 AM
To: Jean Latsha
Cc:
Subject: RE: question about rents
Attachments:

Jean, you can use the rents as published by compliance. State this fact as your answer to the item.

If you have questions, please contact me.

Sharon D. Gamble

Multifamily HTC Program Administrator

(512) 475-4610 (direct)

(512) 475-0764 (fax)

-----Original Message-----

From: Jean Latsha [mailto:jlatscha@nfwsc.org]
Sent: Monday, May 11, 2009 8:23 AM
To: sharon.gamble@tdhca.state.tx.us
Subject: question about rents

Hi Sharon,

I'm working on my responses to the termination notices for Casa Messina and Casa Alton and have a question about rent limits.

Both termination notices indicate that the gross rents are not within the program limits. I used the rents that were listed in the attached memo which indicates that they could be used for both Edcouch and Alton and were effective as of Septmeber 2008. If there is some reason that I would not be able to use them, can you tell me what it is? In addition, the 2009 rural rent limits were recently released and are higher than these.

Thanks,

Jean

Please note my change of address and phone and fax numbers below, effective immediately. Thank you,

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To: Edcouch Housing Development, L.P. (the "Owner")
c/o National Farm Workers Service Center, Inc.
29700 Woodford-Tehachapi Road
Keene, California 93531

RE: Name of Property: Casa Messina (the "Property")
Name of Property Owner: Edcouch Housing Development, L.P.

Pursuant to the request of the Texas Department of Housing and Community Affairs (the "Agency") and at the request of the Owner, we have performed the procedures enumerated below, which were agreed to by the Owner, solely to assist you with respect to the tax credit application documents of the Owner submitted to the Agency. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- We read the detailed cost breakdown for all estimated site work costs, submitted by the Owner to the Agency as a requirement of the 2009 Low Income Housing Tax Credit Program Qualified Allocation Plan and Rules for the 2009 Low Income Housing Tax Credit Program Application; and
- We read the detailed cost breakdown for all estimated site work costs for the Property, as revised by the Owner and updated as of February 25, 2009; and
- We read the detailed site work estimate, prepared by the Professional Engineer; and
- We read IRC Section 42 and the Treasury Regulations thereunder; and
- We read Internal Revenue Service ("IRS") Technical Advice Memoranda 200044005, 200044004, 200043017, 200043016, 200043015, 200203011; 200203012, 200203013, and 200203014; and
- We discussed the estimated site work costs and their respective accounting treatments with the Owner.

Edcouch Housing Development, L.P.
Page 2 of 2

Based on our understanding of the IRS Technical Advice Memoranda and representations made to us by the Owner regarding the probable character and nature of the estimated site work costs, we determined that estimated site work costs of \$684,000 are potentially includible in eligible basis at cost certification, based on an estimate of site work costs of \$1,078,846 by Rene Barrera, the Professional Engineer for the Property. The breakout of site work costs from the application is as follows:

	<u>Total Costs</u>	<u>Eligible Basis</u>
Site work	<u>\$ 1,078,882</u>	<u>\$ 684,000</u>

The final determination of site work costs that are includible in eligible basis at cost certification cannot be determined until the site work is completed, and the character and nature of the site work can be evaluated. Furthermore, the Owner's treatment of site work costs is not free from challenge by the IRS and the final outcome of these issues in an IRS examination is not free from doubt.

The drafter of this document's written tax advice did not intend nor write the advice to be used to avoid any penalty imposed by a taxing authority, nor may any recipient of this document use this document's written tax advice for that purpose. This document's tax advice was written specifically to support the promotion or marketing of the matter addressed by the written tax advice. Therefore, any recipient of this document should seek an independent tax professional's advice regarding the recipient's particular circumstances.

These agreed-upon procedures do not constitute an audit, the objective of which is the expression of an opinion on the estimated site work costs. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Novoco LLC & Company LLP

May 11, 2009

Contact person for questions about this report:

George F. Littlejohn, CPA
Phone: (512) 340-0420
Facsimile: (512) 340-0421
E-Mail: George.Littlejohn@novoco.com

Volume 1, Tab 3, ACTIVITY OVERVIEW

Part C. Site Work Costs

This form must be submitted with the Development Cost Schedule if the development has Site Work Costs in excess of \$9,000 per unit.

Column A: The site work activity reflected here must match the Site Work activity reflected in Volume 1, Tab 3, Part A. Development Cost Schedule.

Columns B and C: In determining actual construction cost, two different methods may be used. Either, the construction costs may be broken into labor (Col. B) and materials (Col. C) for the activity; OR The other method involves the use of unit price (Col. B) and the number of units (Col. C) data for the activity.

Column D: If based on labor and materials, add Column B and Column C together to arrive at total construction costs. If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

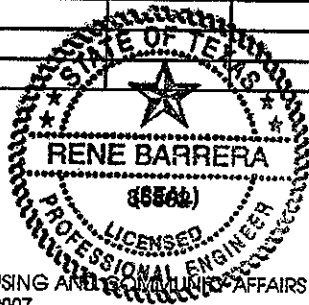
Column F: Engineering/architectural costs must be broken out by the site work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

This form must be completed by a professional engineer or architect, licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.

Development Name: **Casa Messina**

A.	B.	C.	D.	E.	F.	G.
ACTIVITY	LABOR OR UNIT PRICE	MATERIALS OR # OF UNITS	TOTAL CONSTRUCTION COSTS	ACQUISITION COSTS	ENGINEERING/ ARCHITECTURAL COSTS	TOTAL ACTIVITY COSTS
Clear & Grub			\$ 5,086.45			\$ 5,086.45
Rough Grading			\$ 243,362.89			\$ 243,362.89
Fine Grade			\$ 20,000.00			\$ 20,000.00
Joint Trench and utilities			\$ 16,350.00			\$ 16,350.00
On-site Asphalt			\$ 209,424.62			\$ 209,424.62
On-site Storm			\$ 50,115.46			\$ 50,115.46
On-site water			\$ 118,582.97			\$ 118,582.97
On-site sewer			\$ 77,755.63			\$ 77,755.63
On-site Curb & gutter			\$ 48,470.00			\$ 48,470.00
Signage			\$ 22,295.00			\$ 22,295.00
Landscaping & irrigation			\$ 167,113.85			\$ 167,113.85
Pool & wrought iron fence			\$ 62,665.00			\$ 62,665.00
Playground equipment			\$ 29,998.82			\$ 29,998.82
SWPPP			\$ 7,625.00			\$ 7,625.00




 2/25/09
 Signature of Registered Engineer/Architect Responsible for
 Budget Justification

Volume 1, Tab 2. ACTIVITY OVERVIEW


Development Name: **Casa Messina** City: **Edcouch**

Part D. Annual Operating Expenses			
General & Administrative Expenses			
Accounting	\$	5,000.00	
Advertising	\$	5,000.00	
Legal fees	\$	6,000.00	
Leased equipment	\$		
Postage & office supplies	\$	3,000.00	
Telephone	\$	2,400.00	
Other <i>Describe</i>	\$		
Total General & Administrative Expenses:			\$ 21,400.00
Management Fee:	Percent of Effective Gross Income:	5.00%	\$ 20,724.81
Payroll, Payroll Tax & Employee Benefits			
Management	\$	35,000.00	
Maintenance	\$	31,500.00	
Other <i>Describe</i>	\$		
Total Payroll, Payroll Tax & Employee Benefits:			\$ 66,500.00
Repairs & Maintenance			
Elevator	\$	5,000.00	
Exterminating	\$	5,000.00	
Grounds	\$	7,000.00	
Make-ready	\$	5,000.00	
Repairs	\$	5,500.00	
Pool	\$	3,500.00	
Other <i>Describe</i>	\$		
Total Repairs & Maintenance:			\$ 31,000.00
Utilities (Enter development owner expense)			
Electric	\$	12,000.00	
Natural gas	\$		
Trash	\$	10,800.00	
Water & sewer	\$	30,000.00	
Other <i>Describe</i>	\$		
Total Utilities:			\$ 52,800.00
Annual Property Insurance:	Rate per net rentable square foot:	\$ 0.27	\$ 20,000.00
Property Taxes:			
Published Capitalization Rate:	9.50%	Source:	
Annual Property Taxes:	\$	56,142.70	
Payments in Lieu of Taxes:	\$		
Other Taxes <i>50% CHDO abatement</i>	\$	(28,071.35)	
Total Property Taxes:			\$ 28,071.35
Reserve for Replacements:	Annual reserves per unit:	\$ 250	\$ 19,000.00
Other Expenses			
Cable TV	\$		
Supportive service contract fees	\$	5,000.00	
TDHCA Compliance fees	\$	3,040.00	
Security	\$		
Other <i>Describe</i>	\$		
Total Other Expenses:			\$ 8,040.00
TOTAL ANNUAL EXPENSES	Expense per unit:	\$ 3520.21	\$ 267,536.16
	Expense to Income Ratio:	64.54%	
NET OPERATING INCOME (before debt service)			\$ 146,960.04
Annual Debt Service			
<i>USBank mortgage payment</i>	\$	115,553.68	
<i>Describe Source</i>	\$	0	
<i>Describe Source</i>	\$		
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:	1.27	\$ 115,553.68
NET CASH FLOW			\$ 31,406.36

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

 Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Casa Messina**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan		\$ 1,900,000	\$ 1,500,000	US Bank
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit				
4	HOME		\$ 150,000	\$ -	HCUCP
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 3,432,940	\$ 6,072,000	Centerline
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant				
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee		\$ 2,264,371	\$ 175,311	NFWSC/Rufino Contreras
TOTAL SOURCES OF FUNDS			\$ 7,747,311	\$ 7,747,311	
TOTAL USES OF FUNDS			\$ 7,747,311	\$ 7,747,311	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

Volume 1, Tab 4**Financing Narrative**

Construction Loan – A convertible note of \$1,500,000 and a construction note of \$400,000 are in place with US Bank. Proceeds from the two loans are used to finance construction of the project. There is an interest rate SWAP agreement in place, and interest paid by Edcouch Housing Development, L.P. on the total amount of the two loans (\$1,900,000) is calculated based on a fixed rate of 5.25%. The loan is interest only throughout the 24-month term of the loan. Advances from the loan were provided as needed during the construction period.

An additional construction loan of \$150,000 was provided by the Hidalgo County Urban County Program. This loan was funded at 50% completion and bears an interest rate of 6.00%, with all principle and interest due at maturity. The loan is due 1 year after final certificate of occupancy, estimated in February 2010.

Permanent Loan – The \$1,500,000 convertible loan will convert to a permanent mortgage upon completion of construction and stabilization. The loan will bear an interest rate of 6.65% for the first 15 years (also via a SWAP agreement), at which time the rate will float or another SWAP agreement negotiated. The permanent loan will amortize over 30 years, with principal and interest payments due monthly.

The \$400,000 construction note will be paid off with the final equity contribution.

Equity – Centerline Capital Group has already contributed \$3,432,940 in equity during construction of the project. They have committed to deliver another \$2,104,060 (less downward timing adjusters) in two more installments at 100% completion and stabilization. Adjusters are estimated at \$325,000, leaving the total equity contribution at \$5,212,000.


Centerline Capital will syndicate \$172,000 in additional credits awarded in this application for \$.50 on the dollar, resulting in an additional \$860,000. This additional equity will fill the gap created by cost overruns and downward timing adjusters.

Deferred Developer Fee – During construction \$700,000 of the developer fee was deferred. Currently, at completion of construction, National Farm Workers Service Center and Rufino Contreras Affordable Housing Corp, Co-Developers, are deferring 130% of the total \$800,000 developer fee. With the additional equity, \$175,311 (22%) of the developer fee will be deferred.

Volume 1, Tab 4: Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

 Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Casa Messina**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan		\$ 1,900,000	\$ 1,500,000	US Bank
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit				
4	HOME		\$ 150,000	\$ -	HCUCP
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 3,432,940	\$ 6,072,000	Centerline
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant				
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee		\$ 2,290,676	\$ 201,616	
TOTAL SOURCES OF FUNDS			\$ 7,773,616	\$ 7,773,616	
TOTAL USES OF FUNDS			\$ 7,773,616	\$ 7,773,616	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

From: Jean Latsha [jlatsha@nfwsc.org]
Sent: Friday, May 22, 2009 12:23 PM
To: sharon.gamble@tdhca.state.tx.us
Subject: Casa Messina TDHCA #09319

Hi Sharon,

To answer your questions about the Summary of Sources and Uses for Casa Messina...

We closed the LP agreement and construction loan assuming total costs of around \$7.4 million. Sources during the construction phase included a \$1,900,000 loan from USBank and about \$250k in local government loans, along with \$4,706,450 in equity, leaving about a \$540k gap that was filled by deferred developer fee.

According to the Contribution Agreement, the LP would receive equity according to the following schedule:

\$1,218,140 - initial contribution (start of construction)
\$1,107,400 - 50% completion
\$1,107,400 - 75% completion
\$1,273,510 (adjusted to \$1,073,510) - 100% completion
\$830,550 (adjusted to \$705,550) - stabilization/conversion

The last two amounts are changed due to anticipated downward timing adjusters since lease-up was also delayed. We anticipate those adjusters to be \$200,000 for the 100% completion contribution and an additional \$125,000 for the final contribution. In addition, we only received \$150,000 in local government loans during construction, and had cost overruns upward of \$300,000.

In the current Summary of Sources and Uses, I indicated that we have \$3,432,940 in equity, the sum of the first three contributions. Although we have reached 100% completion and incurred \$7,773,616 in costs, the 100% completion contribution has been delayed for various reasons. National Farm Workers Service Center, as Developer and Guarantor, is responsible for those costs and required to fill the gap. The \$2,290,676 is the amount that NFWSC will put into the project if for any reason the equity contribution does not come in. It was calculated solely based on a gap method. To date, the project costs are \$2,290,676 more than the combination of the other sources (the construction loan, equity, and HCUCP loan).

I could include the 100% completion equity contribution as a source in the Construction Stage on the Summary since we do anticipate receiving the contribution soon, but since we have not received it yet I wanted to reflect the reality of the situation. I attached the other scenario here in case it makes more sense, adding \$1,073,510 in equity to the \$3,432,940 that we have already received.

In my financing narrative I stated that 130% of the \$800,000 developer fee, or \$1,061,616 would be deferred if we did not receive additional equity from these additional 2009 tax

credits. This assumes that we would receive the last two adjusted equity contributions, making the total equity \$5,212,000.

I hope this makes sense. If it doesn't or you have any questions about it, please feel free to call. Thanks,
Jean

Please note my change of address and phone and fax numbers below, effective immediately. Thank you,

Jean Latsha
Senior Project Manager
National Farm Workers Service Center, Inc.
Rufino Contreras Affordable Housing Corp.
PO Box 684162
Austin TX 78768-4162
ph. 512-519-9444
fax 512-519-9774

Physical address (for fedex, UPS, etc.):
1208 South Trace Dr
Austin TX 78745

Volume 1, Tab 4**Financing Narrative**

Construction Loan – A convertible note of \$1,500,000 and a construction note of \$400,000 are in place with US Bank. Proceeds from the two loans are used to finance construction of the project. There is an interest rate SWAP agreement in place, and interest paid by Edcouch Housing Development, L.P. on the total amount of the two loans (\$1,900,000) is calculated based on a fixed rate of 5.25%. The loan is interest only throughout the 24-month term of the loan. Advances from the loan were provided as needed during the construction period.

An additional construction loan of \$150,000 was provided by the Hidalgo County Urban County Program. This loan was funded at 50% completion and bears an interest rate of 6.00%, with all principle and interest due at maturity. The loan is due 1 year after final certificate of occupancy, estimated in February 2010.

Permanent Loan – The \$1,500,000 convertible loan will convert to a permanent mortgage upon completion of construction and stabilization. The loan will bear an interest rate of 6.65% for the first 15 years (also via a SWAP agreement), at which time the rate will float or another SWAP agreement negotiated. The permanent loan will amortize over 30 years, with principal and interest payments due monthly.

The \$400,000 construction note will be paid off with the final equity contribution.

Equity – Centerline Capital Group has already contributed \$3,432,940 in equity during construction of the project. They have committed to deliver another \$2,104,060 (less downward timing adjusters) in two more installments at 100% completion and stabilization. Adjusters are estimated at \$325,000, leaving the total equity contribution at \$5,212,000.

Centerline Capital will syndicate \$172,000 in additional credits awarded in this application for \$.50 on the dollar, resulting in an additional \$860,000. This additional equity will fill the gap created by cost overruns and downward timing adjusters.

Deferred Developer Fee – During construction \$700,000 of the developer fee was deferred. Currently, at completion of construction, National Farm Workers Service Center and Rufino Contreras Affordable Housing Corp, Co-Developers, are deferring 130% of the total \$800,000 developer fee. With the additional equity, \$201,616 (25%) of the developer fee will be deferred.

CONTRIBUTION AGREEMENT

among

**EDCOUCH HOUSING DEVELOPMENT, L.P.,
as Project Partnership,**

**AGUILA VILLAGE HOUSING GP, LLC,
as a General Partner,**

**CENTERLINE INVESTOR LP LLC,
as Investor**

and

**CENTERLINE SLP LLC,
as Special Limited Partner**

Project: Casa Edcouch
Property: Edcouch, Texas

Dated: As of November 1, 2007

CONTRIBUTION AGREEMENT

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Exhibits

- A Description of Premises (to include land description, number of units, number of rentable square feet for residential and retail use, number of floors, ancillary improvements (garage, clubhouse, etc.))
- A-1 Description of the Improvements
- B-1 Partnership Agreement of Project Partnership
- B-2 Partnership Certificate of Project Partnership
- B-3 Articles of Organization, Regulations and Good Standing Certificate of General Partner
- B-4 Names and Domiciles of Partners in Project Partnership
- C-1 Amended Partnership Agreement
- C-2 Amended Certificate
- D Management Agreement
- D-1 Amendment to Management Agreement
- D-2 Incentive Lease-Up Fee Agreement
- E Development Deficit Guaranty Agreement
- F Operating Deficit Guaranty Agreement
- G Replacement Reserve Guaranty Agreement
- H Recapture Guaranty Agreement
- I Architect's Certification
- J-1 50% Completion
- J-2 75% Completion Certificate
- J-3 Completion Certificate
- K Option and Right of First Refusal Agreement
- L Form of Accountant's Certificate – Fourth Contribution Payment Date
- M Form of Mortgagee Estoppel Certificate

- N-1 General Partner's Closing Certificate
- N-2 General Partner's Second Contribution Payment Date Certificate
- N-3 General Partner's Third Contribution Payment Date Certificate
- N-4 General Partner's Fourth Contribution Payment Date Certificate
- N-5 General Partner's Fifth Contribution Payment Date Certificate
- O Development Agreement

Schedules

- 1 Construction Agreements
- 2-A US Bank Loan Documents
- 2-B Urban County Program Loan Documents
- 2-C City of Edcouch Loan Documents
- 3 Governmental Agreements
- 3-A Governmental Approvals and Mortgagees' Consents
- 4 Title Policy and Permitted Encumbrances
- 5 Occupancy Agreements
- 6 Insurance
- 7 Governmental Permits
- 8 Construction Budget
- 9 Financial Statements
- 10 Form of General Partner's/Project Partnership's Opinion at Closing
- 11 Form of General Partner's/Project Partnership's Opinion at Fifth Contribution Payment Date
- 12 Credit Allocation and Carryover Allocation
- 13 Form of Exhibit A to tax opinion
- 14 Schedule of Amenities and Resident Services

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (“Agreement”) entered into as of this November 1, 2007 (the “Closing Date”), by and among Centerline Investor LP LLC, a Delaware limited liability company (together with any approved person or entity designated by it to acquire all or any portion of the Acquired Interest (as hereinafter defined) and any permitted assignees thereof being hereinafter referred to as the “Investor”), Aguila Village Housing GP, LLC, a Texas limited liability company (the “General Partner”) and Edcouch Housing Development, L.P., a Texas limited partnership (“Project Partnership”).

W I T N E S S E T H :

A. WHEREAS, the General Partner is the only general partner of the Project Partnership and National Farm Workers Service Center, Inc., a California nonprofit public benefit corporation, is the only limited partner of the Project Partnership as set forth on Exhibit B-4 annexed hereto;

B. WHEREAS, the Project Partnership owns fee title to that certain parcel or parcels of land located in Edcouch, Texas, and more particularly described on Exhibit A annexed hereto (the “Land”), subject to the Permitted Encumbrances (as hereinafter defined);

C. WHEREAS, the Project Partnership plans to construct 76 apartment units in accordance with (i) the plans and specifications described in Exhibit A-1 annexed hereto and (ii) the Schedule of Amenities and Resident Services annexed hereto as Schedule 14 (said plans and specifications and the Schedule of Amenities and Resident Services are hereinafter referred to collectively as the “Plans and Specifications”), including all fixtures, appliances, personal property and related facilities required in connection with the use, operation and maintenance thereof (together with all related facilities, fixtures and personal property, the “Improvements” and collectively with the Land, the “Property”);

D. WHEREAS, the Improvements will be constructed (“Construction”) pursuant to agreements with an architect (the “Project Architect”), general construction contractor (the “Project Contractor”) and related construction professionals, contractors and subcontractors, copies of which agreements existing as of the date hereof having been delivered to the Investor, and a list of which is annexed hereto as Schedule 1 (the “Construction Agreements”);

E. WHEREAS, the Project Partnership is the mortgagor under a certain mortgage and certain other agreements relating to the Property (the “USB Mortgage”), executed by and with US Bank (“USB”), which mortgage secures a loan (the “USB Loan”) from USB to the Project Partnership; true and complete copies of the USB Mortgage and all other documents executed in connection therewith, are annexed hereto as Schedule 2-A (the “US Bank Loan Documents”) and the terms of the USB Loan financing are summarized in Preamble H hereof;

F. WHEREAS, the Project Partnership is the mortgagor under a certain construction mortgage and certain other agreements relating to the Property (the "UCP Mortgage"), executed by and with the County of Hidalgo Urban County Program ("UCP"), which mortgage secures a loan (the "UCP Loan") from UCP to the Project Partnership; true and complete copies of the UCP Mortgage and all other documents executed in connection therewith, are annexed hereto as Schedule 2-B (the "Urban County Program Loan Documents") and the terms of the UCP Loan financing are summarized in Preamble H hereof;

F-1. WHEREAS, the Project Partnership is the mortgagor under a certain construction mortgage and certain other agreements relating to the Property (the "City Mortgage"), executed by and with the City of Edcouch (the "City"), which mortgage secures a loan (the "City Loan") from the City to the Project Partnership; true and complete copies of the City Mortgage and all other documents executed in connection therewith, are annexed hereto as Schedule 2-B (the "City of Edcouch Loan Documents") and the terms of the City Loan financing are summarized in Preamble H hereof;

G. WHEREAS, in connection with the financing of the Property, the Project Partnership has entered or will enter into certain agreements with federal, state, city or local governmental agencies (herein collectively referred to as the "Governmental Agencies") with respect to the Property, true, correct and complete copies of which agreements are annexed hereto as Schedule 3 (collectively, the "Governmental Agreements"); the US Bank Loan Documents, the Urban County Program Loan Documents, the City of Edcouch Loan Documents and the Governmental Agreements are referred to collectively as the "Loan Documents"; USB, UCP and the City are referred to collectively as the "Lender;" and the USB Loan, the UCP Loan and the City Loan are referred to collectively as the "Loan";

H. WHEREAS, as of the Closing Date, the Property and the financing therefor will be as follows:

Name and Address of Property:	Casa Edcouch Edcouch, Texas
 (i) USB Loan	
Mortgage Principal Amount:	Construction Loan: \$1,900,000 Permanent Loan: \$1,500,000
Mortgage Interest Rate:	Construction Loan: 5.25% per annum Permanent Loan: 6.65% per annum
Mortgage Maturity Date:	15 years from conversion
Amortization of Principal:	Construction Loan: Interest only for through May 1, 2009, with one six

month extension

Permanent Loan: 30 years

(ii) UCP Loan

Mortgage Principal Amount: \$150,000

Mortgage Interest Rate: 6.00% per annum

Principal and Interest Payments: All principal and accrued interest due at maturity

Mortgage Maturity Date: One year after receipt of certificates of occupancy for all of the Improvements at the Property

Amortization of Principal: None

(ii) City Loan

Mortgage Principal Amount: \$116,076

Mortgage Interest Rate: 8.00% per annum

Principal and Interest Payments: All principal and accrued interest due at maturity

Mortgage Maturity Date: Within 60 days of receipt of certificates of occupancy for all of the Improvements at the Property

I. WHEREAS, the Investor has been organized for the purpose of acquiring limited partnership interests in limited partnerships owning housing projects which qualify for low income housing credits ("Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code");

J. WHEREAS, the Investor desires to acquire interests in the Project Partnership equal to the Acquired Interest. The "Acquired Interest" are those limited partnership interests in the Project Partnership which the Amended Partnership Agreement (as hereinafter defined) reflect as being owned by the "Investor Limited Partners" (as defined in such agreement);

K. WHEREAS, the General Partner has agreed that, simultaneously with the acquisition by the Investor of the Acquired Interest pursuant hereto, the agreement of limited partnership (the "Partnership Agreement") of the Project Partnership, a true, correct and complete copy of which is annexed hereto as Exhibit B-1 and the certificate of limited partnership (the "Partnership Certificate") of the Project Partnership, a true, correct and complete copy of which is annexed hereto as Exhibit B-2, are being amended and restated as of the date hereof, substantially in the form of that certain Amended and Restated Agreement of Limited Partnership (the "Amended Partnership Agreement") annexed hereto as Exhibit C-1 and, if required by law, that certain Amended Certificate of Limited Partnership annexed hereto as Exhibit C-2 (the "Amended Certificate");

L. WHEREAS, as of the date hereof, pursuant to this Agreement, the Investor is acquiring the Acquired Interest and simultaneously therewith the Amended Partnership Agreement is being executed and delivered, whereupon, and pursuant to the execution whereof, the Investor and Centerline SLP LLC, a Delaware limited liability company (the "Special Limited Partner"), shall be deemed to have been admitted to the Project Partnership (the "Admissions") as limited partners (collectively, the "Limited Partners") collectively owning the Acquired Interest. The Limited Partners and the General Partner are herein sometimes collectively referred to as the "Partners."

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Acquisition of Acquired Interest; Approvals.

(a) On the terms and subject to the conditions set forth in this Agreement and in the Amended Partnership Agreement, the Investor and Special Limited Partner hereby acquire the Acquired Interest.

(b) For \$10 and other good and valuable consideration paid by the Special Limited Partner for its limited partnership interest in the Project Partnership the Special Limited Partner shall be deemed admitted to the Project Partnership pursuant to the Amended Partnership Agreement and the General Partner hereby consents to these transactions. Any representation, warranty, agreement, covenant or opinion provided for herein and referring to the ownership or acquisition by the Investor of the Acquired Interest shall be deemed to refer also to the ownership and acquisition by the Special Limited Partner of a portion of said interest, such interest being deemed to be included within the definition of the "Acquired Interest" for all such purposes.

(c) Simultaneously herewith and as a condition hereto, the Amended Partnership Agreement and the Amended Certificate (if required by law) shall be duly executed and delivered. Promptly after the date hereof, the General Partner shall at the Project Partnership's cost and expense, if required by law, file the Amended Certificate along with any other documents, instruments or certificates that may be necessary to reflect the transactions contemplated hereby in all appropriate government offices. From and after the Closing Date, subject to the terms and conditions hereof and of the Amended Partnership Agreement, the

Investor shall have the rights and obligations of an owner of the Acquired Interest. The Amended Partnership Agreement, together with this Agreement and the Operative Documents (as hereinafter defined), shall, from and after the Closing Date, govern the relationship between the Partners, and, until the filing of the Amended Certificate (if required), and the Investor's admission to the Project Partnership as limited partner, the General Partner shall exercise any and all rights in connection with the Acquired Interest in accordance with the directions of the Investor.

(d) On the Closing Date, the General Partner shall deliver all approvals of the Governmental Agencies (the "Governmental Approvals") and the Lender (the "Mortgagees' Consents") which may be required in connection with the transactions contemplated by this Agreement, including, without limitation, (i) the admission of the Investor and the Special Limited Partner as contemplated by this Agreement, and (ii) with respect to approval of the construction, evidence of required zoning, letters and permits reasonably satisfactory to the Investor from the Governmental Agencies responsible for approving the construction and/or the engineer for the Property as contemplated by this Agreement. Copies of the Governmental Approvals and the Mortgagees' Consents have been previously delivered to Investor and are listed on Schedule 3-A hereto. In addition, the Project Partnership has obtained, at the expense of the Project Partnership, from the Texas Department of Housing and Community Affairs ("TDHCA") with respect to the Property, a conditional reservation of \$589,102 of Credits for 2006 (the "Credit Allocation"), which Credit Allocation was carried over to 2006 pursuant to a carryover allocation agreement (the "Carryover Allocation") executed by the Project Partnership and TDHCA, copies of which Credit Allocation and Carryover Allocation are annexed hereto as Schedule 12.

(e) The foregoing obligations of the General Partner and the Project Partnership are express conditions to Investor's obligation to close the transactions contemplated by this Agreement. As a further condition, both prior to or simultaneously with the Closing Date and prior to or simultaneously with each Deferred Contribution Date, the General Partner shall have obtained, at the Project Partnership's expense, all other approvals which may be required in connection with the transactions contemplated by this Agreement.

2. Contribution.

(a) The contribution to be paid by Investor for the Acquired Interest (the "Contribution") shall be \$5,537,000 payable as follows:

(i) \$1,218,140 (the "Initial Contribution"), provided that (A) the Governmental Approvals and Mortgagees' Consents set forth in Section 1(d) have been obtained, (B) the applicable representations and warranties contained in Section 3 are true and correct in all material respects as of the Closing Date, and (C) the other conditions set forth in Section 4 hereof have been satisfied. Of such amount, the sum of \$550,000 shall be applied to discharge that certain loan from the Investor to the Project Partnership. The Project Partnership directs the Investor to pay from the Initial Contribution the amount necessary to discharge the principal, interest and any other amounts due with respect to the loan referred to in the immediately preceding sentence and the balance shall be paid by immediately available wire funds to the Project Partnership or as directed in writing by the Project Partnership; and

(ii) \$4,318,860 payable in four deferred Contributions (the "Deferred Contributions") to the Project Partnership as follows: (a) \$1,107,400 (the "Second Contribution") shall be payable upon satisfaction of the Second Contribution Payment Conditions (as hereinafter defined); (b) \$1,107,400 (the "Third Contribution") shall be payable upon satisfaction of the Third Contribution Payment Conditions (as hereinafter defined); (c) \$1,273,510 (the "Fourth Contribution") shall be payable upon satisfaction of the Fourth Contribution Payment Conditions (as hereinafter defined); and (d) \$830,550 (the "Fifth Contribution") shall be payable upon satisfaction of the Fifth Contribution Payment Conditions (as hereinafter defined), provided, however, that if all of the Fifth Contribution Payment Conditions have been satisfied other than receipt by the Project Partnership from TDHCA of Final IRS Form 8609 – Allocation Certification or Certifications – with respect to each building on the Property ("8609's"), then \$276,850 of the Fifth Contribution shall be payable and the remainder of the Fifth Contribution shall be payable upon receipt by the Project Partnership of 8609's with respect to each building on the Property. The amount of the Fourth Contribution and the amount of the Fifth Contribution is subject to adjustment as described in Section 3.4.B of the Amended Partnership Agreement;

(b) The costs in connection with the Investor's and Special Limited Partner's acquisition of the Acquired Interest with respect to transfer fees or transfer taxes shall be borne by the General Partner.

3. Representations, Warranties, Covenants and Agreements of the Project Partnership and the General Partner. The Project Partnership and the General Partner, jointly and severally as to itself only, hereby represent, warrant and agree that the recitals contained in paragraphs A-H and K, of the preamble to this Agreement and the representations and warranties made in this Section 3 as of the Closing Date are and will be true and correct as of the date hereof and as of the date of payment of each of the Deferred Contributions (each such date being hereinafter referred to as a "Deferred Contribution Date"):

(a) The Project Partnership has indefeasible fee title to the Property free from all easements, rights-of-way, liens, security interests, encumbrances and defects of any kind, except for those exceptions ("Permitted Encumbrances") set forth in Schedule 4 annexed hereto. Except for the Property, the Project Partnership owns no other property, tangible or intangible, real or personal. All real estate taxes, assessments, water and sewer charges and other municipal charges with respect to the Property, to the extent due and owing, have been paid in full, except as previously disclosed to the Limited Partner. Without limiting the foregoing, the Property is in such condition that a recognized engineer or land surveying firm could prepare a survey which would result in the issuance of an owner's title insurance policy without any general or specific exception for matters shown by a survey.

(b) (i) There are no contracts or agreements, written or oral, affecting the ownership or operation of the Property except the Loan Documents, the Development Agreement (as defined in the Amended Partnership Agreement), the Management Agreement (as hereinafter defined), the Construction Agreements, the Amended Partnership Agreement, the Occupancy Agreements (as hereinafter defined), the Permitted Encumbrances, the Option and Right of First Refusal Agreement and this Agreement (each of such agreements and instruments other than this Agreement and the Amended Partnership Agreement are referred

to herein collectively as the "Operative Documents"). The copies of the Operative Documents annexed hereto as Exhibits or Schedules are true, complete and accurate copies of the entire agreements of the Project Partnership and the General Partner with respect to the subject matter thereof, including, without limitation, the construction of the Improvements and the financing thereof. Each of the Operative Documents to which the Project Partnership and/or the General Partner are a party, this Agreement, the Amended Partnership Agreement and the Amended Certificate has been duly and validly authorized, executed and delivered on behalf of the Project Partnership and/or the General Partner, as the case may be, and constitutes the legal, valid and binding obligation of the Project Partnership and/or the General Partner, as the case may be, enforceable against it or them in accordance with its terms. Neither the General Partner nor, to the best knowledge of the General Partner, any other party to any of the Operative Documents is (or, with notice or the passage of time, or both, would be) in default under the Operative Documents, and all conditions to the effectiveness or continuing effectiveness thereof required to be satisfied on or prior to the date hereof have been satisfied. The execution, delivery and performance by the parties hereto of their obligations hereunder, under the Exhibits and Schedules annexed hereto, and under the Amended Partnership Agreement do not constitute a breach or default (or an event which, with the passage of time or the giving of notice, or both, would constitute a breach or default), or result in the acceleration of any obligations or the creation or imposition of any lien or encumbrance (or the obligation to create or impose any lien or encumbrance) under any of the Operative Documents or under any other agreement, instrument, contract, mortgage, indenture or other document to which the Project Partnership or of the General Partner is a party or by which any of them or the property or assets of any of them is bound and this Agreement and the Amended Partnership Agreement are binding upon and enforceable against the General Partner. The execution, delivery and performance by the General Partner and the Project Partnership of its obligations hereunder, under the Exhibits and Schedules annexed hereto, and under the Amended Partnership Agreement does not, to the best of the General Partner's knowledge, violate or contravene the terms of any law, rule or regulation, or any order, writ, decree or injunction of any governmental body or authority, applicable to the Project Partnership or the General Partner. No consent or waiver of any third party, including, without limitation, any party to any of the Operative Documents or any governmental body or authority, is required to authorize, or is a precondition to the effectiveness of, this Agreement, any Exhibits and Schedules annexed hereto or the Amended Partnership Agreement with respect to the performance by the Project Partnership or the General Partner of its obligations hereunder or thereunder, except such as have been obtained prior to or simultaneously with the date hereof. Except for the Permitted Encumbrances, there is no instrument, indenture, mortgage, contract or agreement, written or oral, which would restrict the refinancing, sale or other disposition of the Property, except as set forth in the Loan Documents and the Amended Partnership Agreement. Other than such of the Operative Documents to which the General Partner or an Affiliate thereof is a party, neither the General Partner nor any Affiliate of the General Partner is a party to any contract or agreement with the Project Partnership.

(ii) The execution and delivery of this Agreement and the Exhibits and Schedules annexed hereto by the General Partner and/or the Project Partnership and the performance by the General Partner and/or the Project Partnership of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate, partnership, limited liability company or trust actions and proceedings. The General Partner is a limited liability company, duly organized, validly existing and in good standing under the laws

of the State of Texas with full power and authority to enter into this Agreement and the Exhibits and Schedules annexed hereto and to consummate the transactions contemplated hereby and thereby.

(iii) To the best of the General Partner's knowledge, neither the General Partner nor the Project Partnership is in default with respect to any law, administrative rule, regulation, judgment, decision, order, writ, injunction, decree or demand of any court or any governmental authority, and the consummation of the transactions contemplated herein will not conflict with, or constitute a breach of or default under, any of the foregoing or any agreement or instrument applicable to the Project Partnership, the General Partner or the Property.

(c) As of the Closing Date, there are and as of each Deferred Contribution Date there will be no leases or occupancy agreements affecting the Property or any part thereof except as set forth on the rent roll to be annexed hereto as Schedule 5, which schedule will be updated on the Fourth Contribution Payment Date ("Occupancy Agreements"). On the Closing Date, there are and on each Deferred Contribution Date there will be no material defaults under any Occupancy Agreement, and no rent due under any of such leases or occupancy rights will have been prepaid or concession made to the tenant thereunder other than as set forth on said Schedule 5. Except as noted on Schedule 5, as of the Closing Date and as of each Deferred Contribution Date all rents, security deposits, the prior month's rents, key deposits and other such funds charged or received by the Project Partnership from occupants of the Property have been, or will have been, as the case may be, charged, collected and held in accordance with the provisions of all applicable laws, and any amounts required to be returned to occupants have been, or will have been, as the case may be, so returned. On the Closing Date, the Project Partnership has and on each Deferred Contribution Date the Project Partnership will have performed all of its obligations required to date under the Occupancy Agreements so that no tenant thereunder has the right to cancel same, offset any rent or assert any claim or defense against the Project Partnership or the General Partner, which claim, if successfully asserted, would have a material adverse effect on the Project Partnership or its operations.

(d) The information and copies set forth in Schedules 2-A, 2-B and 2-C as to the Loan Documents are true, complete and accurate and contain a true and accurate statement of the present principal balance of the Loan as of the Closing Date. As of the Closing Date and each Deferred Contribution Date, other than the Permitted Encumbrances, no person will have any lien or security interest in the Project Partnership's Property or assets. All payments and other charges due under the Loan Documents have been paid as they became due and payable; no event of default has been declared and is continuing under any of the Loan Documents, and, to the knowledge of the General Partner, there is no default or state of facts or event which with notice or the passage of time, or both, would constitute a default under any of the Loan Documents; no person or entity, including, but not limited to, the Project Partnership, the General Partner, Affiliates of any of the foregoing or any party holding a partnership interest in the Project Partnership, is personally liable for, or is required hereafter to assume any liability under or in connection with the Loan Documents or any other liability incurred in connection therewith except as set forth to the contrary in the Loan Documents; and consummation of the transactions contemplated by this Agreement will not permit any party to the Loan Documents to declare a default, to require payment of any penalty or other charge, to alter, modify or amend

any term thereof, or to impose any other requirement, restriction or charge of any kind on the Property.

(e) There is no litigation or claim pending or, to the best of the knowledge of the General Partner, threatened against or involving the Property, the General Partner or the Project Partnership or assets of the General Partner or the Project Partnership (except routine claims as to which the Project Partnership has sufficient insurance coverage) or the General Partner (to the extent that any such litigation would affect the Property, the Project Partnership or the General Partner's interest in the Project Partnership) and, to the best of the General Partner's knowledge, there are no facts or circumstances which could give rise to any such claim or litigation. Neither the Project Partnership nor the General Partner have any liabilities that would be disclosed in a balance sheet that are not disclosed in this Agreement or any Exhibit or Schedule attached hereto. The Project Partnership has received no notice of taking, condemnation, betterment or assessment, actual or proposed, with respect to the Property; to the knowledge of the General Partner, no such taking, condemnation, betterment or assessment has occurred; and the General Partner has no reason to believe that any such taking, condemnation, betterment or assessment has been proposed or is under consideration.

(f) If any rental subsidy for the Property is scheduled to terminate prior to the year 2023, the General Partner believes that the revenue effect of such termination will not prevent the Property from generating revenues (at rental rates consistent with qualifying for Credits) at a level sufficient to pay all mortgage debt service and operating expenses, so as to avoid operating deficits.

(g) Annexed hereto as Schedule 6 is a complete and current list of all insurance policies maintained or to be maintained by the Project Partnership with respect to the Property or the operation thereof, setting forth, with respect to each such policy: (i) the nature and extent of the coverage provided thereunder, including deductibles, (ii) the name of the insurance company which issued the same, (iii) the expiration date thereof, (iv) the total premiums payable thereunder, (v) whether such premiums have been paid in full or are payable in installments and the next payment date thereof and (vi) the Investor and the Special Limited Partner are additional insureds under such insurance policies. The Property has fire and casualty insurance in an amount equal to the full replacement value of the Property and not less than \$2,000,000 of general liability, personal injury and property damage insurance with umbrella liability coverage of not less than \$5,000,000. The insurance policies shall comply with the insurance guidelines set forth in Schedule 6 hereto. To the best of the General Partner's knowledge, the amount of insurance maintained by the Project Partnership against a casualty loss (as defined in Section 42(j)(4)(E) of the Code) with respect to the Property is sufficient to permit a substantial reconstruction of the Property within a reasonable period of time following any such casualty. As of the Closing Date, each of said policies is, and as of each Deferred Contribution Date will be, in full force and effect, and all premiums due thereunder as of each of such respective dates will have been paid at or prior to such date. No notice has been received by the General Partner from the insurance company which issued any of such policies stating in effect that any of such policies is not in full force and effect, will not be renewed or will be renewed only at a higher premium rate than is presently payable therefor or only upon satisfaction of other specified conditions. On the Fifth Contribution Payment Date, Schedule 6 shall be updated and delivered to the Investor.

(h) The Property has not been damaged by fire or other casualty. Construction of all improvements included in the Property will be completed in conformity with the Construction Agreements and all agreements executed incident to the Loan Documents, including, without limitation, agreements delivered to the Lender and, to the extent applicable, each Governmental Agency, or any non-conformity with such agreements has not resulted and will not result in a default thereunder.

(i) None of the Project Partnership, the General Partner or the Property is subject to any outstanding agreement with any third party pursuant to which any such party has or may acquire any interest in the Property (other than the Loan Documents, the Development Agreement, the Option and Right of First Refusal Agreement or the Occupancy Agreements), in the General Partner or in the Project Partnership.

(j) The identity of the management agent (the "Management Agent") that the General Partner has retained to manage the Property, together with a true, correct and complete copy of the form of management agreement, which shall be reasonably satisfactory to Investor (the "Management Agreement") is set forth in Exhibit D. The Investor and Special Limited Partner acknowledge and approve the Project Partnership's entering into the Management Agreement and the Project Partnership's designation of the Management Agent as management agent of the Property. The Management Agreement shall be amended as of the Closing Date, as provided in the Amendment to Management Agreement annexed as Exhibit D-1 hereto.

(k) (i) The Property complies and, as of each Deferred Contribution Date, the Property will comply with all applicable federal, state, and local laws, including the common law, rules, restrictions, orders, regulations, codes and ordinances relating to health, safety, the environment (including, without limitation, soil, groundwater, surface water, air, endangered species and protected habitat), and industrial hygiene (collectively, "Environmental Laws").

(ii) As of the Closing Date and as of each Deferred Contribution Date, all governmental certificates, authorizations, permits and licenses required to construct, operate and occupy the Property (the "Governmental Permits") will have been timely obtained, and complete copies thereof will be included in Schedule 7. On each Deferred Contribution Date, Schedule 7 shall be updated and delivered to the Project Partnership.

(iii) As of each Deferred Contribution Date, there are and will be no structural defects in the Property as constructed, no violation of any requirement of any governmental authority exists or will exist with respect thereto, and the use and operation thereof will comply with applicable zoning, Environmental Laws and other laws, rules, restrictions, orders, regulations, codes, ordinances, and restrictive covenants affecting the Property. As of the Fourth Contribution Payment Date and the Fifth Contribution Payment Date, all mechanical, electrical, plumbing, elevator, HVAC and fire detection systems completed and installed at the Property will be in good working order and condition and the buildings to be constructed at the Property (i) will lie within the perimeter of the Land, (ii) will be constructed in accordance with the Plans and Specifications and (iii) will be constructed in accordance with any restrictive covenants applicable thereto.

(iv) To the best of the General Partner's knowledge, the Property is not and, as of each Deferred Contribution Date, will not, without such exception, be in violation of or in non-compliance with any Environmental Laws, including, without limitation, Title 30, Part I, Chapter 330, Subchapter T of the Texas Administrative Code, entitled "Use of Land Over Closed Municipal Solid Waste Landfills" (the "Subchapter T Regulations"). The Project Partnership has received the: (A) Phase I Environmental Site Assessment, 8.324 Acres of Land, Northeast Quadrant of Mile 16 Road North and Mile 4 Road West, Edcouch, Hidalgo County, TX, prepared by Raba-Kistner Consultants, Inc. ("R-K") and dated December 12, 2006 (the "Phase I"); (B) Desktop Evaluation of Wetlands and Endangered Species, Casa Edcouch – TDHCA # 06177, prepared by R-K and dated April 27, 2007; (C) Phase I Environmental Site Assessment Update, prepared by R-K and dated July 2, 2007; (D) Phase I Environmental Site Assessment Update Addendum, prepared by R-K and dated October 10, 2007; and (E) ALTA Survey of 8.324 acres, prepared by Rio Delta Surveying and dated November 15, 2007 ((A) through (E) collectively, the "Environmental Documents") and has delivered complete copies of the Environmental Documents to the Investor. Other than those Environmental Documents listed above, there are no other environmental documents that relate to the environmental condition or environmental compliance status of the Property. No amendments, modifications or other changes or additions have been made to the Environmental Documents. The General Partner warrants and represents that, except as disclosed in the Environmental Documents, there presently are not in, on, under, over or at the Property nor will there be, in, on, under, over or at the Property, on each Deferred Contribution Date: (i) any "hazardous substances", "hazardous materials", or "hazardous wastes" as those terms are defined under the applicable Environmental Laws, or any other hazardous or toxic substance, waste or material or any other substance, waste, chemical, contaminant, or pollutant that poses a risk to human health, safety, or the environment or is regulated under the Environmental Laws, including, but not limited to, petroleum, petroleum-containing materials, petroleum-derived substances in any form, lead, other heavy metals and other substances for which standards have been set under federal, state and local laws and regulations governing the quality of drinking water, lead-based paint ("LBP"), asbestos, asbestos-containing materials ("ACM"), urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon (except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies as such items are used or consumed in the normal course of developing, operating or occupying a housing project, and which are stored, managed, used and disposed of in the manner and in amounts that are consistent with normal usage and applicable Environmental Laws) (collectively, the "Hazardous Materials"); (ii) any underground storage tanks ("USTs"); (iii) accumulations of debris, mining spoils or spent batteries (except for ordinary household solid waste stored in receptacles for regular removal); or (iv) any other condition which could result in liability for an owner or operator of or investor in the Property under the Environmental Laws. The General Partner further warrants and represents that the Property is, as of the Closing Date and, as of each Deferred Contribution Date, without such exception, will be in compliance with all applicable Environmental Laws. The General Partner has not received notice of liabilities sought to be imposed pursuant to any violation of or non-compliance with (or alleged violation of or non-compliance with) the Environmental Laws, nor is the General Partner aware of any violation of or non-compliance with the Environmental Laws. The General Partner covenants and agrees to take all necessary action, at the General Partner's expense, or as otherwise provided in the Development Deficit Guaranty Agreement, to ensure that the Property is and remains in full

compliance with applicable Environmental Laws at all times and that the Property remains free from the presence of any Hazardous Materials. The General Partner shall promptly deliver any notice (whether from a third party or governmental entity) it may receive of any violation of or non-compliance with the Environmental Laws, or any liability sought to be imposed pursuant thereto, or any correspondence from any governmental authority imposing requirements thereunder to the Project Partnership, the Investor and the Special Limited Partner and shall promptly correct said violation at its sole cost and expense.

(v) At any time during the term of the Project Partnership that the Investor or Special Limited Partner determines that the foregoing representations may not have been true when made, or may have become untrue with respect to the Property, the Project Partnership shall promptly obtain an environmental assessment of the Property and will forthwith implement all recommendations set forth in said environmental assessment and take steps required to bring the Property into compliance with applicable Environmental Laws and the requirements of any environmental regulatory authorities. The scope of such assessment and the company performing it shall be determined by the General Partner with the consent of the Special Limited Partner.

(vi) The General Partner covenants and agrees to conduct representative radon testing in the Improvements at the Property following the Construction and prior to occupancy, to determine whether radon levels are above the United States Environmental Protection Agency's threshold of 4.0 pCi/L. In the event that such radon testing results reveal that indoor radon levels in the Improvements at the Property are above 4.0 pCi/L, the General Partner covenants and agrees to implement radon mitigation techniques in the Improvements at the Property to reduce or prevent the build-up or migration of radon in the Improvements at the Property. The General Partner further covenants and agrees to conduct radon testing following the implementation of such radon mitigation techniques and prior to occupancy to confirm that the radon mitigation techniques implemented have reduced or prevented the build-up of radon in the Improvements at the Property to below the United States Environmental Protection Agency's threshold of 4.0 pCi/L. In the event that such radon tests reveal that levels of radon in the Improvements at the Property are still in excess of the above-referenced United States Environmental Protection Agency threshold, the General Partner covenants and agrees to undertake any additional measures necessary to reduce radon levels in those Improvements at the Property to bring the Property into compliance with applicable Environmental Laws.

(vii) In the event that the Project Partnership is covered by a commercial general liability insurance policy which contains an exclusion for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms or a property insurance policy which contains an exclusion for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms in connection with another covered peril (e.g., mold in connection with water damage caused by a storm or fire), the General Partner shall demonstrate to the full satisfaction of the Investor that such insurance without the aforementioned exclusions is not available or is not affordable by the Project Partnership and, unless waived by the Investor in writing, either: (i) the General Partner shall demonstrate to the full satisfaction of the Investor that the potential risk for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms at the Property is minimal or (ii) the General Partner shall implement and maintain at all times, at the Partnership's expense, a

moisture management and control program (the "Moisture Management Program") for the Improvements at the Property to prevent the future occurrence of mold, fungus, moisture, microbial contamination and pathogenic organisms at the Improvements at the Property. The Moisture Management Program shall include, at a minimum: (a) periodic inspections of the Improvements at the Property for mold, fungus, moisture, microbial contamination and pathogenic organisms, (b) removing or cleaning up any mold, fungus, moisture, microbial contamination and pathogenic organisms identified at the Improvements at the Property in a manner consistent with best industry practices and utilizing an experienced remediation contractor acceptable to, and approved by, the Investor, (c) in the event that the mold, fungus, moisture, microbial contamination or pathogenic organisms identified at the Improvements at the Property cannot be removed or cleaned from any impacted building materials (e.g., porous materials such as carpeting, certain types of ceiling materials, etc.) and/or equipment, removing all such impacted building materials and/or equipment from the Property, all in accordance with the procedures set forth in the United States Environmental Protection Agency's ("EPA") guide entitled "Mold Remediation in Schools and Commercial Buildings", EPA No. 402-K-01-001, dated March 2001 or any update or successor guide thereto and in a manner consistent with best industry practices and utilizing an experienced remediation contractor acceptable to, and approved by, the Investor, and (d) identifying and curing the source of the mold, fungus, moisture, microbial contamination or pathogenic organisms to prevent the occurrence or re-occurrence of any mold, fungus, moisture, microbial contamination or pathogenic organisms at the Improvements at the Property.

(viii) The General Partner and the Guarantor (as hereinafter defined) hereby jointly and severally agree to indemnify and hold harmless the Investor and the Special Limited Partner, and their respective partners, including their respective general partners and limited partners, members, directors, officers, employees, and agents, and any successors to the Investor's and the Special Limited Partner's interest in the Property, and their respective partners, including their respective general partners and limited partners, members, directors, officers, employees, and agents (the "Indemnified Parties"), from and against any and all claims, actions, causes of action, liability, loss and expense (including, without limitation, the cost any required or necessary repair, cleanup or remediation, and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property, attorneys' fees, court costs and remedial response costs) incurred or suffered by, or asserted by any person, entity or governmental agency against the Indemnified Parties due to breach of the General Partner's representations, warranties or covenants set forth in Section 3(k) above, or a violation of or non-compliance with the Environmental Laws, or the presence of Hazardous Materials in, on, under, from, or at the Property, or the presence of USTs on the Property, irrespective of whether abandoned or not, or other liabilities arising under the Environmental Laws or related to the condition or maintenance of the Property. The foregoing indemnification shall be a recourse obligation of the General Partner and the Guarantor and shall (to the full extent permitted by law) survive the dissolution of the Project Partnership and the death, dissolution, retirement, incompetency, insolvency, bankruptcy or withdrawal of the General Partner. The General Partner's and the Guarantor's obligations pursuant to the foregoing indemnity shall survive the Closing Date and each Deferred Contribution Date.

(l) Annexed as Schedule 8 is a true, correct and complete copy of the construction budget for the construction of the Property and the furnishing of all personalty in connection therewith (the "Budget").

(m) All utility services necessary for the operation of the Property including water supply, storm and sanitary sewer facilities, gas, electric and telephone facilities are available at the boundaries of the Property and either reach the Property through adjoining public streets or if they pass through adjoining private land do so in accordance with valid, permanent, non-terminable public or private easements; there is no impediment or restriction to connecting any facilities to the Improvements and there is no installation or hook-up charge required therefor that has not been specifically provided for in the Budget.

(n) All roads necessary for the full utilization of the Property have either been completed or the necessary rights of way therefor have been acquired by the appropriate governmental authority or have been dedicated to public use and accepted by said governmental authority.

(o) As of each Deferred Contribution Date, (i) all contractors and subcontractors will have been paid all amounts due them and (ii) neither the Project Partnership nor the General Partner will have made any contracts the performance of which could give rise to a lien on the Property, except for (A) statutory liens in respect of amounts not yet due and payable and (B) amounts in dispute not exceeding \$10,000 in the aggregate or bonded to the satisfaction of the Investor. With respect to the construction of the Property, the General Partner has obtained and will keep in full force and effect at all times until the completion of the construction payment and performance bonds in the face amounts of all Construction Agreements in excess of \$250,000. True and complete copies of such payment and performance bond(s) are annexed hereto as part of Schedule 1.

(p) The Property is not subject to any Federal, state or local regulatory scheme, other than as provided in the Loan Documents or with respect to the Credits, which does not generally affect all rental properties in the locality in which the Property is located.

(q) Other than any benefit plan for personnel of the Management Agent assigned to the Property for which the Project Partnership will reimburse the Management Agent on a cost basis pursuant to the Management Agreement, neither the Management Agent nor the Project Partnership has entered into any labor union contract or any benefit plan which will affect persons involved in operation of the Property.

(r) If the Loan Documents require that certain funds and accounts be established for the purposes set forth therein, including, but not limited to, operating deficits, accumulating adequate reserves for replacement, the payment of real estate taxes and insurance premiums arising in connection with the operation of the Property and payment of interest due under the Loan Documents, such funds and accounts have been duly established; and all payments required to be made to such funds and accounts will have been made at each Deferred Contribution Date in a timely fashion.

(s) The copies of the Partnership Agreement and the Partnership Certificate annexed hereto as Exhibits B-1 and B-2, respectively, are true, correct and complete copies of all documents reflecting agreements among the current partners of the Project Partnership or their Affiliates pertaining to the subject matter of the Project Partnership. Neither the Partnership Agreement, the Partnership Certificate nor the Management Agreement has been altered or amended, except as shown in Exhibits B-1 and B-2, and each is in full force and effect. There are no oral modifications, amendments or waivers by or among such partners pertaining to the subject matter of the Partnership Agreement, the Partnership Certificate or the Management Agreement. The copies of the Development Agreement and the Construction Agreements annexed hereto as Exhibit O and Schedule 1, respectively, are true, correct and complete copies of all documents reflecting agreements among the Project Partnership or its Affiliates and the General Partner and its Affiliates pertaining to the subject matter of the Project Partnership. The copies of the Articles of Organization and Regulations, as amended, of the General Partner annexed hereto as Exhibit B-3 are true and complete copies thereof and same have not been amended and are in full force and effect. Annexed hereto as Exhibit B-4 are complete and accurate lists of names and domiciles of the existing partners of the Project Partnership. Except for the Investor, the Special Limited Partner, the General Partner and any mortgagee under the Loan Documents, after the Closing Date, no person or entity has any equity interest of any nature in the Project Partnership or the Property (nor any right to acquire the same), and no person or entity holds any debt security of the Project Partnership or the General Partner.

(t) The Project Partnership is a limited partnership duly constituted and existing and is in good standing under the Texas Revised Limited Partnership Act. The Project Partnership has taken all requisite action in order to conduct lawfully its business in the state in which the Property is situated, and is not qualified to do business and is not required to so qualify in any other jurisdiction. The Project Partnership is entitled to own and lease the properties of the Project Partnership and to carry on its business as, and in the places where, such properties are now owned, leased and operated and where such business is now conducted. The Project Partnership has complied with all recording, filing and other requirements with the proper authorities necessary to establish the limited liability of the limited partners of the Project Partnership. Except as provided by applicable law, the Project Partnership has taken all action to insure that the liability of the Investor and the Special Limited Partner shall be limited to their required capital contributions under the Amended Partnership Agreement.

(u) All Federal, state and local tax returns (including tax returns concerning "gross receipts") required to be filed by the Project Partnership and the General Partner with respect to the Project Partnership, the Property and the General Partner, respectively, have been timely, duly and accurately completed and filed, and all Federal, state and local taxes arising in connection with the Project Partnership and the ownership and operation of the Property have been paid in full. No tax certiorari or audit proceedings are currently pending with respect to the Property or the Project Partnership. The General Partner has delivered to the Investor true, correct and complete copies of each such tax return, if any, filed prior to the date hereof. The Project Partnership has received no notice of and the General Partner is not aware of any increase in either the tax rate or property assessment with respect to the Property at the Federal, state or local level.

(v) The financial statements of the Project Partnership, the General Partner and the Guarantor, for the most recent fiscal year annexed as Schedule 9 (the "Financial Statements") are true and accurate as of the date hereof and will be true and complete when redelivered prior to the Fourth Contribution Payment Date and the Fifth Contribution Payment Date. The Financial Statements fairly present the financial condition and results of operations of the General Partner, the Guarantor and the Project Partnership as at the end of and for the period covered thereby in accordance with generally accepted accounting principles consistently applied. There has been no material adverse change in the financial condition of the General Partner, the Guarantor or the Project Partnership between the date thereof and the date hereof. The General Partner has no business or operations whatsoever except such as relate strictly and directly to the conduct of the business and affairs of the Project Partnership as contemplated by the Amended Partnership Agreement. The General Partner has no liabilities of any nature except under the Operative Documents.

(w) No distribution of assets (including cash) of the Project Partnership has been made to any of the partners of the Project Partnership (in their capacity as partners), nor has any payment on account of debts owed by the Project Partnership to any such partner been made. There has been no distribution of assets by the Project Partnership in excess of the amounts permitted to be distributed by the Project Partnership under the applicable laws, regulations or rules of any Governmental Agency.

(x) The Acquired Interest is not subject to any lien, pledge or encumbrance of any nature whatsoever and the Investor is acquiring same free of any rights to same by any other party.

(y) To the extent the Project Partnership owns personal property, such personal property is incidental to making apartment units available as living accommodations.

(z) The General Partner expects, but makes no assurances, that there is a reasonable possibility of profit and intends to take all action reasonably required for the Project Partnership to realize a profit. The Project Partnership has no guaranty of a specified return nor a guaranty against loss of income other than the guaranties delivered in connection with the transactions contemplated by this Agreement.

(aa) (i) It is anticipated by the General Partner that the Project Partnership will incur at least \$6,952,544 of costs, which are chargeable to capital account for depreciation and amortization and of a character subject to the allowance for depreciation in connection with the construction of the Property (and excluding the cost of acquiring the land). Such amount is (i) the reasonably anticipated tax basis of the Property, and (ii) is equal to or greater than the currently estimated Eligible Tax Credit Basis (exclusive of any increase in such basis permitted by Section 42(d)(5)(C) of the Code), which Eligible Tax Credit Basis is the basis for the calculation of the Contribution pursuant to Section 2(a). The actual Eligible Tax Credit Basis will not include any costs incurred in connection with non-residential rental property or in connection with any residential unit which is not intended to be a low-income unit (as defined in Section 42 of the Code) and which is above the average quality standard of the low-income units in the Property. In addition, the actual Eligible Tax Credit Basis will not include any "impact fees" or other permit fees, assessments in lieu fees or other costs of the type referred to in

Internal Revenue Service Technical Advice Memorandum 43017 or the issuance costs of tax exempt bonds or land preparation costs referred to in Internal Revenue Service Technical Advice Memorandum 43015. No portion of the amounts that will be includible in the Eligible Tax Credit Basis will be financed with the proceeds of obligations the interest on which is exempt from tax under Section 103 of the Code. The Project Partnership will qualify for the 130% adjustment to Eligible Basis set forth in Section 42(d)(5)(C) of the Code by reason of the Property being located in Hidalgo County which is a difficult to develop area designated as such at the time of the Credit Allocation. None of the amounts that will be includible in the Eligible Tax Credit Basis will be financed with the proceeds of any obligation which is a below market Federal loan (as defined in Section 42(i)(2)(D) of the Code). None of the amounts that will be includible in the Eligible Tax Credit Basis will be funded with a Federal grant within the meaning of Section 42(d)(5)(A) of the Code. For purposes of this Agreement, the term "Eligible Tax Credit Basis" shall mean an amount equal to the adjusted basis of the Property as defined in Section 1016 of the Code as of the close of the first taxable year of the Credit Period (as defined in Section 42(f)(1) of the Code) with respect to the Property for which a Credit is available to the Project Partnership for the Property, but excluding the cost of the Land and the portion of the Property that is commercial space, if any.

(ii) It is anticipated that by the Completion Date (as hereinafter defined) construction of the Property will be completed and that all of the Government Permits, including a permanent certificate of occupancy required to operate the Property, will be issued.

(iii) Upon completion of the construction the Property will contain 76 residential rental units and related subordinate facilities of which 72 units (the "Eligible Units") will be leased to tenants which qualify for Credits.

(iv) The residential rental units will be constructed for use by the general public, will be suitable for occupancy and will be used on other than a transient basis. There will be no space in the Property that will not be used in connection with the residential rental units. All of the apartment units in the Property will be of approximately the same quality standard within the meaning of Section 42(d)(3) of the Code. All of the amenities of the Property will be available to all of the residential rental units in the Property, without separate charge other than the laundry facilities and covered parking. There will not be any medical, nursing, psychiatric, food or other additional significant services provided by the Project Partnership to the tenants of the Property. None of the Eligible Units will be knowingly (*i.e.*, after reasonable investigation) leased to students who are ineligible students under Section 42 of the Code. All of the land constituting the Property is contiguous to each other parcel of such land.

(v) As of each Deferred Contribution Payment Date (i) the tenants as of the date of initially leasing 56 of the Eligible Units will have incomes which do not exceed 60% (the "60% Tenants"), as such percentage is adjusted as required by Section 142(d)(2)(B) of the Code, of the median gross income in the area in which the Property is located, (ii) the tenants as of the date of initially leasing 8 of the Eligible Units will have incomes which do not exceed 50% (the "50% Tenants"), as such percentage is adjusted as required by Section 142(d)(2)(B) of the Code, of the median gross income in the area in which the Property is located and (iii) the tenants as of the date of initially leasing 8 of the Eligible Units will have

incomes which do not exceed 30% (the "30% Tenants"), as such percentage is adjusted as required by Section 142(d)(2)(B) of the Code, of the median gross income in the area in which the Property is located. The Project Partnership has or will have the right to receive annual reports from tenants of the Eligible Units concerning their incomes and family sizes. The gross rents charged for the Eligible Units in the Property specified above, subject to the provisions of Section 42(g)(2)(B) of the Code, do not and will not exceed (i) for the 60% Tenants, 30% of 60%, as such percentage is adjusted as required by Section 142(d)(2)(B) of the Code, of the median gross income in the area in which the Project is located for the tenant of such units as described in such sentence, (ii) for the 50% Tenants, 30% of 50%, as such percentage is adjusted as required by Section 142(d)(2)(B) of the Code, of the median gross income in the area in which the Project is located for the tenant of such units as described in such sentence and (iii) for the 30% Tenants, 30% of 30%, as such percentage is adjusted as required by Section 142(d)(2)(B) of the Code, of the median gross income in the area in which the Project is located for the tenant of such units as described in such sentence. For purposes of this Section 3(aa), it is understood that the term "gross rents" (i) does not include any payment under Section 8 of the United States Housing Act of 1937 or any comparable rental assistance program with respect to such units or the occupants thereof, (ii) includes any utility allowance determined by the Secretary of the Treasury (after taking into account such determinations under Section 8 of the United States Housing Act of 1937) or as determined by local housing authorities or utility companies, and (iii) does not include any fee for a supportive service which is paid to the owner of the unit (on the basis of the low-income status of the tenant of the unit) by any governmental program of assistance (or by an organization described in Section 501(c)(3) of the Code, and exempt from tax under Section 501(a) of the Code), if such program (or organization) provides assistance for rent and the amount of assistance provided for rent is not separable from the amount of assistance provided for supportive services.

(vi) The Project Partnership has received the Credit Allocation from the appropriate state or local authority pursuant to Section 42(h) of the Code for 2006 in the amount of \$589,102, which Credit Allocation has been carried over to 2008 pursuant to the Carryover Allocation. Copies of the Credit Allocation and the Carryover Allocation have been delivered to the Investor. At Completion, the Qualified Basis of the Property under Section 42 of the Code is anticipated to be at least \$8,562,607.

(vii) The Project Partnership's basis in the Property as of May 20, 2007 (the "10% Test Date") was more than 10% of the Project Partnership's reasonably expected basis in the Property as of December 31, 2008. The Project Partnership has delivered to the Investor evidence setting forth in detail the amounts which were included in the Project Partnership's basis in the Property as of the 10% Test Date, showing the recipient of each such amount and, if applicable, any relationship between such recipient and either the Project Partnership or the General Partner.

(viii) It is anticipated that on Completion (as hereinafter defined), the Project Partnership will have a depreciable basis in the Property of not less than \$5,532,644 and will depreciate such basis over twenty-seven and one half (27½) years at the rate of \$201,187 per annum.

(bb) The documents delivered to Investor hereunder or annexed hereto as Exhibits or Schedules constitute true, correct and complete copies of the instruments which they purport to be, and, with respect to each of such documents, there is no other document of the same sort which has been executed by the parties thereto. Such documents, Exhibits or Schedules shall be updated and delivered to the Investor again as required by this Agreement on each Deferred Contribution Date.

(cc) Upon the request of the Investor, the General Partner shall provide to the Investor such information concerning the General Partner, the Property or the Project Partnership as the Investor may reasonably require for inclusion in a registration statement and other offering materials prepared for the Investor and any report required to be filed with any securities agency, and any such information provided shall be true, correct and complete in all material respects when delivered.

(dd) The General Partner shall deliver a copy of the final Plans and Specifications to the Investor as soon as such final Plans and Specifications are available.

(ee) As of each Deferred Contribution Date, the Project Partnership will comply with all applicable rules and requirements under the Americans with Disabilities Act of 1990 and the Fair Housing Act.

(ff) The General Partner and the Project Partnership shall pay and discharge in a timely manner all of their respective costs and expenses incurred in connection with the execution, delivery and performance by them of this Agreement, the Amended Partnership Agreement and the instruments, documents and agreements contemplated hereby including, but not limited to, the cost of the title insurance referred to in Section 4(c)(ii); the Environmental Documents referred to in Section 4(c)(iii); any transfer fees or taxes referred to in Sections 2(b) and 7; accountants' fees and expenses in the preparation of the Financial Statements set forth on Schedule 9; legal fees and expenses of the Project Partnership incurred in connection with obtaining the Allocation; and otherwise in performing under this Agreement and the Amended Partnership Agreement. The General Partner and the Guarantor shall jointly and severally indemnify and hold harmless each of the other Partners for any loss, cost or expense incurred as a result of the failure to cause the full and prompt performance of such obligations.

(gg) All of the representations and warranties contained in any certificates and documents to be delivered by the General Partner at Closing (as hereinafter defined) and the Schedules and Exhibits annexed hereto, as the same shall be updated on each Deferred Contribution Date, as required hereunder, shall be true and correct as of their respective dates, and as of the Closing Date and as of each Deferred Contribution Date as if made on such date. No fact necessary to make the information and statements contained in this Section 3, when taken together with the Exhibits and Schedules hereto, not misleading has been omitted therefrom, and no material fact concerning the Property or the Project Partnership has been withheld from the Investor.

All of the representations and warranties contained herein and the indemnification obligations contained in Section 11(a) shall survive the Closing Date and each Deferred Contribution Date; provided, however, except with respect to the representations and warranties

contained in Sections 3(a) and (k), which shall survive without limitation, the Investor may not maintain an action for breach thereof, unless it shall have given the General Partner written notice of such breach not later than two years after the date the last Deferred Contribution is due under the Capital Note.

4. The Closing; Documents to be Delivered.

(a) The closing of the transactions contemplated hereunder (the "Closing") shall take place as of the Closing Date.

(b) The General Partner and the Investor agree that the Investor's acquisition of the Acquired Interest shall take place as of the first day of the month in which the Closing Date occurs, so that all income and expenses of the Project Partnership for that month shall be for the account of the Project Partnership as reconstituted with the Investor as a limited partner thereof. In addition, there shall not be any adjustments made to the Contribution for accrued or prepaid income or expenses existing on the books of the Project Partnership on the first day of such month or on the Closing.

(c) At the Closing, and as a condition thereof, the following documents (collectively, the "Closing Documents"), all in form and substance satisfactory to the Investor, shall be delivered and/or executed by all necessary parties:

(i) The Amended Partnership Agreement and the Amended Certificate (if required by law).

(ii) A title insurance policy, obtained at the Project Partnership's expense, insuring (in the amount of \$7,514,000) the Project Partnership's ownership of the Property subject only to the Permitted Encumbrances and such other matters consented to by the Investor in writing and containing such endorsements as requested by the Investor, and which are available in the State of Texas.

(iii) (A) A market study with respect to the geographic area in which the Property is located, including the low-income housing therein and (B) the Environmental Documents prepared by environmental engineers or consultants, in all of such cases such reports are to be reasonably satisfactory to the Investor and performed by entities either chosen or approved by the Investor and obtained in the case of the Environmental Documents at the Project Partnership's expense. The General Partner shall deliver reliance letters from the entities which prepared the Environmental Documents permitting reliance thereon by the Investor and the Special Limited Partner.

(iv) An opinion of Project Partnership's and General Partner's counsel, which counsel shall be reasonably satisfactory to the Investor, obtained at the Project Partnership's expense, substantially in the form of Schedule 10 annexed hereto, confirming, on the Closing Date, such matters as the Investor or its counsel may reasonably request. Such opinion shall expressly permit reliance thereon by counsel engaged to render other opinions in connection with this transaction.

(v) Such evidence as the Investor may reasonably require in order to confirm the Investor's acquisition of the Acquired Interest as of the Closing Date, free of any pledge, claim, encumbrance, charge or restriction, except as expressly provided herein.

(vi) The Financial Statements (which need not be audited) obtained at the expense of the General Partner, dated no earlier than 90 days prior to the Closing Date in accordance with the requirements of Section 3(v) (to be annexed hereto as Schedule 9).

(vii) A copy of the recorded Partnership Certificate and all amendments thereto as well as a copy of the Partnership Agreement and Articles of Organization, Operating Agreement and Authorizing Resolutions of the General Partner, and all amendments thereto certified by the appropriate governmental authority not more than 30 days prior to the date hereof and certificates of existence for the Project Partnership and the General Partner and a certificate of account status for the General Partner certified by the appropriate governmental authorities not more than 30 days prior to the date hereof.

(viii) All Governmental Permits required to be issued as of the Closing Date, to be obtained at the Project Partnership's expense (to be annexed hereto as Schedule 7).

(ix) A certificate of the General Partner dated the Closing Date in the form of Exhibit N annexed hereto, certifying (A) that all action required to be taken pursuant to the Partnership Agreement prior to the admission of the Investor and the Special Limited Partner as limited partners of the Project Partnership has been taken and (B) that upon:

(v) compliance with the terms set forth in the Amended Partnership Agreement,

(w) the execution of the Amended Partnership Agreement and the Amended Certificate (if required by law) by the General Partner and the other parties thereto,

(x) the filing for record of the Amended Certificate (if required by law),

(y) the payment of any required filing fees, and

(z) any publications required by the partnership laws of the appropriate jurisdiction,

the Investor and the Special Limited Partner will become limited partners of the Project Partnership with liability for any obligations of the Project Partnership limited to their required capital contributions under the Amended Partnership Agreement and entitled to all the rights of limited partners under the Amended Partnership Agreement, as such rights may be limited by the laws of the jurisdiction of organization of the Project Partnership and (C) that all of the representations and warranties of the General Partner set forth in this Agreement are true and correct in all respects as of the Closing Date.

(x) A TLTA survey ("Survey"), obtained at the expense of the Project Partnership, of the Property certified to the Project Partnership and the Project Partnership's title company issuing the policy required by Section 4(c)(ii), prepared by a land surveyor reasonably acceptable to the Investor. The Survey shall show the location of all highways, streets, roads, railroads, rivers, creeks, or other water courses, fences, easements, and rights-of-way on or adjacent to the Land, if any, and shall contain the surveyor's certification that there are no easements or other encroachments on the Land or on adjacent lands to the Land which prohibit or interfere with the use of the Land except as shown upon the Survey. The Survey shall set forth the number of acres comprising the Land and a metes and bounds description thereof.

(xi) Evidence satisfactory to the Investor that the Credit Allocation of \$589,102 has been allocated to the Project Partnership by TDHCA and that the Carryover Allocation Agreement has been entered into by TDHCA, annexed as Schedule 12 hereto.

(xii) The Mortgagees' Consents and if available, estoppel certificates from the holders of the Mortgages in the form annexed hereto as Exhibit M, dated as of the Closing Date, including, without limitation, evidence satisfactory to the Special Limited Partner that states the principal balance of the Loan and that there are no defaults or events, including, without limitation, the transaction contemplated herein which, with notice or the passage of time, or both, would constitute a default under the Loan, that there are no cost overruns with respect to the Construction Agreements and an agreement to notify the Special Limited Partner of any default by the Project Partnership under the Loan within ten days of the occurrence of such a default.

(xiii) Copies of all instruments comprising the Governmental Approvals to be attached as Schedule 3-A.

(xiv) The Development Deficit Guaranty Agreement in the form of Exhibit E annexed hereto.

(xv) The Operating Deficit Guaranty Agreement in the form of Exhibit F annexed hereto.

(xvi) The Replacement Reserve Guaranty Agreement in the form of Exhibit G annexed hereto.

(xvii) The Recapture Guaranty Agreement in the form of Exhibit H annexed hereto.

(xviii) The Capital Note and the Pledge Agreement, in the forms attached to the Amended Partnership Agreement.

(xix) Evidence of payment by the General Partner of any and all transfer fees or taxes due.

(xx) Evidence of issuance of payment and performance bonds in the face amounts of all Construction Agreements in excess of \$250,000 in form and substance reasonably satisfactory to the Investor.

(xxi) The Architect's Certificate in form of Exhibit I annexed hereto.

(xxii) The Option and Right of First Refusal Agreement in the form of Exhibit K annexed hereto.

(xxiii) The Incentive Lease-Up Fee Agreement in the form of Exhibit D-2 annexed hereto.

(xxiv) Such other documents as may be required under the provisions of this Agreement (or as the Investor or its counsel may reasonably require) in order to effect the transactions contemplated by this Agreement.

5. Deferred Contribution Payment Conditions; Documents to be Delivered.

(a) The following conditions and the conditions set forth in Section 4 shall be deemed conditions precedent for payment by the Investor of the Second Contribution of the Contribution as set forth in Section 2(a)(ii) hereof (collectively, the "Second Contribution Payment Conditions" and together with the Third Contribution Payment Conditions (as hereinafter defined), the Fourth Contribution Payment Conditions (as hereinafter defined) and the Fifth Contribution Payment Conditions (as hereinafter defined), the "Payment Conditions"):

(i) Completion of such portion of the construction which constitutes 50% of the hard costs under the construction budget set forth in Schedule 8 as evidenced by the certification in the form annexed hereto as Exhibit J-1 (the "50% Completion Certificate") executed by the Project Architect on or before the Second Contribution Payment Date; provided, however, that the Project Partnership shall have given at least 10 business days' prior written notice to the Investor of the proposed date for completion of 50% of the construction of the improvements and permitted an inspection of the Apartment Complex by a person designated by the Investor (the "Investor's Consultant") who concludes that such Improvements have been completed substantially in accordance with Plans and Specifications. The Investor shall not be obligated to make its Second Contribution until such written notice has been received by the Investor and such inspection has been allowed, and completion of 50% of the improvements shall be deemed not to have occurred until at least 10 business days after such written notice is received by the Investor and Investor's Consultant shall have verified the completion of such work in accordance with the Plans and Specifications. Receipt of evidence satisfactory to the Investor that the Subchapter T Regulations have been complied with. Satisfaction of the foregoing conditions shall be deemed "50% Completion."

(ii) The Project Partnership shall have (A) certified to the Investor that the aforesaid conditions have been met and (B) given the Investor at least ten business days' written notice of the Project Partnership proposed date for payment to the Project Partnership of the Second Contribution (the "Second Contribution Payment Date").

(iii) The General Partner is not in default with respect to any of its obligations under the Amended Partnership Agreement and no Bankruptcy (as defined in the Amended Partnership Agreement) of the General Partner or a Guarantor has occurred.

(b) On the Second Contribution Payment Date the Investor shall pay to the Project Partnership the Second Contribution, provided that, as a condition to making such payment, the following documents (the "Second Contribution Payment Documents"), each in form and substance reasonably satisfactory to Investor, shall be delivered and/or executed by all necessary parties:

(i) If available, estoppel certificate from the Lender in the form of Exhibit M annexed hereto.

(ii) A certificate, dated the Second Contribution Payment Date, in the form of Exhibit N-2 annexed hereto, duly executed by the General Partner, certifying that (A) all of the representations and warranties and covenants of the General Partner made as of the Closing Date set forth in this Agreement are true and correct in all respects as of the Second Contribution Payment Date as if made thereon; (B) all such representations, warranties and covenants made as of the Second Contribution Payment Date are true and correct as of such date; and (C) each Second Contribution Payment Condition has been satisfied as of the Second Contribution Payment Date.

(iii) Evidence reasonably satisfactory to the Investor that [a] the Allocation of \$589,102 has been allocated to the Project Partnership by TDHCA and [b] TDHCA has acknowledged receipt from the Project Partnership of evidence satisfactory to TDHCA that the Project Partnership's basis in the Property as of the 10% Test Date was more than 10% of the Project Partnership's reasonably expected basis in the Property as of December 31, 2008.

(c) The following conditions and the conditions set forth in Section 4, and 5(a), and the delivery of the Third Contribution Payment Documents as provided for in Section 5(d) shall be deemed conditions precedent for payment by the Investor of the Third Contribution of the Contribution as set forth in Section 2(a)(i) hereof (collectively, the "Third Contribution Payment Conditions"):

(i) Completion of such portion of the construction which constitutes 75% of the hard costs under the construction budget set forth in Schedule 8 as evidenced by the certification in the form annexed hereto as Exhibit J-2 (the "75% Completion Certificate") executed by the Project Architect on or before the Third Contribution Payment Date; provided, however, that the Project Partnership shall have given at least 10 business days' prior written notice to the Investor of the proposed date for completion of 75% of the construction of the improvements and permitted an inspection of the Apartment Complex by the Investor's Consultant who concludes that such Improvements have been completed substantially in accordance with Plans and Specifications. The Investor shall not be obligated to make its Third Contribution until such written notice has been received by the Investor and such inspection has been allowed, and completion of 75% of the improvements shall be deemed not to have occurred until at least 10 business days after such written notice is received by the Investor

and Investor's Consultant shall have verified the completion of such work in accordance with the Plans and Specifications. Satisfaction of the foregoing conditions shall be deemed "75% Completion."

(ii) The Project Partnership shall have (A) certified to the Investor that the aforesaid conditions have been met and (B) given the Investor at least ten business days' written notice of the Project Partnership proposed date for payment to the Project Partnership of the Third Contribution (the "Third Contribution Payment Date").

(iii) The General Partner is not in default with respect to any of its obligations under the Amended Partnership Agreement and no Bankruptcy of the General Partner or a Guarantor has occurred.

(d) On the Third Contribution Payment Date the Investor shall pay to the Project Partnership the Third Contribution, provided that, as a condition to making such payment, the following documents (the "Third Contribution Payment Documents"), each in form and substance reasonably satisfactory to Investor, shall be delivered and/or executed by all necessary parties:

(i) If available, estoppel certificate from the Lender in the form of Exhibit M annexed hereto.

(ii) A certificate, dated the Third Contribution Payment Date, in the form of Exhibit N-3 annexed hereto, duly executed by the General Partner, certifying that (A) all of the representations and warranties and covenants of the General Partner made as of the Closing Date set forth in this Agreement are true and correct in all respects as of the Third Contribution Payment Date as if made thereon; (B) all such representations, warranties and covenants made as of the Third Contribution Payment Date are true and correct as of such date; and (C) each Third Contribution Payment Condition has been satisfied as of the Third Contribution Payment Date.

(e) The following conditions and the conditions set forth in Sections 4, 5(a), and 5(c), and the delivery of the Fourth Contribution Payment Documents as provided for in Section 5(f) shall be deemed conditions precedent for payment by the Investor of the Fourth Contribution of the Contribution as set forth in Section 2(a)(ii) hereof (collectively, the "Fourth Contribution Payment Conditions"):

(i) The completion of the Improvements by October 1, 2008 (the "Completion Date") (provided, however, if completion is delayed due to Unavoidable Events (which, for these purposes, shall mean delays due to strikes, acts of God, governmental restrictions, severe or unusual shortages of labor or materials, enemy action, riot, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of a party -- lack of funds shall not be deemed a cause beyond the control of a party) such date may be extended for a period of time of such delay, but in no event longer than two months after the Completion Date, so long as the Lender grants a similar extension of the completion date as set forth in the Loan Documents), subject to no material liens, claims or encumbrances other than those contemplated by the Loan Documents, and as provided in Section 3(o), as evidenced by the

issuance of (A) all Governmental Permits required in connection therewith for the use and occupancy thereof, (B) the certification in the form annexed hereto as Exhibit J-3 (the "Completion Certificate") executed by the Project Architect as of the Fourth Contribution Payment Date, (C) a report from the Investor's Consultant that all design, site construction and finishing work necessary for the completion of the Property and any necessary utilities and roads have been finished and made available for use in accordance with the Plans and Specifications has been accomplished to the reasonable satisfaction of Investor (the "Completion Report") and (D) a certification and supporting documentation from an environmental engineer or consultant satisfactory to the Investor that all of the work and other actions required to be undertaken pursuant to the covenants in Section 3(k) hereof have been undertaken in compliance with all applicable laws and Environmental Laws and that the Construction has been undertaken and conducted in compliance with all applicable laws and Environmental Laws.

(ii) Delivery of the Accountants' Certificate in the form attached hereto as Exhibit L showing the Eligible Tax Credit Basis of the Property and the amount of Credits the Project Partnership is eligible to claim. Satisfaction of the conditions set forth in clause (i) above and this clause (ii) shall be deemed "Completion".

(iii) In the event that any condition to be satisfied as a condition to the Investor being obligated to make its Fourth Contribution has not been met and such condition could be satisfied from the proceeds of the payment of the Fifth Contribution, the Investor shall make the Fourth Contribution provided that the Investor has received adequate assurances that the proceeds of the Fourth Contribution will be applied to satisfy such condition and that the balance of funds to be made from the Fourth Contribution, Fifth Contribution and funds available under the Loan Documents will be applied for the purposes for which such funds were contemplated so as to enable the material benefits anticipated to be derived by Investor from this transaction to be realized.

(f) On the Fourth Contribution Payment Date, the Investor shall, subject to the provisions of Section 3.4 of the Amended Partnership Agreement, pay to the Project Partnership the Fourth Contribution, provided that, as a condition to such payment, the following documents (collectively, the "Fourth Contribution Payment Documents"), all in form and substance reasonably satisfactory to the Investor, shall be delivered and/or executed by all necessary parties:

(i) A down-dated endorsement to the title insurance policy, issued on the Fourth Contribution Payment Date, in the same amount as the policy issued at Closing, subject only to the Permitted Encumbrances and such matters as the Investor may consent to in writing and containing such endorsements as requested by the Investor.

(ii) All Governmental Permits required to be issued as of the Fourth Contribution Payment Date.

(iii) An "as built" Survey of the Property dated not earlier than 60 days prior to the Fourth Contribution Payment Date obtained at the expense of the Project Partnership, certified to the Project Partnership, the Investor, the Special Limited Partner and the Project Partnership's title company issuing the policy required by Section 4(c)(ii).

(iv) A certificate, dated the Fourth Contribution Payment Date, in the form of Exhibit N-4 annexed hereto, duly executed by the General Partner, certifying that, (A) all of the representations, warranties and covenants made as of the Fourth Contribution Payment Date are true and correct as of such date, (B) each Fourth Contribution Payment Condition has been satisfied as of the Fourth Contribution Payment Date, and (C) each Schedule and Exhibit has been updated and such documents have been added thereto so that each Schedule and Exhibit is true, accurate and complete as of the Fourth Contribution Payment Date.

(v) A copy of all instruments comprising the Governmental Approvals as of the Fourth Contribution Payment Date.

(vi) If available, estoppel certificates, dated as of the Fourth Contribution Payment Date, from the Lender or other evidence reasonably satisfactory to the Special Limited Partner, stating the principal balance of the Loan and that there are no defaults or events (including, without limitation, the transaction contemplated herein) which, with notice or the passage of time, or both, would constitute a default under the Loan.

(vii) A certificate of the Management Agent to the effect that the Management Agreement is in full force and effect and that no material breach or default has occurred thereunder, attaching a current rent roll meeting the requirements of Section 3(c), and certifying as required by Section 3(c) that the Project Partnership has performed all of its obligations required to such date under the Occupancy Agreements so that no tenant thereunder has the right to cancel the same, offset any rent or assert any claim or defense against the Project Partnership or the General Partner.

(viii) The Financial Statements (which need not be audited), obtained at the expense of the General Partner, dated no earlier than 60 days prior to the Fourth Contribution Payment Date.

(ix) Evidence of payment by the General Partner of any and all transfer fees or taxes due.

(x) All other information required pursuant to Section 3(gg) with respect to updated Exhibits and Schedules.

(xi) Such other documents as may be required under the provisions of this Agreement or as the Investor or its counsel may reasonable require in order to establish that the Fifth Contribution Payment Conditions have been met.

(g) The following conditions and the conditions set forth in Section 4, 5(a), 5(c), and 5(e), and the delivery of the Fifth Contribution Payment Documents as provided for in Section 5(h) shall be deemed conditions precedent for payment by the Investor of the Fifth Contribution of the Contribution as set forth in Section 2(a)(ii) hereof (collectively, the "Fifth Contribution Payment Conditions"):

(i) The presentation of evidence satisfactory to the Special Limited Partner that the conversion of the US Bank Loan has occurred, and any other Loans have closed or converted to permanent loan status, if applicable, or such closing or conversion

will occur simultaneously with the funding of the Fifth Contribution pursuant to the terms of such Loans.

(ii) Receipt of evidence satisfactory to the Special Limited Partner that (a) the Property has maintained an occupancy rate of 93% of the apartment units therein for a period of three consecutive months which may be satisfied by a rent roll certified by the General Partner showing that such facts exist and (b) the Project Partnership has achieved a 1.15 to 1 debt service coverage ratio ((i) adjusted to a 93% occupancy level if the actual occupancy level is above 93% and (ii) using the greater of actual expenses or the Investor's underwritten expenses) with respect to the Project Partnership's mandatory debt service for a period of three consecutive months.

(iii) Receipt of evidence satisfactory to the Special Limited Partner that 100% of the Eligible Units qualify for Credits.

(iv) The Break-Even Date (as defined in the Development Deficit Guaranty Agreement) has occurred.

(v) The Project Partnership shall have received from TDHCA 8609's with respect to each building on the Property.

(vi) Satisfaction of the conditions set forth in clauses (i), (ii), (iii), (iv) and (v) above shall be deemed "Rental Achievement." For purposes of clause (ii)(a) above, occupancy of the Eligible Units must be under leases (A) having a term of not less than six months, (B) under which full rental payments have commenced at rental rates which are consistent with the definition of "rent-restricted unit" under Section 42(g)(2) of the Code, or at such other rental rates as may be prescribed under any applicable restrictions contained in the Project Documents, (C) to tenants actually occupying the apartment unit and (D) on such other terms as are commercially reasonable and customary under residential apartment leasing practices observed in the area in which the Property is located. An occupancy shall not be included in the determination of Rental Achievement unless and until (y) each of the foregoing criteria have been complied with and the General Partner shall have certified to the Limited Partner that to the General Partner's knowledge after exercising reasonable diligence each occupancy of the Eligible Units satisfies the conditions for qualification as a "low-income unit" under Section 42 of the Code and (z) any other criteria set forth in this Agreement which are necessary for meeting requirements for obtaining all the Credits available to owners of the Property have been materially complied with.

(vii) Notwithstanding the foregoing, if satisfaction of all the conditions of Rental Achievement has occurred except for Section 5(g)(v) above, then Investor shall pay \$276,850 of the Fifth Contribution Payment, subject to Section 2(a)(ii) hereof.

(viii) The Project Partnership shall have (A) certified to the Investor that the aforesaid conditions have been met and (B) given the Investor at least ten business days' written notice of the Project Partnership's proposed date for payment to the Project Partnership of the Fifth Contribution (the "Fifth Contribution Payment Date").

(ix) That the General Partner is the General Partner of the Project Partnership.

(x) The General Partner is not in material default with respect to any of its obligations under the Amended Partnership Agreement and no Bankruptcy (as defined in the Amended Partnership Agreement) of the General Partner or a Guarantor has occurred.

(xi) In the event that any condition to be satisfied as a condition to the Investor being obligated to make its Fifth Contribution has not been met and such condition could be satisfied from the proceeds of the payment of the Fifth Contribution, the Investor shall make the Fifth Contribution provided that the Investor has received adequate assurances that the proceeds of the Fifth Contribution will be applied to satisfy such condition and that the balance of funds to be made from the Fifth Contribution and funds available under the Loan Documents will be applied for the purposes for which such funds were contemplated so as to enable the material benefits anticipated to be derived by Investor from this transaction to be realized. Notwithstanding the foregoing, the Investor shall have the right to direct the Project Partnership to apply all or a portion of the proceeds of the Fifth Contribution toward the satisfaction of the conditions precedent to the closing or conversion of the Loan.

(h) On the Fifth Contribution Payment Date, the Investor shall, subject to the provisions of Section 3.4 of the Amended Partnership Agreement, pay to the Project Partnership the Fifth Contribution, provided that, as a condition to such payment, the following documents (collectively, the "Fifth Contribution Payment Documents"), all in form and substance reasonably satisfactory to the Investor, shall be delivered and/or executed by all necessary parties:

(i) A down-dated endorsement to the title insurance policy, issued on the Fifth Contribution Payment Date, in the same amount as the policy issued at Closing, subject only to the Permitted Encumbrances and such matters as the Investor may consent to in writing and containing such endorsements as requested by the Investor.

(ii) All Governmental Permits required to be issued as of the Fifth Contribution Payment Date.

(iii) A certificate, dated the Fifth Contribution Payment Date, in the form of Exhibit N-5 annexed hereto, duly executed by the General Partner, certifying that, (A) all of the representations, warranties and covenants made as of the Fifth Contribution Payment Date are true and correct as of such date, (B) each Fifth Contribution Payment Condition has been satisfied as of the Fifth Contribution Payment Date, and (C) each Schedule and Exhibit has been updated and such documents have been added thereto so that each Schedule and Exhibit is true, accurate and complete as of the Fifth Contribution Payment Date.

(iv) A copy of all instruments comprising the Governmental Approvals as of the Fifth Contribution Payment Date.

(v) If available, estoppel certificates, dated as of the Fifth Contribution Payment Date, from the Lender or other evidence reasonably satisfactory to the

Special Limited Partner, stating the principal balance of the Loan and that there are no defaults or events (including, without limitation, the transaction contemplated herein) which, with notice or the passage of time, or both, would constitute a default under the Loan.

(vi) A certificate of the Management Agent to the effect that the Management Agreement is in full force and effect and that no material breach or default has occurred thereunder, attaching a current rent roll meeting the requirements of Section 3(c), and certifying as required by Section 3(c) that the Project Partnership has performed all of its obligations required to such date under the Occupancy Agreements so that no tenant thereunder has the right to cancel the same, offset any rent or assert any claim or defense against the Project Partnership or the General Partner.

(vii) Any information to be inserted in Schedule 5 (Occupancy Agreements) pursuant to the requirements of Section 3(c) to supplement the information given on Schedule 5 at the Closing Date.

(viii) Any information to be inserted in Schedule 6 (Insurance) pursuant to the requirements of Section 3(g).

(ix) Any information to be inserted in Schedule 7 (Governmental Permits) pursuant to the requirements of Section 3(k).

(x) The Financial Statements (which need not be audited), obtained at the expense of the General Partner, dated no earlier than 60 days prior to the Fifth Contribution Payment Date.

(xi) Evidence of payment by the General Partner of any and all transfer fees or taxes due.

(xii) All other information required pursuant to Section 3(gg) with respect to updated Exhibits and Schedules.

(xiii) Delivery to the Investor of the original Capital Note given by the Investor to the Project Partnership pursuant to Section 2(a)(ii), such note to be delivered marked "paid in full," together with the Pledge Agreement marked "canceled."

(xiv) Such other documents as may be required under the provisions of this Agreement or as the Investor or its counsel may reasonable require in order to establish that the Fifth Contribution Payment Conditions have been met.

6. Broker's Commission; Indemnity. Each of the parties hereto warrants and represents to the other that it has not been introduced to the other by any broker, nor has it been in contact with any real estate or business broker regarding the Property; each agrees to indemnify and hold the other harmless from all suits, claims, actions, loss or expense (including, without limitation, reasonable attorneys' fees) arising from the claim of any person to a brokerage or other fee or commission in connection with this transaction and resulting from contact with or other action, alleged or actual, of the indemnifying party.

7. Taxes; Fees.

(a) The General Partner, out of the assets of the General Partner and not out of the assets of the Project Partnership, shall be solely responsible for the prompt payment when due of any and all transfer, gains, income, sales or other taxes and transfer fees of any kind imposed or asserted by the State of Texas with respect to the acquisition by the Investor and the Special Limited Partner of the partnership interests collectively constituting the Acquired Interest and the transfer and any other transactions contemplated by this Agreement, and all of the expenses of the Project Partnership in connection therewith. The General Partner shall indemnify and hold the Investor, the Special Limited Partner and the Project Partnership harmless from and against all liability, loss, cost and expense arising by reason of any failure to make any such payments when due.

(b) In addition, the General Partner warrants and represents to the Investor and the Special Limited Partner that no fee or commission has been or will be paid by any person in connection with the selection or purchase by the Investor or Special Limited Partner of the Acquired Interest in the Project Partnership. Included in the meaning of "fee" referred to in the preceding sentence are: any real estate commissions, acquisition fees, selection fees, development fees, construction fees, non-recurring management fees, consulting fees or any other similar fees or commissions, however designated. The General Partner agrees to indemnify and hold the Investor and Special Limited Partner harmless from all suits, claims, actions, loss or expense (including reasonable attorneys' fees) arising from the claim of any person to a brokerage or other fee or commission in connection with this transaction or the development of the Property and resulting from contract with or other action, alleged or actual of the General Partner.

8. Notices. All notices permitted or required to be given hereunder shall be in writing and sent by certified mail, postage prepaid, return receipt requested, a courier guaranteeing overnight delivery, facsimile or hand delivered, addressed as follows:

If to the Project Partnership or the General Partner:

to the intended recipient, at:

Edcouch Housing Development, L.P.
 c/o National Farm Workers Service Center, Inc.
 Post Office Box 62
 29700 Woodford-Tehachapi Road
 Keene, California 93531

Attention: Paul F. Chavez

with copies to:

Edcouch Housing Development, L.P.
908 East 5th Street, Suite 201
Austin, Texas 78702
Attention: Monica Poss

and

Law Office of Emilio J. Huerta
P.O. Box 62
Keene, California 93531
Attention: Emilio J. Huerta, Esq.

If to Investor, at:

Centerline Investor LP LLC
625 Madison Avenue
New York, New York 10022
Attention: Andrew J. Weil

With copies to:

Paul, Hastings, Janofsky & Walker LLP
75 E. 55th Street
New York, New York 10022
Attention: Alan S. Cohen, Esq.

or to such other address or addresses as the parties may designate from time to time by notice given in accordance with this Section 8. Any such notice shall be deemed effective (a) as of three days after the date of mailing; (b) as of the following business day if sent by courier guaranteeing overnight delivery and receipt is confirmed; (c) the following business day, if sent by facsimile and receipt is confirmed; or (d) upon hand delivery, as the case may be.

9. Applicable Law. This Agreement shall be construed and interpreted under, and governed and enforced according to, the laws of the State of Texas applicable to contracts made and to be performed entirely therein.

10. Binding Effect; Enforcement. The covenants, agreements, representations and warranties contained herein shall be binding upon, be enforceable by and inure to the benefit of the heirs, legal representatives, successors and assigns of the respective parties hereto.

11. Indemnification.

(a) If one or more of the representations and warranties contained in this Agreement by the General Partner shall prove to be untrue or inaccurate in any material

respect, or if the General Partner shall materially default in its performance of any agreement or covenant hereunder, the General Partner, Rufino Contreras Affordable Housing Corporation and National Farm Workers Service Center, Inc., a California nonprofit corporation (collectively, the "Guarantor"), shall indemnify and hold harmless the Investor and the Special Limited Partner (and their respective general partners, limited partners, members, affiliates, successors and assigns, collectively, the "Indemnified Parties") and the Project Partnership from and against any loss, claim, damage, liability or expense incurred and paid to third parties by such persons resulting from any such untruth or inaccuracy or from any such failure of performance, including, without limitation, reasonable attorneys' fees and accountants' fees. The General Partner's and the Guarantor's indemnification hereunder shall include, without limitation, any loss, claim, damage, liability or expense of any such person resulting from (a) any claim concerning the operation of the Property or the Project Partnership with respect to any time prior to the Closing Date, (b) any claim concerning the information presented by the General Partner as to the transactions contemplated by this Agreement, and (c) any claim made against the Investor by any person involved in the offering of interests therein due to the untruth or inaccuracy of any representation or warranty made by the General Partner hereunder or of any information provided hereunder by the General Partner.

(b) Procedures. In the event that any party shall seek indemnification under this Agreement or any exhibit hereto, promptly after receipt by an Indemnified Party under subsection (a) above of notice of the assertion of a claim for which indemnification may be sought the party seeking indemnification (an "Indemnified Party") shall, if a claim in respect thereof is to be made against the indemnifying party, notify the party from whom indemnification is sought (an "Indemnifying Party") in writing of the assertion thereof; but the omission so to notify the Indemnifying Party shall not relieve any Indemnifying Party from any liability which it may have to any Indemnified Party except to the extent that the failure to give notice materially prejudices Indemnifying Party's ability to defend. In case any such action shall be brought against any Indemnified Party, and it shall notify the Indemnifying Party of the assertion thereof, the Indemnifying Party shall be entitled to participate therein, and to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and shall have the right to negotiate and consent to settlement, provided that the Indemnified Party shall have reasonably consented to the form of such settlement which shall not be unreasonably withheld; and for so long as the Indemnifying Party has so assumed the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party under such subsection for any legal or other expenses incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation, provided that the Investor and the Special Limited Partner shall have the right to employ counsel to represent itself or themselves, their Affiliates, their officers, directors, partners, members, agents and employees and any Person who may be subject to liability arising out of any claim in respect of which indemnity may be sought by such party against the General Partner hereunder if, in such party's reasonable judgment, it is advisable for such party to be represented by separate counsel, in which event the fees and expenses of such separate counsel shall be borne by such party. No Indemnifying Party shall be liable for any settlement of any such action effected without its consent unless the Indemnifying Party shall have failed to assume the defense of such action and such settlement is for money damages only, but if any such action is settled with the consent of any Indemnifying Party, such Indemnifying Party shall indemnify and hold harmless each Indemnified Party from and against any reasonable losses, claims, damages, liabilities, costs or

expenses incurred or suffered by reason of such settlement. The requirement that an Indemnifying Party be given written notice of the assertion of any liability shall be deemed to be satisfied if such Indemnifying Party shall have actual knowledge thereof or shall have been given written notice of the assertion of any liability within a reasonable time after the assertion thereof and any delay in giving notice shall not have materially prejudiced Indemnifying Party's ability to defend.

12. Representations, Warranties and Agreements of Investor. The Investor hereby represents, warrants and agrees that the representations and warranties made in this Section 12 are true and correct as of the date hereof:

(a) The Investor is a limited liability company duly organized and validly existing and is in good standing under Delaware law with full corporate power and authority to undertake the business required of it. The Investor is duly qualified to do business as a foreign entity in each other jurisdiction in which the conduct of its business or ownership of its assets requires such qualification (except where failure to obtain such qualification will not have a material adverse effect on the conduct of its business). The Investor has the power and authority to own the properties of the Investor and to carry on its business as, and in the places where, such properties are now owned and where such business is now conducted. The Investor has complied and will comply with all recording, filing and other requirements with the proper authorities necessary to establish the limited liability of the members of the Investor.

(b) The execution and delivery of this Agreement by the Investor and the performance by the Investor of the transactions contemplated hereby on its part have been duly authorized by all requisite limited liability company action on the part of the Investor. The execution and delivery of this Agreement by the Investor and the performance of the transactions contemplated hereby will not violate or result in a breach of, or default under, any instrument or agreement to which the Investor or its members are a party or are bound, or under any law, administrative rule, regulation or decree of any court or any governmental body or administrative agency applicable to each of them, and this Agreement is binding upon and enforceable against the Investor in accordance with its terms.

(c) There is no litigation or claim pending or, to the best of the Investor's knowledge, threatened against or involving the Investor or the assets of the Investor, and to the best of the Investor's knowledge, there are no facts or circumstances that could give rise to such a material claim or litigation other than routine claims and litigation incurred in the ordinary course of its business.

(d) No fact necessary to make the information and statements contained in this Section 12 not misleading has been omitted therefrom, and no material fact concerning the Investor has been withheld from the Project Partnership.

The representations and warranties of the Investor shall survive the Closing Date, provided, however, the Project Partnership or the General Partner may not maintain an action for breach thereof unless they shall have given the Investor written notice of such breach not later than two years after the date the last installment is due under the Capital Note. In addition to the foregoing, the Investor hereby agrees to indemnify, defend and hold the General Partner harmless from all cost, expense, liability or damage arising from any violation of federal and state security laws and common law applicable to the offer and sale of securities in connection with the offering of interests in Investor.

13. Liability of Partners/Members of Investor. No person who is at any time a partner (whether limited or general) or a member of the Investor, or a member or a partner of any assignee thereof, shall have any personal liability for the payment or performance of any obligation of the Investor arising under or in connection with this Agreement or any document or instrument delivered pursuant to the terms of this Agreement (including, without limitation, the Capital Note or any instrument securing payment thereof) and upon the occurrence of a default by the Investor under the Capital Note or any instrument securing payment thereof, the obligee thereunder, its successors and assigns shall look only to the security provided by the Investor pursuant to the Amended Partnership Agreement.

14. Miscellaneous. This Agreement (a) may be executed in multiple counterparts, all of which together constitute one and the same instrument, (b) is to take effect as a sealed instrument and (c) may be canceled, modified or amended only as set forth herein or by a written instrument executed by each party to be charged therewith. The captions and index notes are used only as a matter of convenience and are not to be considered a part of this Agreement or to be used in determining the intent of the parties to it. In the event the General Partner, as the case may be, is composed of more than one party, then any reference herein to the General Partner shall be deemed to refer jointly and severally to the parties collectively constituting the General Partner.

EXECUTED as a sealed instrument as of the date first set forth above.

PROJECT PARTNERSHIP:

EDCOUCH HOUSING DEVELOPMENT, L.P.

By: Aguila Village Housing GP, LLC, its general partner

By: Rufino Contreras Affordable Housing
Corporation, Inc.,
its sole member

By: _____
Emilio J. Huerta
Secretary

GENERAL PARTNER:

AGUILA VILLAGE HOUSING GP, LLC

By: Rufino Contreras Affordable Housing Corporation, Inc.,
its sole member

By: _____
Emilio J. Huerta
Secretary

INVESTOR:

CENTERLINE INVESTOR LP LLC

By: _____
Andrew J. Weil
Vice President

SPECIAL LIMITED PARTNER:

CENTERLINE SLP LLC

By: _____
Andrew J. Weil
Vice President

For purposes of Sections 3(k) and 11 only:

GUARANTOR:

NATIONAL FARM WORKERS SERVICE CENTER, INC.

By: _____
Paul F. Chavez
President

AGUILA VILLAGE HOUSING GP, LLC

By: Rufino Contreras Affordable Housing Corporation, Inc.,
its sole member

By: _____
Emilio J. Huerta
Secretary

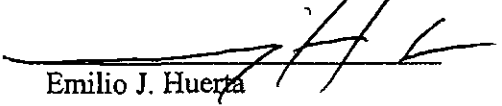
EXECUTED as a sealed instrument as of the date first set forth above.

PROJECT PARTNERSHIP:

EDCOUCH HOUSING DEVELOPMENT, L.P.

By: Aguila Village Housing GP, LLC, its general partner

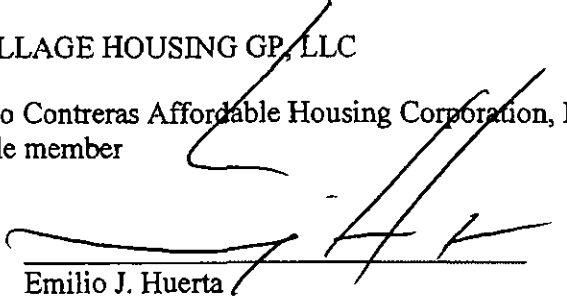
By: Rufino Contreras Affordable Housing Corporation, Inc., its sole member

By: 
Emilio J. Huerta
Secretary

GENERAL PARTNER:


AGUILA VILLAGE HOUSING GP, LLC

By: Rufino Contreras Affordable Housing Corporation, Inc., its sole member

By: 
Emilio J. Huerta
Secretary

INVESTOR:


CENTERLINE INVESTOR LP LLC

By: 

Andrew J. Weil
Vice President

SPECIAL LIMITED PARTNER:

CENTERLINE SLP LLC

By: 

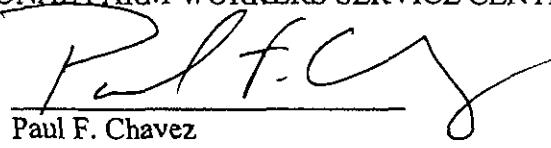
Andrew J. Weil
Vice President

For purposes of Sections 3(k) and 11 only:

GUARANTOR:

NATIONAL FARM WORKERS SERVICE CENTER, INC.

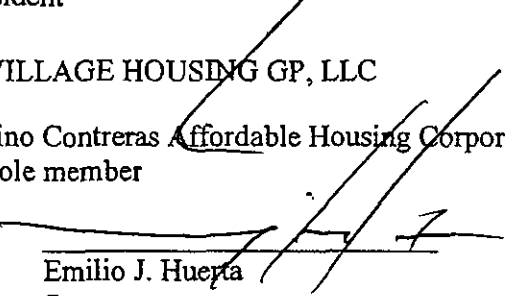
By:


Paul F. Chavez
President

AGUILA VILLAGE HOUSING GP, LLC

By: Rufino Contreras Affordable Housing Corporation, Inc.,
its sole member

By:


Emilio J. Huerta
Secretary

EDCOUCH HOUSING DEVELOPMENT, L.P.

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

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EDCOUCH HOUSING DEVELOPMENT, L.P.

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP, dated as of November 1, 2007, by and among Aguila Village Housing GP, LLC, a Texas limited liability company ("General Partner"), Centerline SLP LLC, a Delaware limited liability company, as Special Limited Partner, Centerline Investor LP LLC, a Delaware limited liability company, as Limited Partner, and National Farm Workers Service Center, Inc., a California nonprofit public benefit corporation, as Withdrawing Limited Partner.

WITNESSETH :

WHEREAS, the Partnership was formed as a limited partnership under the laws of the State pursuant to the Original Certificate and the Initial Agreement. The Original Certificate was filed with the Filing Office on August 1, 2006 and amended on January 29, 2007; and

WHEREAS, the parties hereto desire to enter into this Agreement to provide for, among other things, (i) the continuation of the Partnership, (ii) the admission of the Limited Partner and the Special Limited Partner into the Partnership, (iii) the withdrawal of the Withdrawing Limited Partner from the Partnership, (iv) the payment of Capital Contributions by the Investor Limited Partners to the Partnership, (v) the reallocation of Profits, Losses, Credits and distributions of Cash Flow and other proceeds of the Partnership among the Partners, (vi) the respective rights, obligations and interests of the parties hereto to each other and to the Partnership and (vii) certain other matters;

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree that the Initial Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE I

DEFINED TERMS

Capitalized terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Article I. Certain additional defined terms are set forth elsewhere in this Agreement.

“Accountants” means such firm or firms of independent certified public accountants that are registered with the Public Company Accounting Oversight Board as may be engaged by the General Partner with the Consent of the Special Limited Partner not to be unreasonably withheld from time to time, and shall initially be Novogradac & Company, 9390 Research Boulevard, #420, Austin, Texas 78759.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of any fiscal year of the Partnership, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts which such Partner is obligated to restore thereto pursuant to any provision of this Agreement or is deemed to be obligated to restore thereto pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

“Admission Date” means the day on which the Limited Partner acquires its Interest pursuant to the terms of the Contribution Agreement.

“Affiliate” means, when used with reference to a specified Person, any (i) Person that directly or indirectly controls or is controlled by or is under common control with the specified Person, (ii) Person that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is an officer, partner or trustee, or with respect to which the specified Person serves in a similar capacity and (iii) Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly beneficial the owner of 10% or more of any class of equity securities. “Affiliate” of the Partnership or a General Partner does not include a Person who is a partner in one or more partnerships or joint ventures with the Partnership or any other Affiliate of the Partnership if such Person is not otherwise an Affiliate of the Partnership or such General Partner.

“Agreement” means this Amended and Restated Agreement of Limited Partnership, as it may be amended from time to time.

“Apartment Complex” means the real property consisting of a fee interest in a parcel of land located in Edcouch, Texas (the “Land”) and in the buildings and all furnishings, equipment and personal property used in connection with the operation thereof, as well as all easements appurtenant thereto (the “Improvements”).

“Architect” means Rodriguez Associates, Architects & Planners, Inc., and its successors and assigns.

“Assignment” (including the verb form “Assign” and the adjectival form “Assigned”) means a valid sale, exchange, transfer or other disposition of all or any portion of an Interest.

“Assignor” means a Partner who makes an Assignment and “Assignee” means a Person who receives an Assignment.

“Authority” means any housing credit agency under Section 42 of the Code or applicable housing finance authority, which is a public body corporate and politic created by the State, or other agency authorized to allocate Credits or issue bonds or other evidence of indebtedness to finance residential housing development. To the extent applicable, Authority shall also mean HUD, any government mortgage insurance or coinsurance agency, or any other governmental body or agency having jurisdiction over the operations of the Apartment Complex or that provides assistance to the Partnership, the Apartment Complex and/or its tenants and imposes requirements in connection with such assistance.

“Authority Insurance Obligation” means the obligation of any Authority to insure the Mortgage.

“Bankruptcy” or “Bankrupt” means, with respect to any Partner, such Partner making an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding with respect to such Partner or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Partner, or a receiver, liquidator, custodian or trustee being appointed for such Partner or a substantial part of such Partner’s assets and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within 90 days; or the entry of an order for relief against such Partner under Title 11 of the United States Code. A Partner shall be deemed Bankrupt if the Bankruptcy of such Partner shall have occurred and be continuing.

“Break-Even Date” has the meaning ascribed thereto in the Development Deficit Guaranty Agreement.

“Capital Account” means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

(i) to each Partner’s Capital Account there shall be credited such Partner’s Capital Contributions, such Partner’s distributive share of Profits, and any items in the nature of income or gain which are specially allocated pursuant to Article IX hereof, and the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner;

(ii) to each Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Losses, and any items in the nature of expenses or losses which are specially allocated pursuant to Article IX hereof, and the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership;

(iii) in the event any Interest is Assigned in accordance with the terms of this Agreement, the Assignee shall succeed to the Capital Account of the Assignor to the extent it relates to the Assigned Interest; and

(iv) in determining the amount of any liability for purposes of clauses (i) and (ii) above, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and the Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations, and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership or the Partners), are computed in order to comply with such Regulations, the General Partner may make such modification with the Consent of the Special Limited Partner, provided that it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Section 12.4 hereof upon the dissolution of the Partnership. The General Partner, with the Consent of the Special Limited Partner, also shall (a) make any adjustments that are necessary or appropriate to maintain equality between the aggregate Capital Accounts of the Partners and the aggregate amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes in accordance with Section 1.704-1(b)(2)(iv)(q) of the Regulations, and (b) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Section 1.704-1(b) of the Regulations.

"Capital Contributions" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership with respect to the Interest held by such Partner pursuant to the terms of this Agreement in accordance with Schedule A attached hereto. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Partnership by the maker of such note shall not be included in the Capital Contribution of any Person until the Partnership makes a taxable disposition of such note or until (and to the extent) principal payments are made on such note, all in accordance with Section 1.704-1(b)(2)(iv)(d)(2) of the Regulations. Any reference in this Agreement to the Capital Contribution of a then Partner shall include the contributions to the capital of the Partnership made by any predecessor in interest of such Partner in respect of such Interest of such Partner.

"Capital Note" means the promissory note issued by the Limited Partner to the Partnership pursuant to Section 3.5 hereof.

“Cash Expenditures” means all disbursements of cash during the year (excluding distributions to Partners), including, without limitation, payment of operating expenses, the regular payment of debt service, including principal and interest on the Partnership’s indebtedness (excluding payments of principal and interest on Voluntary Loans, Operating Loans, Replacement Reserve Loans, Completion Loans or the Deferred Development Fee), cost of repair and restoration of the Apartment Complex and amounts allocated to reserves by the General Partner. In addition, the net increase during the year in any escrow account or reserve maintained by or for the Partnership shall be considered a cash expenditure during the year. Cash Expenditures payable to Partners or Affiliates of Partners shall be paid after Cash Expenditures payable to third parties except for payments to a Management Agent which may be an Affiliate of a Partner, to the extent such fees are payable and not subject to deferral. Cash Expenditures shall not include expenses incurred in connection with a Sale or Refinancing Transaction or any expenses or payments to be distributed or paid pursuant to Section 9.2.A hereof.

“Cash Flow” means the excess of Cash Receipts over Cash Expenditures. Cash Flow shall be determined separately for each fiscal year or portion thereof.

“Cash Receipts” means all cash receipts of the Partnership from whatever source derived other than from a Sale or Refinancing Transaction or Capital Contributions, including, without limitation, cash from operations, any amounts attributable to construction or development savings, interest earned on reserves held by or for the benefit of the Apartment Complex and/or the Partnership and net insurance recoveries (other than proceeds from title insurance recoveries and other than condemnation or casualty proceeds). In addition, the net reduction in any year in the amount of any escrow account or reserve maintained by or for the Partnership shall be considered a cash receipt of the Partnership for such year. Notwithstanding the foregoing, at the election of the General Partner, Cash Receipts intended for use in meeting the Partnership’s obligations (including the cost of acquiring assets or paying debts or expenses) in the subsequent fiscal year shall not be deemed received until such following year.

“Certificate” means the Original Certificate or any other instrument filed in the Filing Office as the Certificate of Limited Partnership of the Partnership in accordance with the Uniform Act, as amended from time to time.

“Class” means a specific class or grouping of Partners (*i.e.*, the General Partner, the Limited Partner, the Investor Limited Partners or the Special Limited Partner).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute.

“Completion” shall mean such time as the satisfaction of the Fourth Contribution Payment Conditions and delivery to the Limited Partner of the Fourth Contribution Payment Documents, each as defined in the Contribution Agreement, have occurred.

“Completion Date” shall have the meaning provided in the Contribution Agreement.

“Completion Loan” means the loans to be made by the Guarantor to the Partnership pursuant to the Development Deficit Guaranty Agreement, which loans do not bear interest and are repayable only as provided in Article IX hereof.

“Compliance Period” shall have the meaning provided in Section 42(i)(1) of the Code.

“Consent of the Special Limited Partner” means the prior written consent or approval of the Special Limited Partner, which, except as provided herein, shall not be unreasonably withheld or delayed, it being understood however, that the Special Limited Partner shall not be deemed to have acted unreasonably if it has determined that such action could result in a delay or reduction in the amount or timing of Credits available to the Partnership or allocable to the Limited Partner, or in the amount of Losses that may be claimed by the Partnership and allocated to the Limited Partner.

“Construction Contract” means the construction contract to construct the Apartment Complex dated May 18, 2007, between the Partnership and the Contractor, as it may be amended from time to time.

“Contractor” means Rufino Contreras Affordable Housing Corporation, Inc., a Texas nonprofit corporation., and its successors and assigns.

“Contribution Agreement” means the Contribution Agreement dated of even date herewith, among the General Partner, the Limited Partner and the Special Limited Partner.

“Credit” or “Credits” means the low income housing tax credit allowable under Section 42 of the Code.

“Credit Conditions” means, for the duration of the Compliance Period, any and all restrictions including, but not limited to, applicable Federal, state and local laws, rules and regulations, which must be complied with in order to qualify for the Credits or to avoid an event of recapture in respect of the Credits.

“Credit Period” shall have the meaning specified in Section 42 of the Code.

“Deed” means the special warranty deed from National Farm Workers Service Center, Inc. to the Partnership conveying fee title to the Land.

“Deferred Development Fee” shall have the meaning specified in Section 6.1 hereof.

“Depreciation” means, for each fiscal year of the Partnership or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for Federal income tax purposes at the beginning of such fiscal year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the Federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year or other period bears to such beginning adjusted tax basis; provided, however, that if the Federal income tax depreciation, amortization, or other cost

recovery deduction for such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partners.

“Developer” means National Farm Workers Service Center, Inc., a California non profit public benefit corporation, and Rufino Contreras Affordable Housing Corporation, a Texas non-profit corporation.

“Development Agreement” means, collectively, the Development Agreement dated as of May 2, 2007, as amended by the First Amended and Restated Development Agreement dated as of May 18, 2007, the Second Amended and Restated Development Agreement dated as of May 27, 2007 and the Third Amended Development Agreement dated as of November 1, 2007, between the Partnership and the Developer.

“Development Budget” shall mean the Budget attached to the Contribution Agreement as Schedule 8.

“Development Deficit” shall have the meaning provided in the Development Deficit Guaranty Agreement.

“Development Deficit Guaranty Agreement” means the agreement of the Guarantor to guaranty Completion and to fund Development Deficits, which shall be substantially in the form of Exhibit E annexed to the Contribution Agreement.

“Development Expenditures” means the costs incurred or to be incurred to (a) acquire, construct and equip the Apartment Complex through Completion in conformity with the Project Documents and the Plans and Specifications (other than the Development Fee), (b) pay all other expenses and costs with respect to financing the construction of the Apartment Complex through the Break-Even Date, and (c) pay all other costs incident to the construction of the Apartment Complex (other than the normal operating expenses of the Apartment Complex) through the Break-Even Date (other than costs incurred by the Partnership in connection with the litigation of administrative determinations regarding Federal tax matters).

“Development Fee” has the meaning specified in Section 6.1 hereof.

“Development Sources” means the aggregate of (i) the proceeds of the Mortgage Notes (which to the extent of any proceeds received from a refinancing of any construction financing shall include only the net proceeds of such refinancing) and any grants received by the Partnership, (ii) the Capital Contributions actually paid or agreed to be paid and (iii) available operating income of the Apartment Complex prior to the Break-Even Date (other than rental income distributed as a Lease-Up Fee).

“Development Surplus” means the excess of Development Sources over Development Expenditures.

“Eligible Unit” has the meaning specified in Section 5.2.B hereof.

“Entity” means any general partnership, limited partnership, limited liability company, limited liability partnership, corporation, joint venture, trust, business trust, cooperative or association.

“Excess Development Cash Flow” has the meaning set forth in Section 6.4.

“50% Completion” shall mean such time as the satisfaction of the Second Contribution Payment Conditions and delivery to the Limited Partner of the Second Contribution Payment Documents, each as defined in the Contribution Agreement, have occurred.

“Filing Office” means the Secretary of State of the State.

“Foreign Partner” means a Partner who at the time of acquisition of such Partner’s Interest is a United States citizen or a resident alien of the United States and whose status subsequently changes to that of a non-resident alien of the United States.

“Foreign Person” means a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate, within the meaning of Sections 897, 1445 and 1446 of the Code.

“General Partner” or “General Partners” means any or all Persons designated as General Partners in Schedule A, including, without limitation, the Managing General Partner, and any Person or Persons who, at the time of reference thereto, have been admitted as additional or successor General Partners, in each such Person’s capacity as a general partner of the Partnership. If there is only one General Partner of the Partnership, the term “General Partners” shall be deemed to refer to such General Partner.

“Governmental Agreements” means all agreements between the Partnership and any Authority with respect to the Apartment Complex and relating to insuring, supplementing, subsidizing, endorsing or otherwise affecting a Mortgage on the Apartment Complex (including, without limitation, any Regulatory Agreement); bond financing secured by any such Mortgage; Authority Insurance Obligation; Rental Assistance Contract; or tax abatements, concessionary financing or grants, or other governmental assistance to the Apartment Complex or its tenants, regardless of its nature, in each case as the same may be amended from time to time.

“Gross Asset Value” means, with respect to any asset owned by the Partnership, the asset’s adjusted basis for Federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the General Partner;

(ii) the Gross Asset Value of each asset shall be adjusted to equal its respective gross fair market value, as determined by the General Partners, as of the following times: (a) the acquisition of an additional Interest by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of property as consideration for an Interest; and (c) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; provided, however, that adjustments pursuant to clauses (a) and (b) above shall be

made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) the Gross Asset Value of any asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution; and

(iv) the Gross Asset Value of each asset shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such asset pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustment is taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations and Article IX hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the General Partner determines that an adjustment pursuant to clause (ii) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to clause (i), (ii) or (iv) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“Gross Effective Income” means the gross income from all sources from the normal operation of the Apartment Complex received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Partnership), but excluding (i) tenant security or other deposits, (ii) Capital Contributions and interest thereon, (iii) interest on reserves not available for distribution, and (iv) the proceeds of insurance payments, except rental interruption insurance.

“Gross Revenues” has the meaning ascribed thereto in the Development Deficit Guaranty Agreement.

“Guarantor” means the General Partner, Rufino Contreras Affordable Housing Corporation, Inc. and National Farm Workers Service Center, Inc., a California non-profit public benefit corporation.

“Guaranty Period” means the period during which the Guarantor is obligated to fund any Operating Deficit pursuant to the Operating Deficit Guaranty Agreement.

“HUD” means the United States Department of Housing and Urban Development, or any successor Federal agency.

“Improvements” shall have the meaning specified in the definition of Apartment Complex.

“Initial Agreement” means collectively, the Agreement of Limited Partnership dated as of August 1, 2006 between Rufino and the Withdrawing Limited Partner and the First Amendment to the Agreement of Limited Partnership dated as of January 29, 2007 among the General Partner, Rufino and the Withdrawing Limited Partner.

“Initial Contribution” or “Initial Installment” has the meaning specified in Section 3.4.A hereof.

“Initial Contribution Date” means the date upon which the Initial Contribution Payment Conditions (as defined in the Contribution Agreement) have been satisfied.

“Interest” means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all terms and provisions of this Agreement. Except as provided in this Agreement, a Partner’s Interest shall not include any interest that such Partner may otherwise have as a creditor of the Partnership.

“Installment” has the meaning specified in Section 3.4.A hereof.

“Investor Limited Partners” means the Limited Partner and the Special Limited Partner and any Substituted Investor Limited Partner.

“Involuntary Assignment” means any Assignment caused by the death, adjudication of insanity or incompetence of a shareholder or beneficial holder of a General Partner.

“Involuntary Withdrawal” means any Withdrawal caused by the death, adjudication of insanity or incompetence, or Bankruptcy of a General Partner, or the removal of such General Partner pursuant to Section 11.4.A(i)(d) hereof but shall not include an Involuntary Assignment.

“Land Documents” means the Deed and the Title Policy.

“Lease-Up Fee” has the meaning set forth in Section 6.4 hereof.

“Lender” means any lender under any mortgage constituting the Mortgage.

“Loan Documents” shall have the meaning ascribed thereto in the Contribution Agreement.

“Loans” shall have the meaning ascribed thereto in the Contribution Agreement.

“Limited Partner” means Centerline Investor LP LLC, a Delaware limited liability company, and any person who becomes a Substituted Limited Partner in respect of any portion of the Limited Partner Interest of the Limited Partner as provided in Article X hereof. The term does not include the Special Limited Partner.

“Liquidating Agent” shall have the meaning provided in Section 12.2 hereof.

“Management Agent” means the person approved by each Authority (if necessary) and selected to provide management services to the Apartment Complex from time to time in accordance with Article VIII hereof.

“Management Agreement” means the agreement between the Partnership and the Management Agent in connection with management of the Apartment Complex entered into pursuant to the authority granted by Article VIII hereof.

“Managing General Partner” means, initially, Aguila Village Housing GP, LLC, a Texas limited liability company.

“Mortgage” means any mortgage or deed of trust securing an indebtedness of the Partnership evidenced by the Mortgage Note and encumbering the Apartment Complex, as such indebtedness may be increased, decreased or refinanced in accordance with this Agreement and the Project Documents. Where the context admits, the term “Mortgage” shall include any mortgage, deed, deed of trust, note, regulatory agreement, security agreement, assumption agreement or other instrument executed in connection with a Mortgage Note which is binding on the Partnership; and in case any Mortgage is replaced or supplemented by any subsequent mortgage or mortgages, the “Mortgage” shall refer to any such subsequent mortgage or mortgages.

“Mortgage Note” means any promissory note held by a Lender evidencing the indebtedness secured by the Mortgage.

“Nonrecourse Deductions” shall have the meaning set forth in Section 1.704-2-(b)(1) of the Regulations.

“Nonrecourse Liability” shall have the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

“Operating Deficit” shall have the meaning provided in the Operating Deficit Guaranty Agreement.

“Operating Deficit Guaranty Agreement” means the agreement of the Guarantor to fund Operating Deficits, which shall be substantially in the form of Exhibit F annexed to the Contribution Agreement.

“Operating Loans” means the loans to be made by the Guarantor to the Partnership pursuant to the Operating Deficit Guaranty Agreement to fund Operating Deficits occurring during the Guaranty Period, which loans do not bear interest and are repayable only as provided in Article IX hereof.

“Option and Right of First Refusal Agreement” means the agreement by and between the Partnership, the General Partner and Rufino, whereby, after the Compliance Period, Rufino has an option to purchase the Apartment Complex and a right of first refusal in the event of a proposed sale of the Apartment Complex to a third-party, which agreement shall be substantially in the form of Exhibit K annexed to the Contribution Agreement.

“Original Certificate” means collectively, the Certificate of Limited Partnership filed in the Filing Office on August 1, 2006 and the Certificate of Amendment of Limited Partnership filed in the Filing Office on January 29, 2007.

“Other Guarantees” means any each of the guarantee agreements made by Guarantor, which are attached as exhibits to the Contribution Agreement, and consist of the Development Deficit Guaranty Agreement, Operating Deficit Guaranty Agreement, Replacement Reserve Guaranty Agreement and Recapture Guaranty Agreement.

“Partner” or “Partners” means any or all of the General Partners, the Limited Partner and the Special Limited Partner.

“Partner Nonrecourse Debt” shall have the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

“Partner Nonrecourse Debt Minimum Gain” shall have the meaning set forth in Section 1.704-2(i)(2) of the Regulations.

“Partner Nonrecourse Deductions” shall have the meaning set forth in Section 1.704-2(i)(2) of the Regulations.

“Partnership” means the limited partnership governed by this Agreement, as such limited partnership may from time to time be amended or reconstituted.

“Partnership Minimum Gain” shall have the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

“Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person as the context may require.

“Prime Rate” means the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A., a national banking association, as its prime rate.

“Profits” and “Losses” means, for each fiscal year of the Partnership or other period, an amount equal to the Partnership’s taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

- (i) any income of the Partnership that is exempt from Federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;
- (ii) any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss;
- (iii) in the event the Gross Asset Value of any Partnership asset is adjusted pursuant to clause (ii) or (iii) of the definition thereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;
- (iv) gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period; and

(vi) notwithstanding any other provisions hereof, any items which are specially allocated pursuant to Article IX hereof shall not be taken into account in computing Profits or Losses.

“Project Documents” means the Construction Contract, the Governmental Agreements, the Land Documents, the Development Agreement, the Management Agreement, the Mortgage, the Mortgage Note, the Contribution Agreement, the Option and Right of First Refusal Agreement and all guarantees issued in connection therewith, and any other document related to the financing, development or construction of the Apartment Complex, as any such documents may be amended from time to time.

“Recapture Guaranty Agreement” means the guaranty given by the Guarantor to the Limited Partner in the form of Exhibit H annexed to the Contribution Agreement.

“Regulations” means the Income Tax Regulations (including Temporary Regulations) promulgated under the Code.

“Rental Achievement” shall mean such time as the satisfaction of the Fifth Contribution Payment Conditions and delivery to the Limited Partner of the Fifth Contribution Payment Documents, each as defined in the Contribution Agreement, have occurred.

“Rental Assistance Contract” means any contract between the Partnership and HUD or other Authority providing for annual rental subsidies for the Apartment Complex or tenants therein.

“Replacement Reserve Guaranty Agreement” means the agreement of the Guarantor to fund reserves required to be maintained by the Partnership pursuant to Section 5.2.D hereof, which shall be substantially in the form of Exhibit G annexed to the Contribution Agreement.

“Replacement Reserve Loans” means the loans to be made by the Guarantor to the Partnership pursuant to the Replacement Reserve Guaranty Agreement, which loans do not bear interest and are repayable only as provided in Article IX hereof.

“Return Amount” shall have the meaning ascribed to such term in Section 9.2.D hereof.

“Rufino” means Rufino Contreras Affordable Housing Corporation, Inc., a Texas nonprofit corporation.

“Sale or Refinancing Transaction” means any of the following items or transactions not in the ordinary course of business: a sale, transfer, exchange or other disposition of all or substantially all of the assets of the Partnership, a condemnation of or casualty at the Apartment Complex or any part thereof (other than an event which produces business interruption insurance proceeds or other similar payments), a claim against a title insurance

company, the refinancing of any Mortgage Note or other indebtedness of the Partnership and any similar item or transaction; provided, however, that neither distributions which are deemed returns of capital for Federal income tax purposes nor the payment of Capital Contributions by the Partners shall be included within the meaning of the term "Sale or Refinancing Transaction."

"Sale or Refinancing Transaction Proceeds" means all cash receipts of the Partnership arising from a Sale or Refinancing Transaction (including, without limitation, principal and interest received on a debt obligation received as consideration, in whole or in part, on a Sale or Refinancing Transaction).

"Second Contribution" or "Second Installment" has the meaning specified in Section 3.4.A hereof.

"75% Completion" shall mean such time as the satisfaction of the Third Contribution Payment Conditions and delivery to the Limited Partner of the Third Contribution Payment Documents, each as defined in the Contribution Agreement, have occurred.

"Special Limited Partner" means Centerline SLP LLC, a Delaware limited liability company, and its successors and assigns.

"State" means the State of Texas.

"Substituted Partner" means any transferee of the Interest of a Partner who is admitted to the Partnership as a successor partner in respect of the Interest of such Partner.

"Tax Matters Partner" means the Partner designated from time to time as the Tax Matters Partner of the Partnership pursuant to Section 5.3.D hereof.

"Third Contribution" or "Third Installment" has the meaning specified in Section 3.4.A hereof.

"Title Policy" means the Policy of Title Insurance issued by Commonwealth Land Title Insurance Company pursuant to GF No. 2617001290, and all the documents relating thereto.

"Unavoidable Events" means strikes, acts of God, governmental restrictions (other than those contained in Governmental Agreements), severe or unusual shortages of labor or materials, enemy action, riot, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of a party. Lack of funds shall not be deemed a cause beyond the control of a party.

"Uniform Act" means the Uniform Limited Partnership Act, or its equivalent, as it may be adopted or amended from time to time by the State, or any successor statute governing the operation of limited partnerships.

"United States Real Property Interest" means any direct or indirect interest in United States real property as defined in Section 897(c) of the Code and the Income Tax Regulations promulgated thereunder.

“Voluntary Loan” means a voluntary, unsecured interest-bearing loan of any Partner to the Partnership as described in Section 4.4 hereof.

“Withdrawing” or “Withdrawal” (including the verb form “Withdraw” and the adjectival forms “Withdrawing” and “Withdrawn”) means, as to a General Partner, the occurrence of the death, adjudication of insanity or incompetence, Bankruptcy, dissolution or liquidation of such Partner, or the withdrawal, removal or retirement from the Partnership of such Partner for any reason, including any Assignment of its Interest and those situations when a General Partner may no longer continue as a General Partner by reason of any law or pursuant to any terms of this Agreement.

“Withdrawing Limited Partner” means National Farm Workers Service Center, Inc.

* * *

Each definition or pronoun herein shall be deemed to refer to the singular, plural, masculine, feminine or neuter as the context requires. Words such as “herein,” “hereinafter,” “hereof,” “hereto” and “hereunder,” when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

ARTICLE II

GENERAL

2.1 Continuation of the Partnership.

A. The Partnership shall be continued as a limited partnership pursuant to this Agreement. The name of the Partnership shall continue to be “Edcouch Housing Development, L.P.” or such other name selected by the General Partner with the Consent of the Special Limited Partner as may be acceptable to the appropriate recording officials of the State.

B. As soon after the execution of this Agreement as is practicable, the General Partner shall file (if required by the Uniform Act) an amendment to the Certificate thereto reflecting the provisions of this Agreement in accordance with the Uniform Act. The General Partner shall from time to time file such other documents required by law to (i) effectuate and permit the continuation of the Partnership as a limited partnership under the laws of the State, (ii) enable the Partnership to do business in the State and (iii) protect the limited liability of the Limited Partner under the laws of the State including the preparation and filing of such amendments to this Agreement and any other certificate, document or instrument as may be required under the laws of the State. The Partners shall execute such certificates, documents and instruments and take such other action as may be necessary to enable the General Partner to fulfill its responsibilities under this Section 2.1.B. The power of attorney granted in Section 14.2 hereof may be exercised by the General Partner to effect the provisions of this Section 2.1.B.

2.2 Principal Office. The principal office of the Partnership shall be located at Post Office Box 62, 29700, Woodford Tehacapi Road, Keene, California 93531. The General

Partner may maintain such other offices on behalf of the Partnership in the State as they may from time to time deem advisable. The Partnership's books and records will be made available to the Investor Limited Partners or their representatives at its principal office for partnership purposes during normal business hours and upon at least three days prior notice. The principal office of the Partnership may be changed by the General Partner, in which event written notice thereof shall be given by the General Partner to all the other Partners.

2.3 Principal Place of Business; Resident Agent. The principal place of business of the Partnership shall be 29700 Woodford-Tehachapi Road, Keene, California, 93531. Monica Poss at 2200 Martin Luther King Jr., Blvd., Austin, Texas 78702, has been appointed the Partnership's registered agent for the service of process in the State.

2.4 Term. The Partnership shall continue in full force and effect until the dissolution and termination of the Partnership pursuant to Article XII hereof.

2.5 Purpose.

A. The specific business and purpose of the Partnership is investment in real property and the provision of low income housing through the construction, operation and leasing of the Apartment Complex and any commercial space located therein, and in connection therewith, subject to and in accordance with the permission of each applicable Authority and all Governmental Agreements, to make and perform contracts and other undertakings and to engage in any and all activities and transactions as may be necessary or advisable in connection therewith, including, but not limited to, the purchase, transfer, mortgage, pledge and exercise of all other rights, powers, privileges and other incidents of ownership with respect to the Apartment Complex and to borrow money without limitation as to amount or manner and to carry on any and all activities related to any of the foregoing.

B. In order to carry out its business and purpose under Section 2.5.A hereof, subject to the terms and conditions hereof, the Partnership is hereby authorized to:

- (i) acquire, own, lease and sublease real property, and to hold such property for investment purposes;
- (ii) construct, renovate, rehabilitate, own, maintain and operate the Apartment Complex;
- (iii) mortgage, lease, transfer and exchange or otherwise convey and encumber such property and the improvements thereon (including conversion to cooperative or condominium form of ownership and the sale of apartment units) in furtherance of any and all of the objects of its business in connection with the Apartment Complex;
- (iv) enter into, perform and carry out contracts of any kind necessary to, or in connection with or incidental to, the construction, renovation, construction, ownership, financing, maintenance and operation of the Apartment Complex, including, but not by way of limitation, any contracts with any Authority which may be desirable or necessary to comply with the requirements of such Authority, including any agreements relating to regulations or restrictions contained in any Mortgages as to rents, sales, charges, capital structure, rate of return and methods of operation;

(v) rent dwelling units and commercial space, if any, therein from time to time in accordance with applicable Federal, state and local regulations, in such a manner as to qualify for Credits, collect the rents therefrom, pay the expenses incurred in connection therewith, and distribute the net proceeds to the Partners, subject to any requirements which may be imposed by any Authority; and

(vi) purchase, transfer, mortgage, pledge and exercise all other rights, powers, privileges and other incidents of ownership with respect thereto and borrow or raise money without limitation as to amount or manner and carry on any and all activities incidental and appropriate to effectuate the purposes of the Partnership.

ARTICLE III

CAPITAL CONTRIBUTIONS

3.1 General Partner. The Capital Contribution of the General Partner is set forth in Schedule A. The General Partner shall not be required to make any additional Capital Contributions to the Partnership except to the extent provided in Sections 3.7 and 6.1 hereof.

3.2 Withdrawal of Withdrawing Limited Partner's Interest; Admission of Investor Limited Partners. The Withdrawing Limited Partner hereby withdraws as a Partner of the Partnership. The Limited Partner and the Special Limited Partner are hereby admitted to the Partnership as Investor Limited Partners. The Withdrawing Limited Partner acknowledges that it has no further limited partner interest in the Partnership as of the Admission Date, has released all claims, if any against the Partnership arising out of its participation as Partner and shall be deemed to have withdrawn as a limited partner of the Partnership as of such date.

3.3 Special Limited Partner. The Capital Contribution of the Special Limited Partner is set forth in Schedule A. The Special Limited Partner shall be in a different class from the Limited Partner and, except as otherwise expressly stated in this Agreement, shall not participate in any rights allocable to or exercisable by the Limited Partner under this Agreement.

3.4 Limited Partner.

A. Subject to compliance with the terms and conditions hereinafter set forth, the Limited Partner shall make Capital Contributions of \$5,537,000 payable in five installments (each an "Installment" and in the aggregate, the "Installments") as follows:

(i) \$1,218,140 (the "Initial Contribution") which shall be payable on the Admission Date and of which the sum of \$550,000 shall be applied by the Limited Partner to discharge that certain loan from the Limited Partner.

(ii) \$1,107,400 (the "Second Contribution" or "Second Installment") shall be payable upon 50% Completion.

(iii) \$1,107,400 (the "Third Contribution" or "Third Installment") shall be payable upon 75% Completion.

(iv) \$1,273,510 (the "Fourth Contribution" or "Fourth Installment") shall be payable upon Completion.

(v) \$830,550 (the "Fifth Contribution" or "Fifth Installment") shall be payable upon Rental Achievement; provided, however, that if all of the Fifth Contribution Payment Conditions (as defined in the Contribution Agreement) have been satisfied other than receipt by the Project Partnership from TDHCA of Final IRS Form 8609 – Allocation Certification or Certifications – with respect to each building on the Property ("8609's"), then \$276,850 of the Fifth Contribution shall be payable and the remainder of the Fifth Contribution shall be payable upon receipt by the Project Partnership of 8609's with respect to each building on the Property. The Fourth Contribution and the Fifth Contribution shall be subject to adjustment as set forth below.

B. (i) The amount of Limited Partner's Capital Contributions were determined in part upon the amount of Credits that are expected to be available to the Partnership and allocable to the Limited Partner and were based upon the assumption that the qualified basis of the Property will be sufficient to enable the Limited Partner to claim annual Credits of not less than \$588,984 beginning in 2009 (not taking into account the provisions of Section 42(f)(2) of the Code). The amount of the qualified basis of the Apartment Complex and the annual rate of the Credits which the Partnership will be able to claim with respect thereto will not be known until the first year in which the Partnership initially claims Credits. Therefore, if the annual amount of Credits which the Partnership will be entitled to claim and allocate to the Limited Partner, as certified to the Limited Partner by the Accountants upon the Fourth Contribution Payment Date is (a) less than \$588,984, the amount of the Fourth Contribution and, if necessary, the Fifth Contribution shall be reduced by \$9.40 for each \$1.00 by which \$588,984 exceeds the annual Credits which the Accountants certify upon the Fourth Contribution Payment Date that the Partnership will be entitled to claim and allocate to the Limited Partner, or (b) more than \$588,984, the amount of the Fourth Contribution shall be increased by \$9.40 for each \$1.00 by which the annual Credits which the Accountants certify upon the Fourth Contribution Payment Date that the Partnership will be entitled to claim and allocate to the Limited Partner exceeds \$588,984 subject to the Limited Partner having funds available ("Available Funds") to pay any such increase at the time of the notification of such increase. For these purposes, any funds theretofore previously earmarked by the Limited Partner to make other investments, or to be held as reserves, shall not be considered Available Funds. If there are insufficient Available Funds to pay such increase in the Capital Contribution of the Limited Partner at the time of the notification of such increase, the Limited Partner's percentage interest in allocations of Profits, Losses and Credits and distributions of Cash Flow and Sale or Refinancing Transaction Proceeds shall be decreased in proportion to the amount that the increased Capital Contribution not made by the Limited Partner pursuant to (b) above bears to the amount of Capital Contribution made by the Limited Partner (adjusted to include the increased Capital Contribution not paid by the Limited Partner), and such decrease (the "Adjusted Allocation") shall be reallocated to the General Partner. In the alternative, with the consent of the Special Limited Partner, which consent shall not be unreasonably withheld, the General Partner shall have the right to admit a third party as a Class B Limited Partner, which Class B Limited Partner shall have the right to receive the Adjusted Allocation but shall not have the right to exercise any other rights granted to the Investor Limited Partners under this Agreement or pursuant to the Uniform Act, except as may be required by the Uniform Act, and such Class B Limited Partner shall grant to the Special Limited Partner upon its admission to the Partnership its exclusive proxy to take any and all actions which may be taken by the Limited Partners on behalf of the Class B Limited Partner. Any increase in Capital Contributions pursuant to clause (b) above shall be applied to payment of the Development Fee, which Development Fee may, to the extent permitted by the Authority, be increased to the extent of the increase in the Capital Contributions applied to pay such fee.

(ii) In addition to any other adjustment to Capital Contributions pursuant to Section 3.4.B(i), if the amounts of Credits which the Partnership will be entitled to claim in 2008 or 2009, as certified to the Limited Partner by the Accountants on the Fourth Contribution Payment Date, are less than \$273,414 for 2008 or \$589,102 for 2009, the payment of the Fourth Contribution and, if necessary, the Fifth Contribution shall be reduced by \$0.7528 for each dollar by which (i) \$273,360 exceeds the amount of Credits allocated to the Limited Partner for 2008 and (ii) \$588,984 exceeds the amount of Credits allocated to the Limited Partner for 2009.

(iii) The \$588,984 amount specified in Sections 3.4.B(ii) and 9.2.D hereof shall be adjusted to the amount of Credits which the Accountants certify pursuant to Section 3.4.B(i) hereof. The amounts other than the \$588,984 amount specified in Section 3.4.B(ii) and the \$589,102 amount specified in Section 11.4.A shall be adjusted in proportion to any adjustment to the \$588,984 amount made pursuant to Section 3.4.B(i).

(iv) If the Accountants are not Reznick Group, P.C. and if the Special Limited Partner shall disagree as to the amount of Credits to which the Accountants certify upon the Fourth Contribution Payment Date, the Special Limited Partner shall notify the General Partner of such disagreement within 20 days after delivery of such certification to the Limited Partner, and the Limited Partner shall pay that portion of the Fourth Contribution based on that portion of Credits not in dispute. With respect to the amount of such Credits in dispute, within five days after the giving of the notice specified in this Section 3.4.B(iv), the General Partner and the Special Limited Partner shall each designate a certified public accountant as an arbitrator and such two arbitrators shall designate a third arbitrator (or if the first two arbitrators cannot agree upon a third arbitrator within 20 days, such third arbitrator shall be chosen by the American Arbitration Association). The designation of arbitrators hereunder shall automatically delay the due date for payment of that portion of the Fourth Contribution in dispute until ten days after the conclusion of such arbitration (unless prior to the expiration of such period the General Partners and the Special Limited Partner agree upon the amount of Credits which the Partnership is entitled to claim). Such arbitrators shall be directed to promptly conduct, at the expense of the Partnership, an arbitration to determine by majority vote the amount of Credits which the Partnership is entitled to claim on a basis that is prudent and defensible in light of the obligations of the Limited Partner to its investors. Such arbitrators shall be directed to give notice of their determination within 60 days after the giving of the notice specified in this Section 3.4.B(iv), and upon the giving of such notice of determination the amount determined by majority vote of such arbitrators shall be deemed the amount of Credits which the Partnership is entitled to claim for all purposes hereof. Upon the determination of the amount of Credits which the Partnership is entitled to claim, the amount of the Fourth Contribution, if any, remaining to be paid shall be adjusted accordingly and paid as provided herein.

(v) If the adjustments to be made to the Limited Partner's Capital Contributions pursuant to this Section 3.4.B are insufficient to compensate the Limited Partner for any reductions to the amount of Credits anticipated to be claimed by the Limited Partner or any delays in claiming such Credits, the General Partner shall be required to promptly repay such difference to the Limited Partner within thirty (30) days of written demand for such payment. The repayment obligation of the General Partner pursuant to the preceding sentence shall be guaranteed by the Guarantor.

C. The Limited Partner's obligation to pay its Capital Contribution is non-recourse to the Limited Partner except to the extent of the Limited Partner's Interest, which shall be pledged as security for such obligation pursuant to a Pledge Agreement in substantially the form of Exhibit A attached hereto. The Limited Partner's obligation to make Deferred Contributions is subject to (i) delivery of the certifications specified in Section 3.4.B hereof and (ii) certification by the General Partner to the Limited Partner that [a] the respective conditions to such payments as are set forth in the Contribution Agreement have been satisfied, [b] no default has been declared under any of the Project Documents and is continuing, [c] the General Partner is not in material default in any of its obligations under this Agreement, [d] the General Partner

has no knowledge of any material default under any of the Project Documents and [e] no Bankruptcy of the General Partner has occurred and is continuing. The General Partner shall give the Limited Partner at least 10 business days' advance written notice of the due date for each Contribution after the Initial Contribution, which notice shall contain the aforementioned certification and shall state that all conditions precedent to the payment of such Contribution have been satisfied.

D. If within 10 business days prior to the date when any Contribution after the Initial Contribution would otherwise be due, the certification and statement required by Section 3.4.C hereof cannot be given, the Limited Partner shall not then be required to pay such Contribution; provided, however, that if the General Partner shall thereafter deliver the certification and statement specified in Section 3.4.C hereof, the Limited Partner shall pay the amount of such Contribution then due and payable to the Partnership 10 business days after delivery of such certification and statement of the General Partner.

E. The Limited Partner's Capital Contributions shall be applied first to the satisfaction of the costs of the Development Expenditures of the Apartment Complex, and then to the payment of the fee specified in Section 6.1 hereof.

3.5 Delivery of Capital Note.

The obligation of the Limited Partner to pay the Second, Third, Fourth and Fifth Contributions shall be evidenced by the delivery by the Limited Partner of the Capital Note, in substantially the form of Exhibit B annexed hereto. After the Fifth Installment of its Capital Contribution has been paid by the Limited Partner, its Capital Note will be returned to it, marked "paid in full" and subject to any requirement of law that such payments be returned to the Limited Partner, shall constitute satisfaction in full of any obligations of the Limited Partner to make capital contributions to the Partnership.

3.6 Treatment of Other Advances. If any Partner shall advance funds to the Partnership other than the amount of its Capital Contribution, the amount of such advance shall not be considered a contribution to the capital of the Partnership, but shall be deemed either an Operating Loan, Replacement Reserve Loan or a Voluntary Loan and shall be subject to the provisions of Section 4.4 hereof.

3.7 Capital Accounts; No Interest; Withdrawal. No Partner shall have the right to demand a return of its Capital Contribution, except as otherwise provided in this Agreement. No Partner shall have priority over any other Partner, either as to return of its Capital Contribution or as to profits, losses or distributions, except as otherwise specifically provided herein. Moreover, except for any claim of rescission by reason of breach under the Contribution Agreement and except as provided in the Development Deficit Guaranty Agreement, no General Partner shall be personally liable for the return of the Capital Contribution of any Limited Partner, or any portion thereof, it being expressly understood that any such return shall be made solely from assets of the Partnership, nor shall any General Partner be required to pay the Partnership or any Partner any deficit in its or any other Partner's Capital Account upon dissolution or otherwise, it being understood and agreed that any deficit in any Capital Account shall not be treated as an asset of the Partnership. Further, neither any Limited Partner nor any Special Limited Partner shall be required to pay to the Partnership any deficit in

its Capital Account upon dissolution or otherwise, except as provided by law, with respect to third-party creditors of the Partnership; provided, however, that if the Special Limited Partner has a deficit balance in its Capital Account following the liquidation of its Interest, as determined after taking into account all adjustments to its Capital Account for the taxable year of the Partnership during which such liquidation occurs, the Special Limited Partner is unconditionally obligated to restore the amount of such deficit balance (not to exceed the amount of the deficit balance in the Capital Account of the Special Limited Partner at the end of the Credit Period) to the Partnership by the end of such taxable year, or, if later, within 90 days after the date of such liquidation. No interest shall be paid on any Capital Account or Capital Contribution. No Partner shall have the right to demand or receive property other than cash for its Interest. Each of the Partners does hereby agree to, and does hereby, waive any right such Partner may otherwise have to cause any asset of the Partnership to be partitioned or to file a complaint or institute any proceeding at law or in equity seeking to have any such asset partitioned. No Partner shall be entitled to any return of capital or distribution, upon withdrawal or otherwise, except as expressly set forth in this Agreement, the Contribution Agreement or the Development Deficit Guaranty Agreement.

3.8 Liability of Limited Partners. Neither any Special Limited Partner nor any Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership, except as provided by law. The Limited Partner and the Special Limited Partner shall be liable only to make payments of their Capital Contributions as and when due under this Agreement.

3.9 Provision of Other Amounts. The Partners acknowledge that, pursuant to the Contribution Agreement and the exhibits thereto, the General Partner is obligated to indemnify the Partnership against any and all liability in respect of any and all transfer, gains, income, sales or other taxes and transfer fees of any kind imposed or asserted with respect to the acquisition by the Investor Limited Partners of their Interests under the laws of the State of Texas. Such amounts shall not be deemed to be either a capital contribution or a loan from the General Partner, neither the Partnership nor any Investor Limited Partner shall be under any obligation to repay any such amount provided by the General Partner, and the provision of such amounts shall not affect the allocations and distributions provided for in Article IX hereof in any way whatsoever.

ARTICLE IV

COMPLIANCE WITH AUTHORITY REQUIREMENTS:
PARTNERSHIP BORROWINGS

4.1 Authority Requirements. During the Compliance Period, the following provisions shall apply: (i) each of the provisions of this Agreement shall be subject to, and the General Partner covenants to act in accordance with, the Credit Conditions and all applicable Federal, state and local laws and regulations; (ii) the Credit Conditions and all such laws and regulations, as amended or supplemented, shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successor and assigns, and they shall control as to any terms in this Agreement which are inconsistent therewith, and any such inconsistent terms in this Agreement shall be unenforceable by or against any of the Partners; (iii) upon any dissolution of the Partnership or any transfer of the Apartment Complex, no title or right to the possession and control of the Apartment Complex and no right to collect rent therefrom shall pass to any Person who is not, or does not become, bound by the Credit Conditions in a manner that, in the opinion of counsel to the Partnership, would not adversely affect the ability of the owner(s) of the Apartment Complex to utilize the Credits or avoid a recapture thereof; and (iv) any conveyance or transfer of title to all or any portion of the Apartment Complex required or permitted under this Agreement shall in all respects be subject to the Credit Conditions and all conditions, approvals or other requirements of the rules and regulations of any Authority applicable thereto.

4.2 Authorization to the General Partner.

A. Without in any way limiting the right or authority of the General Partner under this Article IV or Article V hereof, the General Partner is specifically authorized to execute all documents required by any Authority or any Lender in connection with the acquisition, leasing, construction or financing of the Apartment Complex; provided that the terms and conditions of the related Governmental Agreement and/or Mortgage and Mortgage Note were accurately and completely disclosed to the Limited Partner pursuant to the Contribution Agreement or such requirement arises out of an amendment to such Governmental Agreement, Mortgage or Mortgage Note made with the Consent of the Special Limited Partner. Further, notwithstanding any other provision in this Agreement, the General Partner is hereby authorized to amend this Agreement and the Certificate without the consent of the Limited Partner or the Special Limited Partner to effectuate any amendments required by any Authority or any Lender pursuant to applicable law and/or the terms and conditions of a Governmental Agreement and/or Mortgage and Mortgage Note, the terms and conditions whereof were accurately and completely disclosed to the Limited Partner pursuant to the Contribution Agreement or such requirement arises out of an amendment to such Governmental Agreement, Mortgage or Mortgage Note made with the Consent of the Special Limited Partner. The General Partner may exercise the power of attorney granted in Section 14.2 hereof to effect the provisions of this Section 4.2.

B. The General Partners shall, at no time, do or cause to be done any act directly or indirectly affecting the Apartment Complex except pursuant to the requirements of each Authority and each Lender to the extent that such approval is required, and, if such approval is required, with the prior approval thereof.

4.3 Right to Mortgage.

A. The Partnership has obtained financing for the construction and acquisition of the Apartment Complex and has secured the same by the Mortgage securing the Loans. Except for (i) the usual and customary exceptions to non-recourse loans as may be specifically set forth in the Mortgage securing the Loans and (ii) the operating deficit guaranty, guaranty of recourse obligations and completion guarantees specifically set forth in the Loans, each and every loan secured by the Mortgage which has been or shall be entered into by the Partnership provides and shall continue to provide that no Person, including, but not limited to, the Partnership, any party holding a partnership interest in the Partnership, or any of their Affiliates, shall have any personal liability for the payment of all or any part of the debt secured by such Mortgage.

B. The execution by the General Partner on behalf of the Partnership of the Project Documents is hereby ratified.

C. The General Partner may modify, refinance or repay the debt secured by the Mortgage with the approval of each Lender and each Authority, if required, including any required transfer or conveyance of Partnership assets for security or mortgage purposes; provided, however, that the terms of any such modification, refinancing or repayment must receive the Consent of the Special Limited Partner before such transaction shall be binding on the Partnership.

4.4 Loans. All borrowings by the Partnership shall be subject to the terms of this Agreement, the Project Documents and applicable rules, regulations and directives of any Authority. To the extent borrowings are permitted, they may be made from any source, including any Partner or an Affiliate thereof; provided, however, that any borrowings from the General Partner or its Affiliates shall require the Consent of the Special Limited Partner. Except as may be otherwise specifically set forth in this Agreement, if any Partner or Affiliate thereof shall lend any monies to the Partnership, such loan shall be unsecured and the amount of any such loan shall not be an increase of such Partner's Capital Contribution nor affect in any way such Partner's share of the profits and losses or distributions of the Partnership. Any loan by a Partner or its Affiliate, other than an Operating Loan, Completion Loan or a Replacement Reserve Loan, shall be a Voluntary Loan, shall bear interest per annum at a rate equal to two percent in excess of the Prime Rate (but not in excess of the lawful maximum rate) and shall be repayable as set forth in Article IX hereof (to the extent permitted by each Authority); provided, however, that any Voluntary Loan shall be made solely for the benefit of the Partnership. No Voluntary Loans by the General Partner or its Affiliates may be made to the Partnership during the Guaranty Period.

ARTICLE V

RIGHTS, POWERS AND OBLIGATIONS OF THE GENERAL PARTNER AND LIMITATIONS THEREON

5.1 Exercise of Management. The overall management and control of the business, assets and affairs of the Partnership shall be vested in the General Partner and, subject to the specific limitations and restrictions set forth in this Article V and in Article IV hereof, the General Partner, in extension of and not in limitation of the powers given it by law, shall have full, exclusive and complete charge of the management of the business of the Partnership in accordance with its purpose stated in Section 2.5 hereof. Neither any Special Limited Partner nor any Limited Partner shall take part in the management or control of the business of the Partnership or have authority to bind the Partnership; provided, however, that the Special Limited Partner may exercise

any and all of the rights granted to it under this Agreement. In the event there shall be more than one General Partner, the Special Limited Partner shall appoint from such of them the Managing General Partner. In the event there shall be no general partners, the Person who becomes general partner if the Partnership is continued shall become the General Partner.

5.2 Duties and Authority of General Partner.

The General Partner shall devote to the Partnership such time as may be necessary for the proper performance of the duties of the General Partner. The General Partner shall at all times exercise its responsibilities as General Partner in a fiduciary manner. The signature of a General Partner shall be needed on any instrument, document or agreement to bind the Partnership, and third parties may rely fully on any such instrument, document or agreement signed by a General Partner. The Limited Partner and Special Limited Partner agree to deliver such certificates or affidavits as may be requested by the General Partner affirming that actions taken or to be taken by the General Partner which are authorized under this Agreement have been so authorized. Subject to the terms and conditions hereof, the General Partner shall be obligated, and is hereby authorized and directed, to:

- (i) Take all commercially reasonable actions that may be necessary or appropriate to carry out the purposes of the Partnership as described in this Agreement;
- (ii) Cause the Partnership to acquire the Land and obtain the Credits;
- (iii) Arrange for the permanent financing of the Apartment Complex and syndication of the Credits.
- (iv) Make inspections of the Apartment Complex and make commercially reasonable efforts to assure that the Apartment Complex is being properly maintained in accordance therewith and necessary repairs are being made;
- (v) Prepare or cause to be prepared in conformity with good business practice all reports that are to be furnished to the Partners or that are required by taxing bodies or other governmental agencies, including operations reports of the Apartment Complex or by or on behalf of the General Partner, and the financial statements and reports referred to in Section 7.3 hereof;
- (vi) Cause the property of the Partnership at all times to be insured in a manner similar to other property of like kind in the same locality and in such amounts and on such terms as agreed upon under the Contribution Agreement (provided that such insurance must be in an amount at least sufficient to satisfy the provisions of Section 5.11 hereof), but, in any event, no less than that required under the Project Documents nor less than that existing as of the Admission Date;
- (vii) Obtain and maintain in force or cause to be obtained and maintained in force Worker's Compensation Insurance and such other insurance as may be required by applicable law or governmental regulation, but, in any event, no less than that required under the Project Documents;
- (viii) Obtain and maintain in force or cause to be obtained and maintained in force public liability insurance in amounts agreed upon pursuant to the Contribution Agreement; but,

in any event, no less than that required under the Project Documents nor less than that existing as of the Admission Date;

- (ix) Comply with any construction budget delivered pursuant to the Contribution Agreement;
- (x) Enforce compliance with the Construction Contract and any other construction agreements;
- (xi) Comply with all Governmental Agreements;
- (xii) Promptly report to the Investor Limited Partners any (a) material variance from the qualification standards for Credits or (b) failure to comply with the Governmental Agreements which would give rise to any event specified in Section 11.4.A(ii)(a) hereof; and
- (xiii) Do all other things (subject to the restrictions contained herein) that may be necessary or desirable to administer and carry on the affairs, assets and business of the Partnership, including, but not limited to, the execution of all conveyances, deeds, notes, mortgages or other documents.

B. The General Partner shall operate the Apartment Complex and shall cause the Management Agent to manage the Apartment Complex in such a manner that the Apartment Complex will be eligible to receive Credits with respect to not less than 72 of the apartment units in the Apartment Complex (such units being referred to herein as the Eligible Units). To that end, the General Partner agrees, without limitation, to make all elections requested by the Special Limited Partner under Section 42 of the Code to allow the Partnership or its Partners to claim the Credit, to file Form 8609 with respect to the Apartment Complex as required, for at least the duration of the Compliance Period to operate the Apartment Complex and cause the Management Agent to manage the Apartment Complex so as to comply with the requirements of Section 42(g) and 42(i)(3) of the Code, and shall make all certifications required by Section 42 of the Code.

C. The General Partner agrees that it shall prepare or cause to be prepared an annual budget in the form of Exhibit C annexed hereto in connection with the operations of the Apartment Complex for each succeeding fiscal year of the Partnership and shall deliver the same to the Special Limited Partner not later than November 1 of the fiscal year preceding the fiscal year to which such budget relates. Each such budget shall contain an amount to be added to separate reserves for payment of real estate taxes, insurance and replacements in an amount with respect to each such reserve equal to the greater of (i) the amount required to be added to such reserve during such year by any Lender or Authority or (ii) the amount that is reasonable in the circumstances, which, in the case of the reserve for replacements (commencing with the first month after payment of the Fourth Contribution), shall not be less than \$20.83 per apartment unit per month. Such budget shall not be adopted until the Special Limited Partner shall have approved the same in writing; provided, however, that if a budget for a fiscal year of the Partnership is delivered to the Special Limited Partner and the Special Limited Partner does not approve such budget prior to the start of such fiscal year, the budget so delivered to the Special Limited Partner shall be deemed approved by the Special Limited Partner. Notwithstanding anything to the contrary contained herein, the Partnership shall not make any expenditure of funds, or commit to make any such expenditure, other

than in response to an emergency, except as provided for in an annual budget so approved by the Special Limited Partner.

D. The General Partner shall cause the Partnership to deposit into a reserve for replacements each month starting with the month following the payment of the Fourth Contribution the amount of \$20.83 per apartment unit per month (or, if greater, the amount required by any Lender or Authority to be placed in a reserve for repairs and replacements, as such amount may be adjusted from time to time by the General Partner with the Consent of the Special Limited Partner) less such amount as shall be required to be set aside (and is actually set aside) for such purpose by any Lender or Authority (the "Mandatory Reserve"); provided, however, that in the event that with respect to any month after the termination of the Guaranty Period and prior to the end of the Compliance Period the Partnership does not have Cash Flow (as determined prior to any reduction for amounts allocated to reserves) available to make the required deposit in the Mandatory Reserve, the Guarantor shall pursuant to and subject to the limitations contained in the Replacement Reserve Guaranty Agreement make such deposit on behalf of the Partnership, as a Replacement Reserve Loan repayable pursuant to Article IX hereof. Any interest earned on the reserve for replacements shall become a part of that reserve. Anything to the contrary contained in Section 7.1 hereof notwithstanding, the reserve for replacements shall be maintained in the name of the Partnership in an account with a bank acceptable to the Special Limited Partner, and withdrawals from such account shall require the approval of the Special Limited Partner, except, in the case of an emergency that could, if not immediately cured, result in an immediate material adverse impact to the Apartment Complex, the General Partner shall be permitted to make withdrawals from such account up to the amount of \$10,000, in which case notice shall be given to the Special Limited Partner of such withdrawal and the emergency situation requiring such withdrawal. The General Partner shall cause the Partnership to deliver to the Special Limited Partner a copy of the monthly statements received with respect to that account. The reserve for replacements shall be an asset of the Partnership and not of the Partners and may be transferred with the Apartment Complex upon a sale of the Apartment Complex. Notwithstanding anything contained herein to the contrary, the obligation of the Guarantor under this Section 5.2.D shall terminate upon the termination of the Guarantor's obligation under the Replacement Reserve Guaranty Agreement; provided however, that the Partnership's obligation under Section 5.2.C to fund such reserves shall continue without recourse to the Guarantor.

E. The General Partner shall notify the Investor Limited Partners of any "reportable transactions" in which the Partnership engages, as such term is described in Section 1.6011-4 of the Regulations. Notwithstanding anything to the contrary, the Partnership, the General Partner, the Limited Partners, and each employee, representative or other agent of the foregoing, may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as defined in Section 1.6011-4(c) of the Regulations) of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure.

5.3 Delegation of General Partner's Authority; Tax Matters Partner.

A. For all purposes of this Agreement, including, without limitation, the delivery of certificates and the granting or withholding of all consents and approvals, the Managing General Partner shall have the sole right to act in the name of and on behalf of the Partnership. Subject to the

terms and conditions hereof, the Managing General Partner is hereby fully authorized, without the requirement of any act or signature of the other Partners, to take any action of any type and to do anything and everything which a general partner of a limited partnership organized under the Uniform Act may be authorized to take or do thereunder, and specifically, without limitation of such authority, to execute, sign, seal and deliver in the name and on behalf of the Partnership:

(i) any note, mortgage or other instrument or document in connection with the Mortgage, the Mortgage Note or any Governmental Agreement, and all other agreements, contracts, certificates, instruments or documents required by any Authority and/or any Lender in connection therewith or with the acquisition, development, construction, improvement, operation or leasing of the Apartment Complex or otherwise required by any Authority and/or any Lender under the Project Documents in connection with the Apartment Complex;

(ii) any deed, lease, mortgage, mortgage note, bill of sale, contract or any other instrument purporting to convey or encumber the real or personal property of the Partnership;

(iii) any rent supplement or leasing or other contract or agreement providing for public or non-public financial assistance, directly or indirectly, to tenants of the Apartment Complex;

(iv) any and all agreements, contracts, documents, certificates and instruments whatsoever involving the acquisition, development, construction, improvement, management, maintenance, leasing and operation of the Apartment Complex, including the employment of such Persons as may be necessary therefor; and

(v) any and all instruments, agreements, contracts, certificates or documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the filing of all business certificates, this Agreement and all amendments thereto, and documents required pursuant to the Project Documents or by any Authority and/or any Lender in connection with any financing.

B. Every contract, agreement, certificate, document or other instrument executed by the Managing General Partner shall be conclusive evidence in favor of every person relying thereon or claiming thereunder that, at the time of the delivery thereof, (i) the Partnership was in existence, (ii) this Agreement had not been terminated or cancelled or amended in any manner so as to restrict such authority (except as shown in any instrument duly filed in the Filing Office) and (iii) the execution and delivery thereof was duly authorized. Any Person dealing with the Partnership or the Managing General Partner may always rely on a certificate signed by the Managing General Partner hereunder:

(a) as to who are the Partners hereunder;

(b) as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the General Partner or are in any other manner germane to the affairs of the Partnership;

(c) as to who is authorized to execute and deliver any instrument, contract, agreement, certificate or document for the Partnership;

(d) as to the authenticity of any copy of this Agreement and amendments thereto; or

(e) as to any act or failure to act by the Partnership or as to any other matter whatsoever involving the Partnership or the Apartment Complex.

C. The Partners hereby consent to the exercise by the Managing General Partner of the powers conferred on it by this Agreement.

D. All of the Partners hereby agree that the Managing General Partner shall be the "Tax Matters Partner" pursuant to the Code and in connection with any audit of the Federal income tax returns of the Partnership; provided, however, that if the Managing General Partner shall withdraw from the Partnership, become Bankrupt or be dissolved or if it shall be determined that the Managing General Partner cannot serve as Tax Matters Partner, the Special Limited Partner shall thereafter have the right to designate itself or any other General Partner as the "Tax Matters Partner." So long as a General Partner is the Tax Matters Partner, in discharging its duties and responsibilities, it shall act as a fiduciary to the Limited Partner and shall obtain the Consent of the Special Limited Partner in connection with all material decisions and determinations to be made by the Partnership with respect to income tax matters including decisions to be made in each administrative and judicial proceeding in which the Partnership is a party and all elections to be made by the Partnership in connection therewith.

E. So long as a Managing General Partner is the Tax Matters Partner, the Special Limited Partner shall have the right to determine to litigate any administrative determination relating to Federal income tax matters, and shall have the right to litigate such matter in such court and to settle such matters as the Special Limited Partner shall decide in its sole discretion, provided, however, that if the settlement of any such matter would require the General Partner to make any payments or result in any reallocation of Sale or Refinancing Transaction Proceeds under Section 9.2.D, such settlement shall require the consent of the Managing General Partner, which consent shall not be unreasonably withheld.

5.4 Lease, Conveyance or Refinancing of Assets of the Partnership.

A. Except as may be otherwise expressly provided in Section 4.1 hereof and elsewhere in this Agreement, the General Partner, with the approval of each Authority (if required), is hereby authorized to sell, lease, sublease, exchange, refinance or otherwise transfer, convey or encumber all or substantially all of the assets of the Partnership; provided, however, that the terms of any such sale, exchange, refinancing or other transfer, conveyance or encumbrance of the Property must receive the Consent of the Special Limited Partner (which may be granted or withheld in its sole discretion) before such transaction shall be binding on the Partnership, which consent shall not be unreasonably withheld or delayed after the Compliance Period. Notwithstanding the foregoing, no such consent shall be required for the leasing of apartments to residential tenants in the normal course of operations, the leasing of all or substantially all of the apartments to a public housing authority at rents satisfactory to each Authority or leases or concessions of facilities related to the operation of the Apartment Complex (including but not limited to the leasing of laundry machines).

B. Notwithstanding any provision of this Agreement to the contrary (other than the Option and Right of First Refusal Agreement), the provisions of this Section 5.4.B shall apply if,

in order to claim Credits with respect to the Apartment Complex, the Partnership is required by applicable law or any Project Document to comply with the procedure specified in the next sentence as a condition of the right of the Partnership to dispose of the Apartment Complex free of the restrictions imposed thereby to continue to lease apartment units to low-income tenants (as defined in such law or document). The Special Limited Partner shall have the right at any time after the beginning of the last year of the Compliance Period to require, by written notice to the General Partner, that the General Partner promptly submit a written request to the applicable state housing credit agency pursuant to Section 42(h)(6)(I) of the Code that such agency endeavor to locate within one year from the date of such written request a purchaser for the Apartment Complex who will continue to operate the Apartment Complex as a qualified low income property, at a purchase price that is not less than the sum of (a) the outstanding balance of all Mortgage Notes plus (b) the Partnership's equity in the Apartment Complex (adjusted for cost of living increases as permitted by Section 42(h)(6)(G) of the Code). In the event that the state housing credit agency obtains an offer satisfying the conditions of the preceding sentence, the General Partner shall promptly notify the Special Limited Partner in writing with respect to the terms and conditions of such offer, and, if the Special Limited Partner notifies the General Partner that such offer should be accepted, the General Partner shall cause the Partnership promptly to accept such offer and to proceed to sell the Apartment Complex pursuant to such offer or the General Partner shall have the right exercisable upon sixty days notice of receipt of the offer of such buyer, to purchase the Apartment Complex on the same terms and conditions as such offer, in which event the General Partner shall purchase the Apartment Complex within 180 days following its delivery of the notice of its exercise of such right on the terms and conditions set forth in the offer and subject to any restrictions, including affordable housing restrictions.

C. (i) Subject to the provisions of Section 5.4.B hereof, but notwithstanding any other provision of this Agreement to the contrary (other than the Option and Right of First Refusal Agreement), the Special Limited Partner shall have the right at any time after the first anniversary following the end of the Compliance Period to require, by written notice to the General Partner (the "Required Sale Notice"), that the General Partner promptly use its commercially reasonable efforts to obtain a buyer for the Apartment Complex on the most favorable terms then obtainable. The General Partner shall submit the terms of any proposed sale to the Special Limited Partner for its approval as provided in Section 5.4.A hereof. If the General Partner shall fail to so obtain a buyer for the Apartment Complex within one year of the Required Sale Notice or if the Special Limited Partner in its reasonable discretion shall withhold its consent to any proposed sale to such buyer, then the Special Limited Partner shall have the right at any time thereafter to obtain a buyer for the Apartment Complex on terms acceptable to the Special Limited Partner (but not less favorable to the Partnership than any proposed sale previously rejected by the Special Limited Partner). In the event that the Special Limited Partner so obtains a buyer, it shall notify the General Partner in writing with respect to the terms and conditions of the proposed sale and the General Partner shall cause the Partnership promptly to sell the Apartment Complex to such buyer or the General Partner shall have the right exercisable upon sixty (60) days notice of receipt of the offer of such buyer, to purchase the Apartment Complex on the same terms and conditions as such offer, in which event the General Partner shall purchase the Apartment Complex within 120 days following its exercise of such right on the terms and conditions set forth in the offer. Notwithstanding the foregoing, upon the receipt of any such offer, the General Partner shall have the right to object to any such sale if the net proceeds from such sale would be insufficient to return to the General Partner all of its Capital Contributions (including any amount required to be paid upon such sale) and pay any

taxes owed by the General Partner as a result of such sale, or on the grounds that the purchase price for the Apartment Complex is below the fair market value of the Apartment Complex (taking into account the burdens of any restrictions imposed by the Authority and any benefits of any below market financing encumbering the Property). In such event, the General Partner shall not be required to sell the Apartment Complex on the terms of such offer or any subsequent offer presented by the Special Limited Partner unless its purchase price is at least equal to the fair market value. If there is a dispute as to fair market value, then such value shall be determined by appraisal, as follows:

(a) The Special Limited Partner shall select an independent real estate appraiser and the General Partner shall select another independent real estate appraiser within 30 days after the need for such appraisal arises. If either party fails to appoint a real estate appraiser within ten days after the other party has given notice of the name of its real estate appraiser, the single real estate appraiser appointed shall be the sole appraiser and shall establish the fair market value of the Partnership's assets. If the two real estate appraisers are appointed by the parties as above provided, they shall meet promptly and attempt to establish the fair market value of the Apartment Complex.

(b) The fair market value of the Apartment Complex shall be the average of the appraisals rendered by each of the two real estate appraisers so selected; provided, however, that if one of the appraisals so rendered shall reflect a fair market value that is more than 10% greater or more than 10% less than the other appraisal so rendered, the two real estate appraisers shall promptly select a third independent real estate appraiser (or, if such real estate appraisers cannot agree on the selection of a third independent real estate appraiser, the third real estate appraiser shall be selected by (i) the senior (in terms of service) judge of the United States District Court located closest to Edcouch, Texas or (ii) the President of the Chapter of the American Arbitration Association located closest to Edcouch, Texas upon application by either the Special Limited Partner or the General Partner), which real estate appraiser shall establish fair market value hereunder by designating the appraisal of the real estate appraiser of the Special Limited Partner or the General Partner as fair market value.

(c) Any real estate appraiser engaged to render an appraisal hereunder must be experienced in valuing real estate such as the Apartment Complex. Each party will bear the expenses of its own real estate appraiser, and the Special Limited Partner shall bear 50% and the General Partner shall bear 50% of the expenses incurred in engaging a third real estate appraiser.

(ii) A sale of the Apartment Complex prior to the end of the Compliance Period may only take place if the conditions of Section 42(j)(6) of the Code will be satisfied upon such sale either (a) by having the purchaser of the Apartment Complex post the required bond on behalf of the Partnership or (b) with the Consent of the Special Limited Partner, which Consent may be granted or withheld in the Special Limited Partner's sole discretion, by having the Partnership post such bond.

5.5 Restrictions on Authority: Notwithstanding any other provisions of this Agreement:

A. No General Partner shall have authority to perform any act in violation of any applicable laws or regulations, the Project Documents or any agreement between the Partnership and

any Authority or any Lender, or to take any action which under the Uniform Act or this Agreement requires the approval, ratification or consent of some or all of the Partners without first obtaining such approval, ratification or consent, as the case may be.

B. The General Partner shall not have authority to do any of the following acts, except with the Consent of the Special Limited Partner, which Consent may be granted or withheld in its sole discretion as to items (ii), (iii), (iv), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xvi), and the approval, to the extent required, of any Authority and any Lender:

(i) acquire any real or personal property (tangible or intangible) in addition to the Apartment Complex the aggregate value of which shall exceed \$25,000 (other than (i) easements or similar rights necessary or appropriate for the operation of the Apartment Complex or (ii) as provided in the annual budget);

(ii) become personally liable on or in respect of, or guarantee, a Mortgage Note or a Mortgage or any other indebtedness of the Partnership other than during the construction period;

(iii) pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as authorized by Section 5.7 or Articles VI and VIII hereof or specifically provided for in this Agreement;

(iv) sell all or any portion of the Apartment Complex or modify or refinance the Mortgage or incur any indebtedness for borrowed money except as specifically provided in this Agreement and subject to the provisions contained in Section 5.4 hereof;

(v) terminate the services of the Accountants, the Architect, the Contractor or the Management Agent, or terminate, amend or modify the Construction Contract or any other Project Document (individual change orders under the Construction Contract of \$10,000 or less up to an aggregate of \$25,000 shall not require the Consent of the Special Limited Partner, however, any change orders above the aggregate amount of \$25,000 shall require the Consent of the Special Limited Partner);

(vi) engage a substitute Management Agent or approve the delegation by the Management Agent of all or a substantial portion of its duties to a third party;

(vii) amend or terminate the Operating Deficit Guaranty Agreement or any of the Other Guarantees, or grant any waiver or consent thereunder;

(viii) cause the Partnership to redeem or repurchase all or any portion of the Interest of a Partner;

(ix) accept additional Capital Contributions other than those expressly provided for in this Agreement;

(x) admit additional General Partners or Limited Partners to the Partnership except in accordance with the express terms hereof;

- (xi) cause the Partnership to convert the Apartment Complex to cooperative or condominium ownership;
- (xii) cause or permit the Partnership to be merged with any other entity;
- (xiii) cause or permit the Partnership to make loans to the General Partner or any Affiliate;
- (xiv) grant any waivers or consents under any Project Documents;
- (xv) enter into any agreements or other contracts for services having a term in excess of one year except for equipment leases and utility contracts entered into during development of the Apartment Complex, or by which the Partnership has acquired the Property subject to; or
- (xvi) cause or permit the Partnership to take or omit or suffer any action that would result in a recapture of Credits previously recognized by the Partnership or, a reduction or disallowance of any Credits anticipated to be recognized by the Partnership as contemplated by Section 3.4.B hereof, other than an Unavoidable Event.

The enumeration of the foregoing rights shall not diminish or affect the existence or exercise of other rights expressly granted to the Special Limited Partner elsewhere herein.

C. Upon the bankruptcy, dissolution or liquidation of the Special Limited Partner, the foregoing acts shall require the Consent of the Limited Partner, in lieu of the Special Limited Partner. In the event that both the Special Limited Partner and the Limited Partner become bankrupt or are dissolved or liquidated, the consent of the Special Limited Partner required by Section 5.5.B hereof shall be deemed waived.

5.6 Activities of Partners.

A. It is understood that Affiliates of the General Partner are and will be engaged in other activities and occupations unrelated to the Partnership, and the General Partner shall be required to devote only so much of its time as it in its sole discretion may deem necessary to the affairs of the Partnership. Any Partner or its Affiliates may engage in and have an interest in other business ventures of every nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operating, construction, rehabilitation, renovation, improvement, management and development of real property whether or not such real property is directly or indirectly in competition with the Apartment Complex; provided, however, that nothing herein shall be construed to relieve the General Partner of any of its fiduciary obligations with respect to the management of the Apartment Complex. Neither the Partnership nor any other Partner shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, regardless of the location of such real property and whether or not such venture was presented to such Partner as a direct or indirect result of its connection with the Partnership or the Apartment Complex.

B. Subject to provisions of this Agreement with respect to related party loans and subject to the Consent of the Special Limited Partner, a partner or member of the Limited Partner or

an Affiliate thereof, including without limitation, any federally chartered corporation whose principal business is the making of purchasing of residential mortgage loans (such limited partner or member being referred to herein as a "Partner Mortgagee"), including, but not limited to Federal Home Loan Mortgage Corporation and Fannie Mae, may make, guarantee, own, acquire, or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Apartment Complex (any such loan being referred to as a "Partner Mortgage Loan"). Under no circumstances will a Partner Mortgagee be considered to be acting on behalf or as an agent or the alter ego of the Limited Partner. A Partner Mortgagee may take any actions that the Partner Mortgagee, in its discretion, determines to be advisable in connection with a Partner Mortgage Loan (including in connection with the enforcement of a Partner Mortgage Loan). By acquiring an interest in the Partnership, each Partner acknowledges that no Partner Mortgagee owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Partner Mortgagee being a partner or member in the Limited Partner. Neither the Partnership nor any Partner will make any claim against a Partner Mortgagee, or against the Limited Partner, to the extent such claim relates to a Partner Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Partner Mortgagee's status as a limited partner or member of the Limited Partner.

5.7 Dealing with Affiliates. Subject to the restrictions contained in this Agreement, the General Partner may, for, in the name and on behalf of, the Partnership, enter into agreements or contracts for performance of services for the Partnership as an independent contractor with a General Partner or an Affiliate thereof and the General Partner may obligate the Partnership to pay compensation for and on account of any such services; provided, however, that unless the terms of such compensation and/or services are specified in this Agreement, (A) such compensation and services shall be on terms not less favorable to the Partnership than if such compensation and services were paid to and/or performed by a person who was not a General Partner or an Affiliate thereof and (B) after full and accurate disclosure to the Special Limited Partner of the interest of the General Partner, the Consent of the Special Limited Partner to the provision of such services by such Affiliate shall have been obtained, which consent shall only be denied if the Special Limited Partner has reasonably determined that such Affiliate is not competent to provide such services.

5.8 Indemnification and Liability of the General Partners.

A. To the maximum extent permitted by law, the Partnership, its receiver or its trustee, shall indemnify and hold harmless the General Partner and its Affiliates from and against any liability, loss or damage incurred by them by reason of any act performed or omitted to be performed by them, including costs and reasonable attorneys' fees (which attorneys' fees may be paid as incurred) and any amount expended in the settlement of any claim of liability, loss or damage; provided, however, that (i) if such liability, loss or damage arises out of any action or inaction of any Affiliate, such action or inaction must have occurred while such party was engaged in activities which could have been engaged in by the General Partner in its capacity as such; (ii) if such liability, loss or damage arises out of any action or inaction of the General Partner or its Affiliates, (a) the General Partner or its Affiliates must have determined, in good faith, that such course of conduct was in the best interests of the Partnership and (b) such course of conduct did not constitute fraud, gross negligence or willful misconduct by the General Partner or its Affiliates; and (iii) any such indemnification shall be recoverable only from the assets of the Partnership and not

from the assets of any Partner. All judgments against the Partnership and the General Partner or its Affiliates, wherein the General Partner or its Affiliates are entitled to indemnification, must first be satisfied from Partnership assets before the General Partner or its Affiliates are responsible for these obligations. The Partnership shall not pay for any insurance covering liability of the General Partner or its Affiliates for actions or omissions for which indemnification is not permitted hereunder; provided, however, that nothing contained herein shall preclude the Partnership from purchasing and paying for such types of insurance, including extended coverage liability and casualty and workers' compensation, as would be customary for any person owning comparable assets and engaged in a similar business, or from naming the General Partner or its Affiliates as additional insured parties thereunder, if such addition does not add to the premiums payable by the Partnership. Nothing contained herein shall constitute a waiver by any Investor Limited Partner of any right which it may have against any party under Federal or state securities laws nor shall an Investor Limited Partner be permitted to contract away the fiduciary duty owed to it by the General Partner or its Affiliates under common law. The provision of advances from the Partnership to the General Partner or its Affiliate for legal expenses and other costs incurred as a result of a legal action is permissible if the following three conditions are satisfied: (I) The legal action relates to the performance of duties or services by the General Partner or its Affiliates on behalf of the Partnership; (II) the legal action is initiated by a third party who is not an Investor Limited Partner of the Partnership; and (III) the General Partner or its Affiliates undertake to repay to the Partnership the funds so advanced in cases in which they would not be entitled to indemnification hereunder. Notwithstanding anything to the contrary contained herein, in no event shall any indemnity under this Section 5.8.A be applicable to any expenditures or obligations of the General Partner or its Affiliates thereof which are the subject of a separate obligation or guaranty to the Partnership by the General Partner or such Affiliates thereof.

B. Notwithstanding the provisions of Section 5.8.A hereof, the General Partner and its Affiliates shall not be indemnified or held harmless pursuant to Section 5.8.A hereof from any liability, loss or damage incurred by them in connection with, and shall indemnify and hold harmless the Partnership and the other Partners from and against any liability, loss or damage incurred by them by reason of, (i) fraud, gross negligence, willful misconduct or breach of the provisions of this Agreement by the General Partner or its Affiliates; or (ii) any claim or settlement involving allegations that Federal or state securities laws associated with the offer and sale of an Interest were violated by the General Partner or its Affiliates unless: (a) the indemnitee is successful in defending such action on the merits of each count involving securities laws violations and such indemnification is specifically approved by a court of competent jurisdiction; (b) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction and the court specifically approves such indemnification; or (c) a court of competent jurisdiction approves a settlement of the claims against the entity seeking indemnification involving securities law violations and finds that indemnification of the settlement and related costs should be made.

5.9 Representations and Warranties. The General Partner hereby represents and warrants to each of the other Partners that the following are true and accurate in all material respects as of the Admission Date and it is a condition to payment that the following be true and accurate in all material respects on the due date of any payment of Capital Contributions to the Partnership:

A. The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken pertaining to the Partnership or the Apartment Complex by the General Partner or by each Affiliate of the General Partner which is a corporation, a partnership, a

limited liability company or a trust have been or will be duly authorized by all necessary corporate, partnership, limited liability company, trust or other action and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the charter, by-laws or regulations of the General Partner or any such Affiliate or any material agreement by which the General Partner or such Affiliate or any of its properties is bound, nor will it constitute a violation of any law, administrative regulation or court decree in a manner which will have a material adverse effect on the Partnership.

B. No Bankruptcy has occurred with respect to the General Partner, the Guarantor or any of the members or owners of the General Partner thereof.

C. As of the Admission Date all accounts of the Partnership required to be maintained under the terms of the Project Documents, including, without limitation, any account for replacement reserves, are currently funded to required levels, including levels required by any Authority.

D. Except for costs to be reimbursed to the General Partner from the Initial Contribution, which costs are included in the approved draw request under the Mortgage and except as provided in the construction budget (with respect to reimbursement for third party costs) or in the Contribution Agreement, neither the General Partner nor its Affiliates have lent or otherwise advanced any funds to the Partnership other than its Capital Contributions and the Partnership has no unsatisfied obligation to make any payments of any kind to the General Partner or their Affiliates thereof outstanding as of the Admission Date.

E. The Partnership is acquiring the Capital Note without a view to the sale or distribution thereof and without any present intention of distributing or selling the same. The Partnership agrees that it (and any holder of any interest in the Capital Note) will not sell, assign or otherwise transfer its interest in the Capital Note (or any fraction thereof) without the Consent of the Special Limited Partner and unless such transfer shall be in full compliance with all applicable securities laws and regulations.

F. The General Partner represents, warrants and covenants that it (i) has made an election to be taxed as a separate corporation under the Code, (ii) is a tax-exempt controlled entity (as such term is defined in Section 168(h)(6)(F)(iii) of the Code) and (iii) has made the election under Section 168(h)(6)(F)(ii) of the Code. A breach of this Section 5.9.F shall be deemed a material breach of this Agreement.

G. The sole member of the General Partner, is, and at all times will be, exempt from federal income taxation under Section 501(a) of the Code by reason of being an organization described in Section 501(c)(3) of the Code and the Partnership and the General Partner are, and at all times will be, organizations which are disregarded for federal income tax purposes.

H. The sole member of the General Partner is, and will at all times be (i) a nonprofit corporation, duly organized, validly existing and in good standing under the laws of the State, and (ii) an organization eligible for exemption from ad valorem taxation under Section 11.1825 of the Texas Tax Code by virtue of meeting the requirements contained therein.

I. The sole member of the General Partner will maintain the standards of charitable organizations under Sections 11.18(e) and (f) of the Code so long as the Partnership owns the Apartment Complex.

J. The General Partner agrees that upon the request of the Special Limited Partner directing the General Partner to make an election under the Code on behalf of the Partnership, prior to placing the Apartment Complex in service it will make an election on behalf of the Partnership pursuant to Section 168(g)(7) of the Code to apply the alternative depreciation system under Section 168(g) of the Code. The General Partner understands that by making such election, that portion of the Apartment Complex that constitutes residential rental property will be depreciated over a 40-year term.

5.10 Additional Covenants of General Partner. The General Partner shall permit, and shall cause the Management Agent to permit, the Special Limited Partner and its representatives to have access to the Apartment Complex and personnel employed by the Partnership and by the Management Agent who are concerned with management of the Apartment Complex at all reasonable times during normal business hours and to examine all agreements and plans and specifications and shall deliver copies and such reports as may reasonably be required by the Special Limited Partner. The General Partner shall promptly provide the Special Limited Partner with copies of all correspondence, notices and reports sent pursuant to and received under the Project Documents, any Authority with respect to the Apartment Complex, or any notice of non-compliance received from any lender holding a Mortgage or any governmental authority, together with copies of all other correspondence of substantial importance which a prudent investor would wish to examine in connection with the transaction.

5.11 Obligation to Repair and Rebuild Apartment Complex. With the approval of any Lender and any Authority, if such approval is required, any insurance proceeds received by the Partnership due to fire or other casualty affecting the Apartment Complex will be utilized to repair and rebuild the Apartment Complex in satisfaction of the conditions contained in Section 42(j)(4) of the Code and to the extent required by any Lender and any Authority. Any such proceeds received in respect of such an event occurring after the Compliance Period shall be so utilized or, if permitted by the Project Documents and with the Consent of the Special Limited Partner, shall be treated as Sale or Refinancing Transaction Proceeds.

ARTICLE VI

CERTAIN PAYMENTS

6.1 Development Fee. As consideration for the services of the Developer to the Partnership in connection with the development of the Apartment Complex, the Partnership shall pay the Developer a development fee (including Developer's overhead) (the "Development Fee") of \$800,000 (or such greater or lesser amount allowed by any Lender or any Authority) in accordance with the Development Agreement of which 25% is estimated to be the "Cash Portion" of the Development Fee. Other than \$100,000 of the Cash Portion paid prior to the Admission Date and 26% of the remaining Cash Portion payable at Completion, the Development Fee shall be payable entirely out of Development Surplus after payment of all costs in connection with the operation and construction of the Apartment Complex through Rental Achievement and to the extent that the Development Surplus actually received by the Partnership prior to Rental Achievement is not

sufficient to pay such fee in its entirety, the balance shall be deferred ("Deferred Development Fee"). Any Deferred Development Fee shall bear interest, compounded annually, commencing upon the date (the "Placed-In-Service Date") on which the Apartment Complex is placed in service (within the meaning of Section 42 of the Code) at the Long Term Applicable Federal Rate (as such term is defined in the Code) in effect on the Placed- In-Service Date. Notwithstanding the foregoing, the Developer agrees that at the time of Rental Achievement, if the amount of the Deferred Development Fee and accrued interest thereon exceeds \$505,336, then the Development Fee shall be reduced by such amount as shall cause the outstanding Deferred Development Fee and accrued interest thereon at the time of Rental Achievement to be \$505,336. The entire outstanding principal balance of the Deferred Development Fee and accrued interest thereon shall be due in full on the expiration of the fifteenth anniversary of the Placed-in-Service Date. Such Deferred Development Fee shall be payable out of Cash Flow or Sale or Refinancing Transaction Proceeds as provided in Sections 9.2.A and 9.2.B. If any or all of the Deferred Development Fee remains unpaid at the end of the fifteenth year of the Compliance Period, the General Partner shall be obligated to contribute as capital such unpaid amount to the Partnership for payment thereof. If at any time, by reason of the limitations on allowable deductions contained in Section 267 or other similar provisions of the Code, deductions attributable to the Development Fee are not allowable, the General Partner shall be required to recognize in income such portion of the Deferred Development Fee as may be necessary for such deductions to be allowable in any year in which such deductions would have been allowed but for such limitations. Upon request of the Special Limited Partner, the General Partner shall cause the Developer to provide to the Investor Limited Partners such information as they shall request to confirm compliance with the preceding sentence.

6.2 Intentionally Omitted.

6.3 Annual Local Administrative Fee. For its services in monitoring the operations of the Partnership, the Special Limited Partner shall receive a cumulative Annual Local Administrative Fee in an amount of \$3,000 per annum beginning on the Placed-in-Service Date, such amount to be payable only out of Cash Flow available for distribution pursuant to Section 9.2.A hereof and to the extent Cash Flow is insufficient to make such payment, such deficiency shall be deferred and paid out of future Cash Flow in subsequent years or Sale or Refinancing Transaction Proceeds. Notwithstanding anything to the contrary contained herein, proceeds of Operating Loans shall not be used to pay the Annual Local Administrative Fee.

6.4 Lease-Up Fee. In consideration for services rendered in connection with the supervision of the lease-up of the Apartment Complex through the Break-Even Date, the General Partner shall receive from the Partnership a Lease-Up Fee in the amount equal to the excess of Cash Receipts from operations of the Apartment Complex in excess of the Cash Expenditures from operations of the Apartment Complex provided for in the Development Budget for the period from the date hereof until the Break-Even Date to the extent such excess is greater than the amount of Cash Flow from operations that is set forth in the Development Budget to be used for costs of the Construction (as defined in the Contribution Agreement) as increased by any overruns in the Development Budget projected by the Special Limited Partner, if any (such excess being referred to as "Excess Development Cash Flow"). Payment of such fee shall be made pursuant to Section 9.2.A below and shall be subject to any applicable requirements of the Lender.

ARTICLE VII

ACCOUNTING, REPORTS, BOOKS,
BANK ACCOUNTS AND FISCAL YEAR

7.1 Bank Accounts. The bank accounts of the Partnership shall be maintained in such banking institutions authorized to do business in the State or such other states as permitted by each Authority and as the General Partner shall determine, and withdrawals shall be made on such signature or signatures as the General Partner shall determine. The Partnership's funds shall not be commingled with the funds of any other Person and shall not be used except for the business of the Partnership. All deposits (including security deposits and other funds required to be placed in escrow by any Authority or any Lender and other funds not needed in the operation of the Partnership's business) shall be deposited, to the extent permitted by each Authority, in interest-bearing accounts or invested in obligations of or guaranteed by the United States, any state thereof, or any agency, municipality or other political subdivision of any of the foregoing, commercial paper (investment grade), certificates of deposit and time deposits in commercial banks with capital in excess of \$50,000,000 and in mutual (money market) funds investing in any or all of the foregoing; provided, however, that any funds required to be placed in escrow by any Authority shall be controlled by such Authority and the General Partner shall not be permitted to make any withdrawal from such funds without the express written consent of such Authority to the extent required.

7.2 Books of Account; Fiscal Year. Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Partnership, shall be kept or caused to be kept by the General Partner. The books shall be kept on an accrual basis of accounting, and the fiscal year of the Partnership shall be the calendar year. All of the Partnership's books of account, together with an executed copy of this Agreement and copies of such other instruments as the General Partner may execute hereunder, including amendments thereto, shall at all times be kept at the principal office of the Partnership and shall be available during normal business hours for inspection by any Partner or its duly authorized representative or, at the expense of any Partner, for audit by him or its duly authorized representative.

7.3 Reports.

A. Within 45 days after the end of each of the first three quarters of each fiscal year, the General Partner shall have prepared and shall deliver to the Investor Limited Partners, commencing with the first quarterly period ending after the Admission Date, (i) a balance sheet and statements of income (or loss) and changes in financial position and Cash Flow for, or as of the end of, such quarter in customary form and substance (or in such form and substance as the Special Limited Partner shall reasonably request so as to facilitate the Limited Partner's filings with the Securities and Exchange Commission and any other filings required by law), none of which need be audited unless required by law, together with a report of other pertinent information regarding the Partnership and its activities during such quarter, including, but not limited to, a statement of the amount of all fees and other compensation paid by the Partnership during such quarter to the General Partner or any of its Affiliates, and (ii) a certificate of the General Partner that all of the Eligible Units in the Apartment Complex which are then occupied qualify as "low income units" under Section 42 of the Code.

B. The General Partner shall send to each Investor Limited Partner such tax information as shall be necessary for inclusion by each Investor Limited Partner in its Federal income tax returns and required state income tax and other tax returns. The General Partner shall send this information within 45 days after the end of each fiscal year.

C. Within 60 days after the end of each fiscal year of the Partnership, the General Partner shall send to the Investor Limited Partners (i) the balance sheet of the Partnership as of the end of such fiscal year and statements of income (loss), Partners' equity and changes in financial position of the Partnership for such fiscal year, all of which shall be prepared in accordance with generally accepted accounting principles consistently applied and, shall be accompanied by a report of the Accountants for the Partnership, containing an unqualified opinion of the Accountants, and (ii) a statement of Cash Flow for such fiscal year (which need not be audited), showing distributions in respect of such fiscal year, which statement shall identify distributions from (a) Cash Flow generated during the fiscal year, (b) Cash Flow generated during prior fiscal years, (c) proceeds from the disposition of property and investments and (d) reserves and other sources. All audits required to be performed under this paragraph shall be performed by Accountants who are registered with the Public Company Accounting Oversight Board ("PCAOB") in accordance with auditing standards generally accepted in the United States of America and the Accountant's opinion shall be performed and certified as having been performed in accordance with the standards of the PCAOB. The General Partner acknowledges that the Limited Partner has reporting requirements to investors in the Limited Partner that are public companies or regulated industries (a "Regulated Investor"). If there is a change in law or custom generally applicable to financial reporting for a Regulated Investor, including a change which would no longer require that the financial statements for investments directly or indirectly made by public companies be prepared by Accountant's that are PCAOB registered or that such reports be PCAOB compliant, then the audits, financial statements and accountant's opinions required hereunder shall be performed in accordance with such then current requirements and the accountant's preparing such reports shall be certified or registered with then current requirements.

D. If the General Partner shall fail, for any reason (other than due to the fault of the Accountants, so long as Reznick Group, P.C. the Accountants), to deliver to the Investor Limited Partners when due any of the information or statements required by this Section 7.3, the Partnership shall pay the Investor Limited Partners, upon their written request as liquidated damages for such failure, an amount equal to \$200 for each day that elapses after the respective due date until such information or statements have been delivered to the Investor Limited Partners. The General Partner hereby guarantees the payment of any amount due to the Investor Limited Partners by the Partnership under this Section 7.3.D provided, however, any payments made hereunder shall not be deemed to be either a capital contribution or a loan from the General Partners, and neither the Partnership nor any Investor Limited Partner shall be under any obligation to repay any such amount paid by the General Partners, and all such payments shall not affect the allocations and distributions provided for in Article IX hereof in any way whatsoever.

E. Other Reports. The General Partner shall submit to Centerline Capital Group Asset Management Group electronically not later than close of business each Monday a weekly occupancy report in the form of Exhibit D annexed hereto until lease-up has been completed and thereafter on a monthly basis. In addition, the General Partner shall from time to time submit to the Partners such other written reports and information regarding the operations of the Partnership as

may be required by the Limited Partner to satisfy its reporting requirements to its partners or governmental authorities. During the construction of the Apartment Complex, the General Partner shall send copies of the monthly construction requisitions simultaneously with delivery of such requisitions to the Lender to the Partners, Justin Ginsberg at Centerline Capital Group Inc. ("Centerline"), 625 Madison Avenue, New York, New York 10022-1801 and Pond, Robinson & Associates, LLC at 7600 West Tidwell, Suite 7600, Houston, Texas 77040. The General Partner shall provide to the Partners by November 30 of each fiscal year an estimate of each Partner's share of profits and losses for Federal and state income tax purposes for such fiscal year.

F. Special Notice. The General Partner agrees to provide the Limited Partner with prior written notice of any groundbreaking, ribbon-cutting or other public relations ceremony or event for the Apartment Complex or the Partnership. The General Partner shall invite the Limited Partner (which invitation may also be extended by the Limited Partner to representatives of any corporate investors in the Limited Partner) to attend such ceremony. The General Partner shall, if requested by the Limited Partner on a timely basis, duly recognize both the Limited Partner, Centerline, and any corporate investor in the Limited Partner designated for such recognition by the Limited Partner as an equity investor in the Apartment Complex and, if applicable, the attendance of such representatives at such ceremony or event. If requested by the Limited Partner, the General Partner shall include on any signage at the site of the Apartment Complex during the period prior to Completion which includes participants in the financing of the Apartment Complex, the Limited Partner, Centerline and/or any corporate investors in the Limited Partner designated for such recognition by the Limited Partner, as equity investors in the Apartment Complex.

7.4 Tax Returns and Tax Treatment. The General Partner shall, for each fiscal year, file on behalf of the Partnership a United States Partnership Return of Income within the time prescribed by law for such filing. The General Partner shall also file on behalf of the Partnership such other tax returns and other documents from time to time as may be required by the Federal government or by any state or any subdivision thereof. All tax returns shall be prepared by the Accountants. The General Partner shall send a copy of Schedule K-1 or any successor or replacement form thereof, and, upon request, such tax return, to each Partner within 45 days after the expiration of each fiscal year.

7.5 Publicity, Press Release and Advertisements The General Partner agrees to obtain the prior Consent of the Special Limited Partner in connection with any publicity, press release or other advertisement in connection with the equity or financing of the Apartment Complex (collectively, "Publicity") that specifically mentions an Affiliate of Centerline Capital Group Inc. or Centerline Capital Group. Any and all such materials shall be provided to the Special Limited Partner not less than ten (10) days prior to any public release of such Publicity materials. The Special Limited Partner's consent to such Publicity materials shall be deemed granted if the Special Limited Partner has not objected to such materials within ten (10) days of its receipt thereof. The Partners agree that any Affiliate of Centerline Capital Group Inc. or Centerline Capital Group may issue any Publicity in connection with their providing the Apartment Complex with equity or financing.

ARTICLE VIII

MANAGEMENT AGENT8.1 Management Agent and Management Fee.

A. The General Partner shall have the responsibility for managing the Apartment Complex and obtaining a management agent (the "Management Agent"), the choice of which with respect to any successor to the Management Agent at the Admission Date shall be made with the Consent of the Special Limited Partner, after accurate and complete disclosure to the Special Limited Partner of any affiliation between the General Partner and such successor. The Management Agent shall be National Farm Worker Service, Inc., an affiliate of the General Partner.

B. The Management Agent shall receive a management fee payable by the Partnership on a monthly basis in an amount not to exceed 6% of the gross receipts from the Apartment Complex for management services in accordance with the Management Agreement as approved by each Authority (if such approval is necessary) which is intended to be executed by the Partnership; provided, however, that in the event the Management Agent is an Affiliate of the General Partner 40% of such fees with respect to any fiscal year of the Partnership shall accrue and not become payable unless the Partnership has positive Cash Flow with respect to that fiscal year, and any unpaid portion of such fees may be payable from positive Cash Flow of the Partnership in future fiscal years of the Partnership or from Sale or Refinancing Transaction Proceeds. The term of any Management Agreement shall not exceed one year without the Consent of the Special Limited Partner, and no payment or penalty shall be payable by the Partnership for failure to renew any such agreement.

C. The General Partner will have the duty to manage the Apartment Complex during any period when there is no Management Agent and the Partnership will pay the General Partner for such services an annual management fee equal to such amount as each Authority and Lender shall approve from time to time or, if no approval is required, a fee equal to the amounts set forth in Section 8.1.B hereof. If at any time the present Management Agent shall cease to act as the Management Agent, the General Partner shall be authorized, subject to the Consent of the Special Limited Partner and the approval of each Authority and Lender (if required), to retain and to enter into a Management Agreement with a different Management Agent on terms at least as favorable to the Partnership as the terms and conditions of the Management Agreement with the present Management Agent.

D. Subject to the approval of each Lender and Authority, if required, the Special Limited Partner shall have the right in the event the General Partner is removed as general partner pursuant to Section 11.4 hereof to cause the Partnership to terminate the Management Agreement and every other contract between the Partnership and Affiliates of the General Partner, upon not less than 30 days' written notice to the party contracting with the Partnership. All existing contracts between the Partnership and Affiliates of the General Partner have been amended to contain this right and the General Partner covenants not to enter any future contract with any of its Affiliates which does not contain such right.

ARTICLE IX

PROFITS AND LOSSES; DISTRIBUTIONS

9.1 Allocations of Profits and Losses. For tax and accounting purposes, Profits and Losses of the Partnership for each fiscal year shall be allocated to the respective classes of Partners as follows:

A. Subject to Section 9.3 hereof, Profits shall be allocated to the Partners in the following order of priority:

(i) First to the General Partner until the General Partner has been allocated pursuant to this Section 9.1.A(i) for the current and all prior fiscal years an aggregate amount equal to the Losses allocated to the General Partner pursuant to the last sentence of Section 9.1.B for all prior fiscal years;

(ii) Second, 99.98% to the Limited Partner, .01% to the Special Limited Partner and .01% to the General Partner until the Limited Partner has been allocated pursuant to this Section 9.1.A(ii) for the current and all prior fiscal years, an amount equal to the lesser of (x) the aggregate Losses previously allocated to the Limited Partner pursuant to Section 9.1.B hereof for all prior fiscal years to the extent such Losses are greater than the aggregate allocations of Profits previously allocated to the Limited Partner pursuant to this Section 9.1.A(ii) or (y) an amount necessary to eliminate the Limited Partner's Adjusted Capital Account Deficit, if any; and

(iii) Thereafter, to the Partners in accordance with the cumulative distributions pursuant to Sections 9.2.A(ix) and 9.2.B(xii) hereof with respect to the current and all prior fiscal years until the aggregate amount allocated to each Partner pursuant to this Section 9.1.A(iii) equals the aggregate amount distributed to each Partner pursuant to Sections 9.2.A(ix) and 9.2.B(xii) hereof; provided that if the Profits allocable under this Section 9.1.A(iii) for the current and all prior fiscal years exceed the cumulative distributions pursuant to Sections 9.2.A(ix) and 9.2.B(xii) with respect to the current and all prior fiscal years (the amount of such excess hereinafter referred to as "Excess Income"), then the Excess Income derived in the current fiscal year shall be allocated to the Partners in accordance with the distribution that would have been made pursuant to Sections 9.2.A(ix) and 9.2.B(xii) hereof had there been such a distribution for the current fiscal year.

B. Subject to Section 9.3 hereof, Losses shall be allocated .01% to the General Partner, 99.98% to the Limited Partner and .01% to the Special Limited Partner; provided that the Losses allocated pursuant to this Section 9.1.B shall not exceed the maximum amount of Losses that can be so allocated without causing any Investor Limited Partner to have an Adjusted Capital Account Deficit as of the end of any fiscal year of the Partnership. All Losses which would have been allocated to the Investor Limited Partners but for the proviso set forth in the preceding sentence shall be allocated to the General Partner.

C. Nonrecourse Liabilities of the Partnership shall be specially allocated 99.98% to the Limited Partner, .01% to the Special Limited Partner and .01% to the General Partner.

D. (i) Nonrecourse Deductions for any fiscal year of the Partnership or other period shall be specially allocated 99.98% to the Limited Partner, .01% to the Special Limited Partner and .01% to the General Partner.

(ii) Any Partner Nonrecourse Deductions for any fiscal year of the Partnership or other period shall be specially allocated to the Partner who bears the risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i) of the Regulations. If with respect to any fiscal year the Guarantor (or the General Partner) shall make Operating Loans or shall otherwise be required to advance money to pay or otherwise satisfy operating deficits on behalf of the Partnership, it shall be deemed that such Operating Loans or such other advances were first applied to the payment of deductible expenses with respect to such fiscal year up to the aggregate amount of such Operating Loans and/or such advances, and the deductions for such expenses shall be allocated to the General Partner. In no event, by reason of the foregoing, shall the General Partner be allocated deductions attributable to Depreciation of the Property. If such Operating Loans or other advances with respect to any fiscal year shall exceed the deductible expenses allocable to the General Partner pursuant to this subparagraph, the General Partner shall be allocated deductible expenses (not attributable to Depreciation) in subsequent fiscal years until the aggregate amount of deductions allocated to the General Partner is equal to the amount of Operating Loans or other operating deficit advances.

E. All Credits shall be allocated 99.98% to the Limited Partner, .01% to the Special Limited Partner and .01% to the General Partner. In the event there occurs a recapture of Credits previously allocated among the Partners, the responsibility for the recapture of such Credits shall be allocated among the Partners in proportion to the amount of Credits originally allocated to each Partner. All deductions for charitable contributions made by the Partnership shall be allocated 99.98% to the Limited Partner, .01% to the Special Limited Partner and .01% to the General Partner.

F. Where a distribution of an asset is made in the manner described in Section 734 of the Code, or where a transfer of an Interest permitted by this Agreement is made in the manner described in Section 743 of the Code, the Partnership shall, upon the request of the Special Limited Partner, file an election under Section 754 of the Code, in accordance with the procedures set forth in the applicable Regulations. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Sections 734(b) or 743(b) of the Code is required, pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations, to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations. Subject to Section 5.2 hereof, all other elections required or permitted to be made by the Partnership under the Code shall be made in such manner as, in the opinion of the General Partner with the Consent of the Special Limited Partner and with the advice of the Accountants and legal counsel for the Partnership, will be most advantageous to the Limited Partner.

G. Except as otherwise provided herein, each Partner shall be allocated Profits and Losses in accordance with this Section 9.1 from the date on which it is admitted to the Partnership. For purposes of determining the Profits, Losses, or any other items allocable to any

period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partner using any permissible method under Section 706 of the Code and the Regulations promulgated thereunder.

H. Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction, and any other allocations not otherwise provided for herein shall be divided among the Partners in the same proportions as they share Profits or Losses, as the case may be, for the fiscal year of the Partnership.

I. During any fiscal year allocation of Profits or Losses which do not arise from a Sale or Refinancing Transaction shall be made before allocation of Profits or Losses arising from a Sale or Refinancing Transaction.

J. If any fee or other compensation payable from the Partnership to a Partner or an Affiliate of a Partner is treated as a distribution for income tax purposes, there shall be allocated to the recipient Partner or to the Partner affiliated with such Affiliate, an amount of income equal to the amount of such payment in the year in which such payment is made or in the first succeeding year in which the Partnership realizes income.

9.2 Distribution and Application of Cash Flow and Proceeds From Sale or Refinancing Transactions. Except as otherwise provided by this Agreement or required by law (including all applicable rules, directives and regulations of each Authority), cash distributions shall be made to the Partners on the following bases within 30 days after the end of each calendar quarter:

A. Subject to the provisions of Sections 8.1.B and 9.2.D. hereof and except as set forth in the last paragraph of this Section 9.2, Cash Flow shall be applied in the following order of priority:

(i) To pay any fee to the Management Agent that has been deferred pursuant to Section 8.1.B;

(ii) To the Partners, an amount or amounts equal to the unpaid balance of any Voluntary Loan made by them;

(iii) To the Special Limited Partner to pay the Annual Local Administrative Fee, including any amounts deferred pursuant to Section 6.3;

(iv) To the Developer, an amount equal to all accrued and unpaid interest on the Deferred Development Fee;

(v) To the Developer, an amount equal to the unpaid principal balance of the Deferred Development Fee;

(vi) To the extent of 50% of the remaining Cash Flow, to the Guarantor an amount or amounts equal to the unpaid balance of any Completion Loan or Operating Loan made by it;

(vii) To the extent of 50% of the remaining Cash Flow, to the Guarantor an amount or amounts equal to the unpaid balance of any Replacement Reserve Loan made by it;

(viii) Intentionally Omitted; and

(ix) The balance, 10% to the Limited Partner, .01% to the Special Limited Partner and 89.99% to the General Partner.

Notwithstanding the foregoing, prior to the Break-Even Date, Excess Development Cash Flow for the period prior to the Break-Even Date shall be applied in the priorities as set forth in items (i) through (iii) above and then to payment of the Lease-Up Fee. Following the Break-Even Date, Cash Flow shall be applied as set forth in items (i) through (ix) above.

B. Subject to the provisions of Sections 9.2.D and 12.4 hereof, Sale or Refinancing Transaction Proceeds shall be applied in the following order of priority:

(i) To the payment of all of the expenses of such Sale or Refinancing Transaction, and, with regard to damage recoveries or insurance or condemnation proceeds (other than for temporary loss of use), to the payment of all repairs, replacements or renewals resulting from damage to or partial condemnation of the affected property;

(ii) To the payment of all debts and obligations of the Partnership due upon the occurrence of such Sale or Refinancing Transaction other than amounts owing to Partners;

(iii) To establish such reserves as the General Partner in its sole discretion determines to be reasonably necessary for any contingent or foreseeable liability or obligation of the Partnership; provided, however, that the balance of any such reserve remaining at such time as the General Partner shall reasonably determine that such reserve is no longer necessary shall be distributed in accordance with subparagraphs (iv) through (xii) of this Section 9.2.B;

(iv) To the Management Agent, an amount equal to any accrued and unpaid management fees pursuant to Section 8.1.B hereof;

(v) To the Partners, an amount or amounts equal to the unpaid balance of any Voluntary Loan made by them;

(vi) To the Special Limited Partner, an amount equal to any accrued and unpaid Annual Local Administrative Fee pursuant to Section 6.3 hereof;

(vii) To the Developer, an amount equal to all accrued and unpaid interest on the Deferred Development Fee;

(viii) To the Developer, an amount equal to the unpaid principal balance of the Deferred Development Fee;

(ix) To the Guarantor, an amount or amounts equal to the unpaid balance of any Operating Loan made by it;

(x) To the Guarantor, an amount or amounts equal to the unpaid balance of any Replacement Reserve Loan made by it;

(xi) Intentionally omitted;

(xii) The balance, if any, 10% to the Limited Partner, .01% to the Special Limited Partner and 89.99% to the General Partner.

C. Except as otherwise provided in this Section 9.2, each Partner shall share in distributions in accordance with this Section 9.2 from the date on which such Partner is admitted to the Partnership.

D. In the event that the amount of the Credits finally allowed to the Partnership and allocated to the Limited Partner during any calendar year during the Credit Period with respect thereto starting with 2009 is less than \$588,984 for any reason, other than a change in the tax laws enacted after the date of this Agreement or the acts or omissions of the Investor Limited Partners, and the Limited Partner has not otherwise been compensated for such shortfall pursuant to Section 3.4.B hereof, the "Return Amount" shall be calculated. The "Return Amount" shall be an amount equal to the excess of (a)(I) \$588,984 less the amount of Credits finally allowed to the Partnership and allocated to the Limited Partner with respect to any such calendar year plus (II) 13% per annum on the amount specified in the immediately preceding clause (a)(I) calculated from the end of the calendar year in question until the Return Amount is paid as provided herein, over (b)(I) the amount of Credits finally allowed to the Partnership and allocated to the Limited Partner with respect to any other calendar year during the Credit Period less \$588,984 (to the extent such amount is a positive number) plus (II) 13% per annum on the amount specified in the immediately preceding clause (b)(I) calculated from the end of the calendar year in question until the Return Amount is paid as provided herein; provided, however, that any Credits with respect to which the Limited Partner has theretofore received a payment pursuant to the Recapture Guaranty Agreement shall be deemed to have been finally allowed for the purposes of this Section 9.2.D. If the Partnership claims Credits for less than 12 calendar months with respect to any taxable year, then the calculation of the Return Amount with respect to such taxable year shall be made by proportionally prorating the \$588,984 amount. At the time of distribution of any Cash Flow pursuant to Section 9.2.A or Sale or Refinancing Transaction Proceeds pursuant to Section 9.2.B hereof, there shall be distributed to the Limited Partner, out of any Cash Flow or Sale or Refinancing Transaction Proceeds that would otherwise have been distributed to the General Partner, the Developer, the Guarantor or their Affiliates under such Sections, an amount equal to the Return Amount, if any, before the General Partner, the Developer, the Guarantor or their Affiliates shall be distributed any such proceeds pursuant to such Sections. For purposes of this Section 9.2.D, a Credit with respect to a taxable year shall be deemed finally allowed if claimed on an income tax return filed by the Partnership and which remains allowed upon the latest to occur of the following: (I) the period for assessment of a deficiency for such taxable year shall have expired without a deficiency being assessed by the Internal Revenue Service against any Partner with respect to the Credit claimed by the Partnership for such taxable year; or (II) if such deficiency is so assessed, the determination by the Internal Revenue Service as to the amount of the Credit for such taxable year is no longer subject to petition to the United States Tax Court; or (III) if a petition with respect to such determination is filed with the United States Tax Court, a decision by such court as to the amount of the Credit for such taxable year becomes final and not subject to appeal; or (IV) if an appeal from such decision is filed, a decision of a court of competent jurisdiction upon such appeal becomes final and not subject to further appeal. Except as otherwise provided in this Section 9.2.D, any Credits which are recaptured pursuant to Section 42 of the Code, other than due to an Assignment of an Interest or a disposition of the Apartment Complex that occurs with the Consent of the Special Limited Partner, shall be deemed not to have been finally allowed for purposes of this Section 9.2.D.

9.3 Overriding Allocations of Profits and Losses.

A. (i) Notwithstanding anything contained in Section 9.1 hereof or this Section 9.3 to the contrary, if there is a net decrease in Partnership Minimum Gain during a taxable year of the Partnership, then there shall be allocated to each Partner, before any other allocation of any item of income, gain, loss, deduction or credit is made for such taxable year, items of income and gain for such taxable year (and, if necessary, for subsequent taxable years), in the order provided in Section 1.704-2(j)(2) of the Regulations, equal to such Partner's share of the net decrease in Partnership Minimum Gain during such year as specified in Section 1.704-2(g)(2) of the Regulations, unless an exception specified in Section 1.704-2(f) of the Regulations applies. The allocation contained in this Section 9.3.A(i) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations, and shall be interpreted consistently therewith. Thereafter, subject to Section 9.3.F hereof, all Profits and Losses shall be allocated as provided for in Sections 9.1, 9.3.A(ii), 9.3.B, 9.3.D and 9.3.E hereof.

(ii) Notwithstanding anything contained in Section 9.1 hereof or this Section 9.3 to the contrary, except Section 9.3.A(i) hereof, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during a taxable year of the Partnership, then there shall be allocated to each Partner who has a share of the Partner Nonrecourse Debt Minimum Gain determined in accordance with Section 1.704-2(i)(5) of the Regulations, items of income and gain for such taxable year (and, if necessary, subsequent taxable years), in the order provided in Section 1.704-2(j)(2) of the Regulations, equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain during such year as specified in Section 1.704-2(i)(5) of the Regulations, unless an exception specified in Section 1.704-2(i)(4) of the Regulations applies. The allocation contained in this Section 9.3.A(ii) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations, and shall be interpreted consistently therewith. Thereafter, subject to Section 9.3.F hereof, all Profits and Losses shall be allocated as provided for in Sections 9.1, 9.3.B, 9.3.D and 9.3.E hereof.

(iii) The Partnership Minimum Gain and, accordingly, the minimum gain chargeback requirement amount for each Partner as of the date of this Agreement, shall be zero (0).

B. Notwithstanding any provisions of Section 9.1 hereof or this Section 9.3 to the contrary, but subject to the provisions of Section 9.3.A hereof, in the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain (including gross income) shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible, provided that an allocation pursuant to this Section 9.3.B shall be made only if and to the extent that such Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IX have been tentatively made as if this Section 9.3.B were not in this Agreement. In the event that any such adjustments, allocations or distributions create an Adjusted Capital Account Deficit for more than one Partner in any taxable year of the Partnership, all such items of income and gain of the Partnership for such taxable year and all subsequent taxable years shall be allocated among all such Partners in proportion to their respective Adjusted Capital Account Deficits in such amount and manner sufficient to eliminate such Adjusted Capital Account Deficits as quickly as possible. The

allocation contained in this Section 9.3.B is intended to comply with the qualified income offset requirement in Section 1.704-1(b)(2)(ii)(d) of the Regulations, and shall be interpreted consistently therewith. Thereafter, subject to Section 9.3.F hereof, all Profits and Losses shall be allocated as provided for in Sections 9.1, 9.3.D and 9.3.E hereof.

C. Notwithstanding any provisions of Section 9.1 hereof or this Section 9.3 to the contrary, but subject to the provisions of Section 9.3.A and 9.3.B hereof, there shall be allocated to each Partner in any taxable year of the Partnership, before any other allocation of any item of income or gain is made for such taxable year (other than an allocation pursuant to Sections 9.3.A and 9.3.B hereof), an amount of gross income equal to the amount of Cash Flow that was distributed to such Partner pursuant to Section 9.2.A(ix) hereof with respect to such taxable year (less the amount of taxable income allocated to such Partner pursuant to Section 9.1.A hereof with respect to such taxable year). Thereafter, all Profits and Losses shall be allocated provided for in Sections 9.1, 9.3.D and 9.3.E hereof.

D. Notwithstanding any provisions of Section 9.1 hereof or this Section 9.3 to the contrary, but subject to the provisions of Sections 9.3.A, 9.3.B and 9.3.C hereof:

(i) (a) in accordance with Section 704(c) of the Code and the Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners as provided in Section 704(c) of the Code so as to take account of any variation between the adjusted basis of such property to the Partnership for Federal income tax purposes and its initial Gross Asset Value; (b) in the event the Gross Asset Value of any Partnership asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for Federal income tax purposes and its Gross Asset Value in the same manner as under Section 704(c) of the Code and the Regulations promulgated thereunder; and (c) any elections or other decisions relating to the allocations provided in this Section 9.3.D(i) shall be made by the General Partner with the Consent of the Special Limited Partner as provided in Section 704(c) of the Code in any manner that reasonably reflects the purpose and intention of this Agreement; allocations pursuant to this Section 9.3.D(i) are solely for purposes of Federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement;

(ii) Any imputed interest expense with respect to any Operating Loans shall be allocated in the same manner as other expenses as set forth in Section 9.1 hereof;

(iii) Intentionally Omitted;

(iv) in the event any Partner has a deficit Capital Account balance at the end of any fiscal year of the Partnership that is in excess of the sum of (a) the amount such Partner is obligated to restore to its Capital Account (pursuant to the terms of such Partner's promissory note or otherwise) and (b) the amount such Partner is deemed to be obligated to restore to its Capital Account pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 9.3.D(iv) shall be made if and only to the extent that such Partner would have a deficit Capital

Account balance in excess of such sum after all other allocations provided for in this Article IX have been tentatively made as if Section 9.3.B hereof and this Section 9.3.D(iv) were not in this Agreement;

(v) to the extent the Partnership has taxable interest income with respect to any promissory note issued by a Partner:

(a) such interest income shall be specially allocated to the Partner to whom such promissory note relates; and (b) the amount of such interest income shall be excluded from the Capital Contributions credited to such Partner's Capital Account in connection with payments of principal with respect to such promissory note;

(vi) the Limited Partner shall be allocated an amount of Profits resulting from a Sale or Refinancing Transaction equal to the Return Amount.

E. (i) The "Regulatory Allocations" consist of the "Basic Regulatory Allocations," as defined in Section 9.3.E(ii) hereof, the "Nonrecourse Regulatory Allocations," as defined in Section 9.3.E(iii) hereof, and the "Partner Nonrecourse Regulatory Allocations," as defined in Section 9.3.E(iv) hereof.

(ii) The "Basic Regulatory Allocations" consist of (a) allocations pursuant to the last sentence of Section 9.1.B hereof, and (b) allocations pursuant to Sections 9.1.F, 9.3.B, and 9.3.E(iv) hereof. Notwithstanding any other provision of this Agreement, other than the Regulatory Allocations, the Basic Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Basic Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Basic Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, allocations pursuant to this Section 9.3.E(ii) shall only be made with respect to allocations pursuant to Section 9.1.F hereof to the extent the General Partner reasonably determines that such allocations will otherwise be inconsistent with the economic agreement among the Partners.

(iii) The "Nonrecourse Regulatory Allocations" consist of all allocations pursuant to Sections 9.1.D(i) and 9.3.A(i) hereof. Notwithstanding any other provision of this Agreement, other than the Regulatory Allocations, the Nonrecourse Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Nonrecourse Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Nonrecourse Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, (a) no allocations pursuant to this Section 9.3.E(iii) shall be made prior to the taxable year of the Partnership during which there is a net decrease in Partnership Minimum Gain, and then only to the extent necessary to avoid any potential economic distortions caused by such net decrease in Partnership Minimum Gain, and (b) allocations pursuant to this Section 9.3.E(iii) shall be deferred with respect to allocations pursuant to Section 9.1.D(i) hereof to the extent the General Partner reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 9.3.A(i) hereof.

(iv) The “Partner Nonrecourse Regulatory Allocations” consist of all allocations pursuant to Sections 9.1.D(ii) and 9.3.A(ii) hereof. Notwithstanding any other provision of this Agreement, other than the Regulatory Allocations, the Partner Nonrecourse Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Partner Nonrecourse Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Partner Nonrecourse Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, (a) no allocations pursuant to this Section 9.3.E(iv) shall be made with respect to allocations pursuant to Section 9.1.D(ii) hereof relating to a particular Partner Nonrecourse Debt prior to the taxable year of the Partnership during which there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, and then only to the extent necessary to avoid any potential economic distortions caused by such net decrease in Partner Nonrecourse Debt Minimum Gain, and (b) allocations pursuant to this Section 9.3.E(iv) shall be deferred with respect to allocations pursuant to Section 9.1.D(ii) hereof relating to a particular Partner Nonrecourse Debt to the extent the General Partner reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 9.3.A(ii) hereof.

(v) The General Partner shall have reasonable discretion, with respect to each taxable year of the Partnership, to (a) apply the provisions of Sections 9.3.E(ii), (iii) and (iv) hereof in whatever order is likely to minimize the economic distortions that might otherwise result from the Regulatory Allocations, and (b) divide all allocations pursuant to Sections 9.3.E(ii), (iii) and (iv) hereof among the Partners in a manner that is likely to minimize such economic distortions.

(vi) To the extent that Section 9.1 hereof in any of its subsections provides for references to the allocation of Profits or Losses pursuant to particular subsections within Section 9.1 hereof, including, without limitation, the aggregate Profits or Losses previously allocated pursuant to a subsection, such subsection references shall be deemed to incorporate allocations of Profits or Losses pursuant to this Section 9.3 to the extent that the allocation of Profits or Losses pursuant to this Section 9.3 is of the same category of Profits or Losses.

F. Notwithstanding anything to the contrary contained herein, Sections 9.3.A and 9.3.B hereof shall be applied in the order provided in Section 1.704-2 of the Regulations.

G. Any allocations made pursuant to this Section 9.3 shall be taken into account in the making of subsequent allocations under other sections of this Article IX in a manner that will, to the maximum extent possible, avoid or eliminate duplicative or excessive allocations of income to any Partner.

9.4 Certain Additional Allocations.

A. For income tax purposes, if the Partnership in any year realizes income or is allowed a deduction (including additional depreciation or amortization as a result of adding an item to its basis) as a result of the transfer of an Interest or the transfer of an interest in property to or from a Partner, the difference between the amount taken into account for tax purposes and the amount otherwise taken into account under this Agreement shall be allocated solely to such Partner.

B. In the event there is more than one General Partner, all Profits and Losses or distributions to the General Partner as a Class shall be allocated among the General Partners as they shall agree; provided, however, that any not-for-profit General Partner shall not be allocated Profits or Losses or be distributed distributions greater than .01% of Partnership Profits, Losses and distributions; and further provided that any such allocation must have substantial economic effect as defined in Section 1.704-1(b)(2) of the Regulations.

C. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Section 1.752-3(a)(3) of the Regulations, the Partner's interests in Partnership Profits are as provided in Section 9.1.D(i) hereof.

D. To the extent permitted by Sections 1.704-2(h) and 1.704-2(i)(6) of the Regulations, the General Partner shall endeavor to treat distributions of Cash Flow or Sale or Refinancing Transaction Proceeds as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for the General Partner.

E. Intentionally Omitted.

F. The Partners are aware of the income tax consequences of the allocations made by this Article IX and hereby agree to be bound by the provisions of this Article IX in reporting their shares of Partnership income and loss for income tax purposes.

ARTICLE X

TRANSFER OF LIMITED PARTNER INTERESTS

10.1 Assignment of Limited Partner Interests.

Prior to the payment of the Capital Note, the Limited Partner and the Special Limited Partner shall have the right to make an Assignment of their Interests only with the consent of the Managing General Partner; provided, however, that the Limited Partner and the Special Limited Partner shall have the right to assign their respective Interests to any entity which is an Affiliate of Centerline without first obtaining the consent of the Managing General Partner. After payment of the Capital Note, the Limited Partner and the Special Limited Partner shall have the right at any time to make an Assignment of their Interests without the consent or approval of any other Partner. The General Partner shall cooperate with the Limited Partner and the Special Limited Partner in facilitating such Assignment by promptly furnishing complete and accurate financial and other relevant data regarding the Partnership, the Apartment Complex, the General Partner and the Affiliates of the General Partner and any other matters reasonably necessary in the judgment of the Special Limited Partner to facilitate and effect such Assignment provided that the General Partner shall have no responsibility to the Assignees of the Limited Partners unless admitted to the Partnership. If an Assignee of an Interest transferred by the Limited Partner in accordance with this Section 10.1 desires to be admitted as a Substituted Limited Partner having the rights of the Limited Partner, such Assignee shall be so admitted to the Partnership as a Substituted Limited Partner only with the consent of the Managing General Partner, which consent shall not be unreasonably withheld or delayed, provided however, such consent shall not be required with respect to an assignment of the Limited Partner's Interest to any entity which is an Affiliate of Centerline. If the Assignee of an

Interest transferred by the Special Limited Partner in accordance with this Section 10.1 desires to be admitted as a Substituted Limited Partner having the rights of the Special Limited Partner, such Assignee shall be so admitted only with the consent of the Managing General Partner, which consent may not be unreasonably withheld or delayed, provided however, such consent shall not be required with respect to an assignment of the Special Limited Partner's Interest to any entity which is an Affiliate of Centerline. Each Substituted Limited Partner shall execute such instrument or instruments as shall be required by the Managing General Partner to signify its agreement to be bound by all the provisions of this Agreement and, the Project Documents, if required, and shall pay reasonable legal fees and filing costs in connection with its substitution as a limited partner hereunder. The Limited Partner and the Special Limited Partner shall notify the Managing General Partner as to any proposed Assignment of their Interests.

10.2 Substituted Partners; Admission.

A. The General Partner may not admit any additional partners to the Partnership without the Consent of the Special Limited Partner.

B. Any Assignee shall not be admitted as a Substituted Partner unless (i) the Assignee expressly agrees to be bound, to the same extent as the Assignor, by the provisions of this Agreement, the Project Documents and any other documents required in connection therewith and to assume the obligations of the Assignor hereunder; (ii) the Assignee shall have agreed to pay all reasonable expenses and legal fees relating to the Assignment and its admission as a Substituted Partner and (iii) the Assignor or Assignee shall have provided an opinion to the Partnership that such Assignment has been made in accordance with the registration provisions of any applicable securities laws or is exempt therefrom.

C. Upon the admission of a Substituted Partner, Schedule A shall be amended to reflect the name and address of such Substituted Partner and to eliminate the name and address of the Assignor, and an amendment to this Agreement reflecting such admission shall be filed in accordance with the Uniform Act. No consent or approval of any Limited Partner or Special Limited Partner (other than the Assignor and the Assignee) shall be required and the General Partners may exercise the power of attorney granted in Section 14.2 hereof to effect the provisions of this Article X.

10.3 Assignees.

A. Any Person who acquires in any manner whatsoever any Interest, irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of the benefit of the acquisition thereof to have agreed to be subject to and bound by all the obligations of this Agreement that any predecessor in interest of such Person was subject to or bound by. A Person acquiring an Interest, including the personal representatives and heirs of a deceased Partner, shall have only such rights, and shall be subject to all the obligations, as are set forth in this Agreement; and, without limiting the generality of the foregoing, such Person shall not have any right to have the value of his Interest ascertained or receive the value of such Interest or, in lieu thereof, profits attributable to any right in the Partnership, except as herein set forth.

B. Any Assignee of an Interest pursuant to an Assignment satisfying the conditions of this Article X who does not become a Substituted Partner in accordance with this Article X shall have the right to receive the same share of the profits and losses and distributions of the Partnership to which his Assignor would have been entitled. If such Assignee desires to make an Assignment of his Interest, he shall be subject to all the provisions of this Article X to the same extent and in the same manner as any Partner desiring to make an Assignment.

C. Any Partner who shall Assign all of its Interest shall cease to be a Partner and shall no longer have any rights or privileges of a Partner except that, unless and until his Assignee is admitted to the Partnership as a Substituted Partner in accordance with this Article X, such Assignor shall retain all rights and be subject to all obligations under the Uniform Act.

D. In the event of an Assignment, all obligations of the Assignor to the Partnership hereunder shall be extinguished only by and to the extent of Capital Contributions made by him or his Assignee.

E. In the event that an Assignment shall be made, there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such Assignment. Such instrument must evidence the written acceptance of the Assignee to all the terms and provisions of this Agreement. If such an instrument is not so filed, the Partnership need not recognize any such purported Assignment for any purpose.

ARTICLE XI

WITHDRAWAL OF A GENERAL PARTNER; NEW GENERAL PARTNER

11.1 Withdrawal.

A. Except for an Involuntary Withdrawal or an Involuntary Assignment, a General Partner may not Withdraw from the Partnership or Assign, pledge or encumber all or any part of its General Partner Interest without the Consent of the Special Limited Partner, and, to the extent required, of each Authority and each Lender. The consent of the Limited Partner shall not be required. For purposes of this Agreement, the sale, transfer, or other conveyance, or the pledge or encumbering, of any controlling share of capital stock, membership interest or partnership interest in a General Partner or any general partner thereof, or any other change in control of any such Person shall be deemed an Assignment by that General Partner of its General Partner Interest.

B. Each General Partner shall indemnify and hold harmless the Partnership and all Partners from any Withdrawal or Assignment in violation of Section 11.1.A hereof or in violation of any of the Project Documents. Except for an Involuntary Withdrawal or an Involuntary Assignment, in the event of a Withdrawal of a General Partner or the Assignment, pledge or encumbrance of any part of its General Partner Interest in violation of Section 11.1.A hereof, the Interest of the General Partner who so Withdrew, Assigned, pledged or encumbered any part of its Interest shall immediately and automatically terminate on the effective date of such Withdrawal (or the effective date of such Assignment, pledge or encumbrance) and such General Partner shall have no further right to participate in the management or operation of the Partnership or to receive any future allocations of profits and losses, any future distributions from the Partnership or any other

funds or assets of the Partnership, nor shall it be entitled to receive or to be paid by the Partnership any further payments of fees (including fees which have been earned but are unpaid) or to be repaid any outstanding advances or loans made by it to the Partnership provided, however, if such Withdrawal is by reason of the removal of a General Partner, such General Partner shall be entitled to receive such portion of the Development Fee which has been earned but remains unpaid, less such damages as the Partnership shall sustain by reason of the actions giving rise to such removal, which payments shall be made only to the same extent as if the General Partner continued to be a general partner. From and after the effective date of such Withdrawal, Assignment, pledge or encumbrance, the rights of the Withdrawing General Partner to receive or to be paid allocations, distributions, funds, assets, fees or repayments shall be reallocated to the other General Partner or General Partners, or if there is no other general partner of the Partnership at that time, to the Special Limited Partner. Notwithstanding such Withdrawal, Assignment, pledge or encumbrance, and loss of any right to receive such allocations, distributions, funds, fees, assets or repayments the Withdrawing General Partner shall remain liable to the Partnership and the other Partners for all obligations theretofore incurred by it under this Agreement, which may arise upon such Withdrawal, Assignment, pledge or encumbrance. Notwithstanding anything herein to the contrary, any remaining Partner shall have all other rights and remedies against the Withdrawing General Partner as provided by law.

C. Upon the Involuntary Withdrawal of a General Partner, its General Partner Interest shall automatically become an Interest of a Class B Limited Partner. Subject to the provisions of Section 11.3.B hereof, the Class B Limited Partner shall be entitled to receive the fees payable to the Withdrawing General Partner set forth in Article VI hereof, to be repaid any outstanding advances or loans made by the Withdrawing General Partner to the Partnership and to share in the profits and losses and distributions at the same times and in the same manner as the Withdrawing General Partner would have otherwise received as a General Partner, but shall not be entitled to participate in the management of the Partnership's business or to participate in any allocation of profits and losses and distributions payable to the Limited Partner or the Special Limited Partner.

11.2 Effect of Withdrawal; Election to Continue Business. Upon the occurrence of an event giving rise to a Withdrawal of a General Partner, (A) any remaining General Partner, if any, or, if there be no remaining General Partner, the Withdrawing General Partner or its legal representative shall promptly notify the Investor Limited Partners of such Withdrawal (the "Withdrawal Notice"), (B) whether or not the Withdrawal Notice shall have been sent as provided herein, the Special Limited Partner shall have the right to become an additional General Partner (and to become the Managing General Partner if the Withdrawing General Partner was previously the Managing General Partner) and (C) the Partnership shall be dissolved and terminated unless the then General Partner or all of the then General Partners or the Special Limited Partner elect to continue the business of the Partnership. The Withdrawal of a General Partner shall not be deemed to be effective until the expiration of 90 days from the day on which the Withdrawal Notice has been mailed to the Investor Limited Partners, unless the Special Limited Partner shall have elected to become an additional General Partner as provided herein, whereupon the withdrawal of that General Partner shall be deemed effective upon the notification of all the other Partners by the Special Limited Partner of such election. A Withdrawn General Partner shall remain liable for obligations incurred by it under this Agreement through the effective date of its Withdrawal, even if such Withdrawal shall be an Involuntary Withdrawal and in compliance with or in violation of this

Agreement, and shall continue to be liable for the obligations under Section 6.1 to restore any unpaid Development Fee to the extent earned, upon termination of the Compliance Period.

11.3 Formation of New Partnership.

A. Subject to the provisions of Section 11.1.A hereof, upon the occurrence of an event giving rise to the Withdrawal of a General Partner, if there is then no other General Partner, or, if there is then one or more other General Partners, but the remaining General Partner or General Partners or the Special Limited Partner do not elect to continue the business of the Partnership pursuant to Section 11.2 hereof, the Investor Limited Partners may elect within 90 days thereafter in accordance with the Uniform Act to form a new partnership on substantially identical terms to those of this Agreement to carry on the business of the Partnership. In so doing, the Investor Limited Partners shall designate a successor general partner to serve in place of the Withdrawing General Partner with the approval of each Authority and each Lender, if such approval is required; provided, however, that no Person shall be designated or admitted as a successor general partner if he is below the age of majority in the State or has theretofore been adjudged insane or incompetent.

B. (i) If the Investor Limited Partners shall designate a successor general partner and obtain all necessary approvals therefor, the Class B Limited Partner Interest of the Withdrawing General Partner where the Withdrawal was involuntary and was not caused by a removal pursuant to Section 11.4.C hereof shall be transferred to the successor general partner upon its written assumption of the obligations of the Withdrawing General Partner under this Agreement (except for any obligations of the Withdrawing General Partner under this Agreement specifically excepted by the Special Limited Partner). In such event, the successor general partner shall pay to the Withdrawing General Partner or its legal representative as the purchase price for its Class B Limited Partner Interest an amount to be agreed upon between them.

(ii) Unless any other General Partner shall agree to continue the Partnership pursuant to Section 11.2 hereof, the Interest of such other General Partner other than the Withdrawing General Partner shall be converted into and shall be deemed to be that of a Class B Limited Partner with the same interest in the Partnership as such General Partner had as a general partner prior to the Withdrawal (as reduced in the manner set forth in Section 11.3.B(iii) hereof).

(iii) If no agreement can be reached as to the amount of the purchase price for the Class B Limited Partner Interest of the Withdrawing General Partner under Section 11.3.B(i) hereof and if the successor general partner does not own a .01% interest in all material items of profits and losses and distributions of the Partnership, each limited partner of the Partnership (including the person succeeding to the Interest of the Withdrawing General Partner as a Class B Limited Partner and any other Class B Limited Partner) shall transfer a pro rata portion of his Interest to the successor general partner in an amount sufficient to give the successor general partner such .01% interest and the successor general partner shall pay to each limited partner of the Partnership (including the person succeeding to the Interest of the Withdrawing General Partners as a Class B Limited Partner and any other Class B Limited Partner) as the purchase price for his Interest, an amount determined by the Special Limited Partner.

C. In exercising the election permitted under Section 11.3.A hereof, the successor general partner and all the limited partners of the Partnership agree to be bound by the provisions of this Agreement; provided, however, that if this Agreement is amended by them, no

amendment shall be made without the Consent of the Special Limited Partner and unless counsel to the Partnership shall issue an opinion that the Partnership shall continue to be treated as a partnership for Federal income tax purposes; provided further, however, that the amended agreement shall be as similar in form and substance to this Agreement as practicable and the successor partnership shall engage in the same business as the Partnership employing the assets and name of the Partnership to the extent possible. No amendment may be made or action taken which decreases the rights of the Withdrawing General Partner.

D. Any new limited partnership formed pursuant to this Section 11.3 shall succeed to all rights and assets of the Partnership subject to all liabilities of the Partnership. Each limited partner of the Partnership shall be a limited partner of any limited partnership formed pursuant to this Section 11.3 and agrees to execute all documents and take such further action as may be necessary in connection therewith. Until such time as the new limited partnership agreement is executed by all of the Partners, this Agreement shall continue to be binding on all of the partners of the Partnership. Upon execution of a declaration to be bound by the terms of this Agreement and delivery of such declaration to any partner of the Partnership, the general partner of such new limited partnership shall succeed to all the rights and liabilities of the then general partners of the Partnership under this Agreement.

11.4 Special Removal Rights.

A. Notwithstanding any other provision of this Agreement to the contrary, in the event that

(i) any General Partner shall:

(a) have materially violated its fiduciary responsibilities as a General Partner of the Partnership and such violation shall continue uncured for fifteen days after notice thereof has been given by the Special Limited Partner; provided, however, that if such violation is not monetary in nature and is of the type that cannot reasonably be cured within fifteen days, the Special Limited Partner shall not have the right to remove a General Partner under this Section 11.4.A(i)(a) with respect to such breach for a 60-day period after such notice is given so long as the General Partner is diligently pursuing a cure of such violation at all times during such 60-day period.

(b) be in material breach of this Agreement, the Contribution Agreement or any of the Other Guarantees for thirty (30) days after notice thereof has been given by the Special Limited Partner; provided, however, that if such breach is of the type that cannot reasonably be cured within thirty days, the Special Limited Partner shall not have the right to remove a General Partner under this Section 11.4.A(i)(b) with respect to such breach for a 60-day period after such notice is given so long as the General Partner is diligently pursuing a cure of such breach at all times during such 60-day period;

(c) willfully violate any law, regulation or order applicable to the Partnership which has a material adverse financial impact on the Partnership or the Apartment Complex and such violation shall continue uncured for thirty days after notice thereof has been given by the Special Limited Partner; provided, however, that if such violation is not monetary in nature and is of the type that cannot reasonably be cured within thirty days, the Special Limited

Partner shall not have the right to remove a General Partner under this Section 11.4.A(i)(c) with respect to such breach for a 60-day period after such notice is given so long as the General Partner is diligently pursuing a cure of such violation at all times during such 60-day period; or

(d) become Bankrupt.

(ii) or if:

(a) the Partnership shall be in breach (which breach will have a materially adverse effect on the Partnership or the Apartment Complex) of any Project Document (other than the Contribution Agreement) or any other material agreement or document affecting the Partnership or the Investor Limited Partners to which it is a party; provided, however, if such breach can be cured within a stated cure period, the General Partner shall not be subject to removal if the General Partner has given adequate assurance to the Special Limited Partner that such breach will be so cured and such breach is cured within such period;

(b) (I) at any time (v) prior to the commencement of the Guaranty Period, if the Guarantor is at such time in default of its obligations under the Development Deficit Guaranty Agreement and such default continues beyond any applicable cure period, or (w) during the Guaranty Period, if the Guarantor is at such time in default of its obligations under the Operating Deficit Guaranty Agreement and such default continues beyond any applicable cure period, or (x) after termination of the Guaranty Period, the Partnership shall have realized through the end of any calendar month a cumulative deficit in Cash Flow for the current fiscal year unless such deficit has been funded by Voluntary Loans by the General Partner; (II) after Rental Achievement, the Partnership shall have had less than 95% of the apartment units in the Apartment Complex eligible to receive Credits in any month, (III) after Rental Achievement, the Partnership shall have had the qualified basis (as defined in Section 42 of the Code) of the Apartment Complex at the end of any taxable year prior to the taxable year starting after the end of the Compliance Period be less than 95% of the amount of such basis at the close of the preceding taxable year, or (IV) the Partnership shall otherwise be in any situation where the amount of the Credits which the Partnership is entitled to claim under Section 42 of the Code be less than 95% of \$589,102 (as such number is adjusted pursuant to Section 3.4.B(iii) hereof) in any year during the Credit Period of the Partnership (other than any year therein in which Credits may not be claimed for 12 months);

(iii) Completion shall not have occurred by the Completion Date, as such date may be extended pursuant to the Development Deficit Guaranty Agreement, unless the Interest of the Limited Partner is purchased pursuant to the Development Deficit Guaranty Agreement;

(iv) prior to the occurrence of Rental Achievement, (a) an uncured default exists under any material agreement or commitment entered into by the Partnership or binding thereon, or any such agreement or commitment shall have expired or shall have been terminated by any of the parties thereto and shall not have been extended and after the expiration or termination of such agreement or commitment a new agreement or commitment replacing such expired or terminated agreement or commitment shall not have been entered into on identical conditions or on terms or conditions otherwise acceptable to the Special Limited Partner, in its reasonable discretion, within such period of time as shall not have resulted in a material adverse effect on the ability to achieve Completion by the Completion Date or as extended as set forth in Section 11.4.A(iii) above

or Rental Achievement; provided, however, that such period shall not exceed 90 days following such expiration or termination; or

(v) any Lender shall have commenced foreclosure proceedings against the Apartment Complex and such proceedings shall not have been stayed or dismissed within 90 days, unless the Interest of the Limited Partner is purchased pursuant to the Development Deficit Guaranty Agreement.

then, in any such event described in (i), (ii), (iii), (iv) or (v) above (a "Major Default") the Special Limited Partner shall have the right, but not the obligation, in its sole discretion, upon ten days' prior written notice to the General Partner, to remove such General Partner as General Partner of the Partnership and terminate any contractual arrangements between the Partnership and any such General Partner's Affiliates and to appoint itself or any of its Affiliates to succeed such General Partner as a General Partner of the Partnership in accordance with the provisions of Section 11.2 hereof. Each Partner hereby irrevocably constitutes and appoints the Special Limited Partner as its true and lawful attorney-in-fact and agent with full power and authority to act in its name, place and stead to execute, acknowledge, swear to, deliver, file, record and publish any documents which the Special Limited Partner reasonably deems necessary or appropriate to confirm and/or effect (x) the removal of the General Partner as General Partner of the Partnership and (y) the appointment of the Special Limited Partner or its designee as a General Partner of the Partnership including, without limitation, to:

(i) To qualify or continue the Partnership as a limited partnership;

(ii) To reflect a modification of the Partnership or an amendment of this Agreement or the Certificate of Limited Partnership of the Partnership in accordance with the terms hereof; and

(iii) To effect transfers, admissions, withdrawals and substitutions of Partners as provided under the terms of this Agreement.

B. The General Partner agrees to indemnify and hold the Limited Partner and the Special Limited Partner harmless from and against all losses, costs and expenses incurred and paid to third parties in connection with a Major Default (other than pursuant to Section 11.4.A(ii)(b)(I)(x) hereof) and the exercise of any of the remedies provided above, including, without limitation, all reasonable legal fees and other expenses of the Limited Partner and the Special Limited Partner in connection with the transaction.

C. The removal of a General Partner pursuant to Section 11.4.A hereof (other than Section 11.4.A(i)(d) hereof) shall be treated for purposes of this Agreement as a voluntary Withdrawal of such General Partner from the Partnership. The removal of a General Partner pursuant to Section 11.4.A(i)(d) hereof shall be treated for purposes of this Agreement as an Involuntary Withdrawal of such General Partner from the Partnership.

11.5 Additional General Partners. At any time, the General Partner, with the Consent of the Special Limited Partner (but the consent of the Limited Partner shall not be necessary), and subject to any applicable approvals of each Authority and each Lender, may admit an additional general partner to the Partnership with such share of the aggregate General Partner's Interest as shall be agreed upon between the General Partners and the additional general partner.

Any additional general partner, as a condition of receiving any Interest, shall agree to be bound by the Project Documents and any other document required in connection therewith and by the provisions of this Agreement to the same extent and on the same terms as the General Partner.

11.6 Amendment of Schedule and Agreement. Upon the admission of a successor or additional general partner or the Withdrawal of a General Partner, Schedule A attached hereto shall be amended to reflect such admission or Withdrawal and such amendment shall be filed as required by the Uniform Act. The General Partners may exercise the power of attorney granted in Section 14.2 hereof to effect the provisions of this Section 11.6.

11.7 Survival of Liabilities. It is expressly understood that no Withdrawal, Assignment, pledge or encumbrance of a General Partner's Interest, even if it results in the substitution of the Assignee as a Partner, shall release the Withdrawing General Partner from any liability to the Partnership which shall survive such Withdrawal, Assignment, pledge or encumbrance, including those set forth in the Uniform Act; provided, however, that such liability shall not include liabilities incurred by the Partnership following such termination, other than continuing liabilities under the Other Guarantees.

ARTICLE XII

DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

12.1 Events Which Cause a Dissolution. The Partnership shall continue in full force and effect until December 31, 2057, except that the Partnership shall be dissolved prior thereto upon the happening of any of the following events:

- A. An election to dissolve the Partnership made in writing by the General Partners, with the Consent of the Special Limited Partner;
- B. The Withdrawal of a General Partner if the Partnership is not continued in accordance with Section 11.2 hereof;
- C. Any event which shall make it unlawful for the existence of the Partnership to be continued; or
- D. The sale or other disposition of all or substantially all of the assets of the Partnership.

12.2 Actions of Liquidating Agent Upon Dissolution. Upon the dissolution of the Partnership, the Partnership shall be liquidated in accordance with this Article XII and the Uniform Act. The liquidation shall be conducted and supervised by the General Partner or, if there is no remaining general partner, by a person who shall be designated for such purpose by the Special Limited Partner (the General Partner, or such person so designated, being hereinafter referred to as the "Liquidating Agent"). The Liquidating Agent shall have all of the rights in connection with the liquidation and termination of the Partnership that a general partner would have with respect to the assets and liabilities of the Partnership during the term of the Partnership, and the Liquidating Agent is hereby expressly authorized and empowered to effectuate the liquidation and termination of the Partnership and the transfer of any assets and liabilities of the Partnership. The Liquidating Agent

shall have the right from time to time, by revocable powers of attorney, to delegate to one or more persons any or all of such rights and powers and the authority and power to execute documents in connection therewith, and to fix the reasonable compensation of each such person, which compensation shall be charged as an expense of liquidation. The Liquidating Agent is also expressly authorized to distribute the Partnership's property to the Partners subject to liens.

12.3 Statements on Termination. Each Partner shall be furnished with a statement prepared by the Liquidating Agent which shall set forth the assets and liabilities of the Partnership as at the date of complete liquidation, and each Partner's share thereof. Upon compliance with the distribution plan set forth in Section 12.4 hereof, the Limited Partner and the Special Limited Partner shall each cease to be a partner of the Partnership, and the Liquidating Agent shall execute, acknowledge and cause to be filed a certificate of termination of the Partnership.

12.4 Priority on Liquidation; Distribution of Non-Liquid Assets.

A. The Liquidating Agent shall, to the extent feasible, liquidate the assets of the Partnership as promptly as shall be practicable. To the extent the Proceeds are sufficient therefor, as the Liquidating Agent shall deem appropriate, the proceeds of such liquidation (after paying the reasonable expenses of liquidation and, if the Liquidating Agent is not the General Partner or an Affiliate, the reasonable compensation of such Liquidating Agent) shall be applied in accordance with the provisions of Section 9.2.B(i) through (xi) hereof, and the balance of such proceeds shall be distributed by the Liquidating Agent to the Partners pro rata in accordance with their respective Capital Accounts, as such accounts are determined after all adjustments are made as required herein to such accounts for the taxable year of the Partnership during which the liquidation occurs as set forth in Section 9.1 of this Agreement.

B. If, in the sole discretion of the Liquidating Agent, he shall determine that it is not feasible to liquidate all or part of the assets of the Partnership or that an immediate sale of all or part of such assets would cause an undue loss to the Partners, the Liquidating Agent shall cause the fair market value of the assets not so liquidated to be determined by independent appraisal. Such assets, as so appraised, shall be retained or distributed by the Liquidating Agent as follows (it being understood that the allocation of specific assets pursuant to this Section 12.4 shall require the Consent of the Special Limited Partner, which consent shall not be unreasonably withheld):

(i) The Liquidating Agent shall retain assets having a value (which value shall be equal to the fair market value of such assets less the amount of any liability related thereto) equal to the amount by which the net proceeds of the liquidated assets are insufficient to satisfy the requirements of subparagraphs (i) through (xi) of Section 9.2.B hereof; and

(ii) Thereafter to the Partners pro rata in accordance with their respective Capital Accounts, as such accounts are determined after all adjustments are made as required herein to such accounts for the taxable year of the Partnership during which the liquidation occurs.

Any distribution of assets in kind shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled. If the Liquidating Agent, in his sole discretion, deems it not feasible to distribute to each Partner an aliquot share of each asset, the Liquidating Agent may allocate and distribute specific assets to one or more Partners as tenants-in-common as

the Liquidating Agent shall determine to be fair and equitable, taking into consideration, inter alia, the basis for tax purposes of each asset distributed and the effect of crediting or charging the Capital Accounts for any unrealized appreciation or unrealized depreciation.

C. Notwithstanding any other provision of this Article XII, in the event the Partnership is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations but no Event specified in Section 12.1 hereof has occurred, the property of the Partnership shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed its property in kind to the Partners, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Partners shall be deemed to have recontributed such property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

12.5 Orderly Liquidation. A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities so as to minimize the losses normally attendant upon a liquidation.

12.6 No Goodwill Value. At no time during continuation of the Partnership shall any value ever be placed on the Partnership name, or the right to its use, or to the goodwill appertaining to the Partnership or its business, either as among the Partners or for the purpose of determining the value of any Interest, nor shall the legal representatives of any Partner have any right to claim any such value. In the event of a termination and dissolution of the Partnership as provided in this Agreement, neither the Partnership name, nor the right to its use, nor the same goodwill, if any, shall be considered as an asset of the Partnership, and no valuation shall be put thereon for the purpose of liquidation or distribution, or for any other purpose whatsoever; nor shall any value ever be placed thereon as between the remaining or surviving Partners and the legal representatives of the estate of any deceased, insane, incompetent, dissolved, liquidated or Bankrupt Partner.

ARTICLE XIII

FOREIGN PARTNERS

13.1 Certification of Non-Foreign Status.

A. Each Partner shall upon acquiring a Partnership Interest certify that he is not a Foreign Person on forms to be provided by the General Partners at the time of subscription. At any time that an Interest is transferred or assigned, the transferee shall certify to non-foreign status prior to the transfer or assignment of such Interest. Such certifications shall be made on a form to be provided by the General Partners.

B. Each Partner shall notify the General Partners if he becomes a Foreign Person within 30 days of such change.

C. Prior to a disposition of a United States Real Property Interest, a distribution attributable to a disposition of a United States Real Property Interest or any other distribution by the Partnership, each Partner may be required to certify to non-foreign status.

13.2 Withholding of Certain Amounts Attributable to Interests of Foreign Partners.

A. In the event that either (i) the Partnership's actual or deemed amount realized upon disposition of any United States Real Property Interest is attributed to a Foreign Partner or (ii) the Partnership has effectively connected taxable income for any taxable year:

(i) any tax required to be withheld under Sections 1445 or 1446 of the Code shall be charged to that Foreign Partner's Capital Account as if the amount of such tax had been distributed to such Partner;

(ii) the General Partner shall have the right to make a loan to the Partnership in an amount equal to the amount of tax required to be withheld pursuant to Sections 1445 or 1446 of the Code to the extent that cash is needed to make the Sections 1445 or 1446 withholding payment attributable to that Foreign Partner; and

(iii) the General Partner may retain appropriate portions of a Foreign Partner's distributions until any withholding obligations relating to that Foreign Partner are satisfied and may apply such distributions to repay any loan made pursuant to Section 13.2.A(ii) hereof.

B. For the purposes of this Section 13.2, any person who fails to provide a certification of a non-foreign status when requested to do so by the General Partner shall be treated as a Foreign Person.

ARTICLE XIV

MISCELLANEOUS

14.1 Law Governing. This Agreement shall be governed by and construed in accordance with the laws of the State applicable to contracts made and to be performed entirely therein.

14.2 Power of Attorney. Each Partner hereby constitutes and appoints each General Partner who is an individual, each general partner of any General Partner which is a partnership, each manager or managing member of any General Partner which is a limited liability company and each of the President, each Vice President and the Secretary of any corporate General Partner, his true and lawful attorney-in-fact and agent with full power and authority to act in his name, place and stead to execute, acknowledge, swear to, deliver, file, record and publish any document requisite to carrying out the intention and purposes of the Partnership and this Agreement, including, but not limited to, the execution, acknowledgment, swearing to, delivery, filing, recording and publication of this Agreement and amendments thereto, documents, conveyances, leases, contracts, loan documents and/or counterparts thereof, the execution and filing of appropriate documents with any Authority or any Lender, and all other documents which such persons reasonably deem necessary or appropriate:

A. To qualify or continue the Partnership as a limited partnership;

B. To reflect a modification of the Partnership or an amendment of this Agreement;

C. To reflect the dissolution and termination of the Partnership; or

D. To effect transfers, admissions, withdrawals and substitutions of Partners as specifically provided under the terms of this Agreement.

No person shall take any action as an attorney-in-fact of any Limited Partner or any Special Limited Partner which is not authorized by the terms of this Agreement or would in any way increase the liability of such Partner beyond the liability expressly set forth in this Agreement. This power of attorney may be revoked by any Partner by written notice of revocation (the "Notice of Revocation") to the General Partners. Upon receipt by the General Partners of a Notice of Revocation, the General Partners shall file with the appropriate office or agency an amendment to this Agreement reflecting such revocation; provided, however, that until such amendment is filed, any party may rely on this power of attorney as being valid.

14.3 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Agreement shall be sufficient for all purposes without producing or accounting for any other counterpart thereof.

14.4 Partners Independently Bound. The General Partners, the Special Limited Partner and the Limited Partner shall become bound by this Agreement immediately upon its execution thereof and independently of the execution hereof by any other Partner.

14.5 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein (A) are determined to be invalid or contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid or (B) would cause any Limited Partner or any Special Limited Partner to be bound by the obligations of the Partnership (other than under the rules, directives and regulations of any Authority) under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

14.6 Address and Notice. All notices, demands, solicitations of consent or approval, and other communications hereunder required or permitted shall be in writing and shall be deemed to have been given (i) when personally delivered, (ii) three days after the date when deposited in the United States mail and sent postage prepaid by registered or certified mail, return receipt requested, (iii) the next business day when deposited with a courier guaranteeing overnight delivery (provided that such courier has confirmed such delivery), or (iv) the next business day if sent by telefax or other electronic means that is generally available in the business community provided that confirmation of delivery is received, addressed as follows: if intended for (A) the Partnership, to its principal place of business or (B) the Partners, to their respective addresses set forth on Schedule A, or to such other address which any Partner shall have given to the Partnership for such purpose by notice hereunder; provided, however, that copies of all such items (which shall not constitute notice hereunder) shall also be sent to the following: (i) Paul, Hastings, Janofsky & Walker LLP, 75 E. 55th Street, New York, New York 10022, Attention: Alan S. Cohen, Esq., (ii) Locke Liddell & Sapp LLP, 100 Congress Avenue, Suite 300, Austin, Texas 78701, Attention: Cynthia Bast, Esq. and (iii) Law Office of Emilio J. Huerta, P.O. Box 62, 29700 Woodford-Tehachapi Road, Keene, California 93531, Attention: Emilio J. Huerta, Esq.

14.7 Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included.

14.8 Titles and Captions. All article and section titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

14.9 Entire Agreement. This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

14.10 Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives and permitted successors and assigns of the parties hereto.

14.11 Parties in Interest. Nothing herein shall be construed to be to the benefit of or enforceable by any third party including, but not limited to, any creditor of the Partnership.

14.12 Amendments; Other Actions.

A. This Agreement may not be amended or modified except by the General Partners with the Consent of the Special Limited Partner (which may be granted or withheld in its sole discretion) and the approval, if required, of each Authority; provided, however, that all Partners must give their consent in writing to any amendment which would (i) extend the term of the Partnership as set forth in Section 12.1 hereof, (ii) amend this Section 14.12, (iii) increase or extend the liability or obligation of any Limited Partner or any Special Limited Partner, (iv) increase the amount of Capital Contributions payable by any Limited Partner or any Special Limited Partner, (v) accelerate the date of payment of any Installment or (vi) alter the distribution or allocation to the Partners of any profits and losses and distributions of the Partnership.

B. Notwithstanding any other provision of this Agreement, no action may be taken under this Agreement unless such action is taken in compliance with the provisions of the Uniform Act.

C. The General Partners acknowledge and agree that upon receipt of written notice from the Limited Partner that it desires to exercise the right(s) of the Special Limited Partner (a) to consent to the actions specified in Sections 5.5.B(iv), (x), (xi) and (xii) hereof, (b) to receive information and/or reports with regard to the physical and financial condition of the Apartment Complex and/or (c) under Section 11.4 hereof (including the right to appoint a successor General Partner upon the removal of a General Partner), such rights shall be exercisable exclusively by the Limited Partner and this Agreement shall be deemed to have been so amended to reflect that such rights are to be exercised exclusively by the Limited Partner.

14.13 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements shall survive until the dissolution and termination of the Partnership, except to the extent that a representation, warranty or agreement expressly provides otherwise.

14.14 Further Assurances. The Partners will execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purposes of this Agreement.

14.15 Remedies Cumulative. No remedy conferred upon or reserved to the Partnership or any Partner by this Agreement is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Partnership or any Partner hereunder or now or hereafter existing at law or in equity or by statute.

14.16 Meetings. Meetings of the Partnership may be called by the General Partner or by the Special Limited Partner for any matters for which the Partners may vote as set forth in this Agreement or to obtain information concerning the Partnership. A list of names and addresses of all Partners shall be maintained as part of the books and records of the Partnership and shall be made available upon request to any Partner or its representative at cost. Upon receipt of a request either in person or by registered mail stating the purposes of the meeting, the General Partner shall provide the Partners, within ten days after receipt of such request, written notice of a meeting and the purpose of such meeting to be held on a date not less than 15 nor more than 30 days after receipt of such request, at a time and place within or without the State convenient to the Partners.

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

GENERAL PARTNER

AGUILA VILLAGE HOUSING GP, LLC

By: Rufino Contreras Affordable Housing Corporation, Inc.,
its sole member

By: _____
Emilio J. Huerta
Secretary

SPECIAL LIMITED PARTNER

CENTERLINE SLP LLC

By: _____
Andrew J. Weil
Vice President

LIMITED PARTNER

CENTERLINE INVESTOR LP LLC

By: _____
Andrew J. Weil
Vice President

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

GENERAL PARTNER

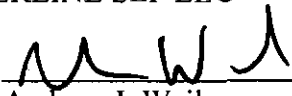
AGUILA VILLAGE HOUSING GP, LLC

By: Rufino Contreras Affordable Housing Corporation, Inc.,
its sole member

By: _____
Emilio J. Huerta
Secretary

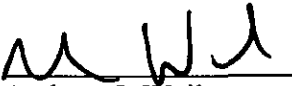
SPECIAL LIMITED PARTNER

CENTERLINE SLP LLC

By:  _____
Andrew J. Weil
Vice President

LIMITED PARTNER

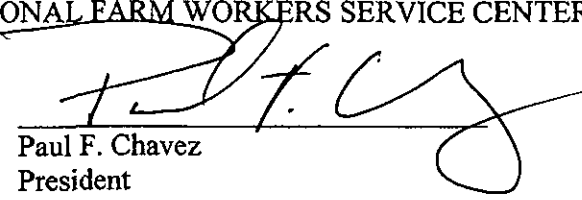
CENTERLINE INVESTOR LP LLC

By:  _____
Andrew J. Weil
Vice President

WITHDRAWING LIMITED PARTNER:

NATIONAL FARM WORKERS SERVICE CENTER, INC.

By:


Paul F. Chavez
President

SCHEDULE A TO
THE AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
EDCOUCH HOUSING DEVELOPMENT, L.P

dated as of November 1, 2007

General Partner

Capital Contribution

Aguila Village Housing GP, LLC
c/o Rufino Contreras Affordable Housing Corporation, Inc.
908 East 5th Street, Suite 201
Austin, Texas 78702
Attention: Emilio J. Huerta

\$1.00

Special Limited Partner

Centerline SLP LLC
625 Madison Avenue
New York, New York 10022
Attention: Andrew J. Weil

\$10.00

Limited Partner

Centerline Investor LP LLC
625 Madison Avenue
New York, New York 10022
Attention: Andrew J. Weil

\$5,537,000

Exhibit A

PLEDGE AGREEMENT (“Agreement”) dated as of November 1, 2007, among Centerline Investor LP LLC, a Delaware limited liability company (“Centerline”), and Centerline SLP LLC, a Delaware limited liability company (“Centerline SLP” and together with Centerline, the “Pledgors”), and Edcouch Housing Development, L.P., a Texas limited partnership (the “Partnership” or the “Pledgee”).

W I T N E S S E T H

WHEREAS, the Pledgors and Aguila Village Housing GP, LLC, a Texas limited liability company (the “General Partner”) have entered into an Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of even date herewith (the “Partnership Agreement”), pursuant to which the Pledgors were admitted as limited partners of the Partnership;

WHEREAS, pursuant to Section 3.4 of the Partnership Agreement, Centerline has agreed to contribute an additional \$4,318,860 (the “Contribution”) to the capital of the Partnership;

WHEREAS, the obligation of Centerline to make the Contribution is evidenced by a promissory note of even date herewith issued by Centerline to the Partnership (the “Note”); and

WHEREAS, it is a condition to the execution of the Partnership Agreement that this Pledge Agreement be executed and delivered by the Pledgors.

NOW, THEREFORE, in order to induce the General Partner to execute the Partnership Agreement, it is hereby agreed as follows:

1. The Security. The Pledgors hereby pledge and assign to the Pledgee as collateral security for payment of the Note, and grant to the Pledgee a continuing security interest in, all right, title and interest in the limited partnership interests (the “Interests”) owned by the Pledgors in the Partnership as set forth in the Partnership Agreement, and all proceeds, increases, additions, replacements and substitutions thereof of any nature whatsoever. Each Pledgor represents and warrants to the Pledgee that it has the authority and free and lawful right to pledge, assign and grant a security interest in the Interests to the Pledgee and to vest in the Pledgee the security interest created hereby and has not taken any action to create any claims or liens on such Interests other than the lien created hereby and there are no claims or other liens in the Interests other than the lien created hereby.

2. Remedies Generally. Upon the occurrence and continuation of any breach or default, or event which, with the giving of notice or lapse of time, or both, would constitute a breach or default, under the Note by Centerline or of any material breach by either Pledgor of any of their respective representations covenants or obligations under this Pledge agreement, and such breach continues without cure for ten days following written notice thereof except that no notice by Pledgee shall be required in the event Pledgors grant any rights or liens in the Interests without consent of Pledgee (an “Event of Default”), the Pledgee shall have all of the rights and remedies of a secured party under the Texas Uniform Commercial Code.

3. Additional Remedies.

(a) Unless an Event of Default shall have occurred and be continuing, the Pledgors shall be entitled to exercise all of the rights under the Partnership Agreement and to receive all of the benefits thereunder as if the Interests were not collateral subject to this Agreement.

(b) If an Event of Default shall have occurred and be continuing, the Pledgee or its nominee may, but shall have no obligation to, (i) exercise any rights under the Partnership Agreement and take title in its own name to the Interests, (ii) amend or modify, or grant consents or waivers, under the Partnership Agreement and (iii) receive all moneys and property which become due to the Pledgors under the Partnership Agreement. The Pledgee is hereby irrevocably appointed the true and lawful attorney-in-fact of the Pledgors in their name and stead, to execute and deliver all notices, demands, payments and instruments (including amendments and assignments) under or with respect to the Partnership Agreement or the rights of the Pledgors thereunder, to sell, transfer and deliver any rights of the Pledgors under the Partnership Agreement, or otherwise to act with respect thereto, as it may deem desirable to effectuate the provisions of this Agreement, and may substitute one or more persons with like power, the Pledgors hereby ratifying and confirming all that the Pledgors' said attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof; but if so requested by the Pledgee or any transferee of any right under the Partnership Agreement, the Pledgors shall notify and confirm any such action by executing and delivering to the Pledgee or such transferee any instrument as may be designated in any such request.

4. Power to Sell Collateral. Upon any sale of all or any portion of the Interests, whether made under a power of sale given in this Agreement or under judgment, order or decree in any judicial proceeding for foreclosure or involving the enforcement of this Agreement: (a) the Pledgee may bid for and purchase the property being sold, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in its own absolute right without further accountability, and may, in paying the purchase money therefore, deliver an assignment of any or all of its rights with respect to the Note, which shall be deemed to have a value equal to the unpaid principal and interest of or on the rights with respect to the Note being assigned, in lieu of cash in payment of the amount which shall be payable thereon; (b) the Pledgee may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold; (c) the Pledgee is hereby irrevocably appointed the true and lawful attorney-in-fact of the Pledgors in their name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold and for such other purposes as are necessary or desirable to effectuate the provisions of this Agreement, and for that purpose it may execute and deliver all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more persons with like power, the Pledgors hereby ratifying and confirming all that their said attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof; but if so requested by the Pledgee or by any purchaser, the Pledgors shall ratify and confirm any such sale or transfer by executing and delivering to the Pledgee, or to such purchaser, all property, deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request; (d) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Pledgors of, in and to the property so sold shall be divested; such sale shall be a perpetual bar both at law and in equity against the Pledgors, their successors or assigns; (e) the receipt of the Pledgee or its agent making such sale shall be sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or

purchasers, and his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Pledgee or of such agent therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication thereof; and (f) to the extent that they may lawfully do so, the Pledgors agree that they will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption laws, or any law permitting them to direct the order in which the Interests or any portion thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of the Note or this Agreement, and the Pledgors hereby expressly waive all benefit or advantage of any such laws and covenant that they will not hinder, delay or impede the execution of any power granted or delegated to the Pledgee in this Agreement, but will suffer and permit the execution of every such power as though no such laws were in force.

5. Application of Moneys; Deficiency. Except as otherwise provided herein, all moneys which the Pledgee shall receive in accordance with the provisions hereof shall be applied (to the extent thereof), first to the payment of all costs and expenses incurred in connection with the administration and enforcement of, or the preservation of any rights under, this Agreement or any of the reasonable expenses and disbursements of the Pledgee (including, without limitation, the reasonable fees and disbursements of its counsel and agents) in connection therewith; second to the payment and satisfaction of the Note; and third to the payment of any excess to the Pledgors.

6. Covenant of the Pledgors. The Pledgors will, at their own expense, make, execute, endorse, acknowledge, file and/or deliver to the Pledgee from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Interests in order to give full effect to this Pledge Agreement and to secure the first priority rights of the Pledgor hereunder as the Pledgee may require. Without the prior written consent of the Pledgee, neither Pledgor shall sell, assign, transfer or otherwise dispose of, grant any option with respect to, or pledge or grant any security interest in or otherwise encumber any of the Interests.

7. Remedies Cumulative. The remedies provided herein in favor of the Pledgee shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in favor of the Pledgee existing at law or in equity. Without limiting the foregoing, the Pledgee may exercise its rights with respect to a portion of the Interests without then, theretofore or thereafter exercising its rights with respect to any other portion of the Interests, and may exercise any of its rights under this Agreement without obligation to resort to other security.

8. No Waiver. No delay on the part of the Pledgee in exercising any of its rights, remedies, powers and privileges hereunder or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the party to be charged. No notice to or demand on either of the Pledgors in any case shall entitle either of the Pledgors to any other or further notice or demand.

9. Continuation in Force. The obligations of the Pledgors hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy,

insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of either of the Pledgors, (b) any exercise or nonexercise, or any waiver of, any right, remedy, power or privilege under or in respect of the obligations under this Agreement, or any other security therefor other than as expressly provided in this Agreement or (c) any amendment to or modification of the Note, any documents or instruments delivered in connection therewith or any other security therefor, whether or not the Pledgors shall have notice or knowledge of any of the foregoing.

10. Binding Effect. This Agreement shall be binding upon the Pledgors and their successors and assigns and shall inure to the benefit of the Pledgee and its successors and assigns, except that the Pledgors may not transfer or assign any of their obligations, right or interests hereunder without the prior written consent of the Pledgee. All agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement and any sale of any portion of the Interests.

11. Notices. Notices hereunder shall be sent to the party or parties entitled thereto by certified or registered mail, return receipt requested, at their respective addresses set forth below, or at such address or addresses as may be specified by the party entitled to such notices in accordance with the provisions of this paragraph. Any such notice shall be deemed given on the date so mailed.

12. Termination. This Agreement and the security interests granted herein shall terminate immediately after payment of the Note has been made. The Pledgee agrees that upon such termination it will take such action as is necessary to terminate the security interests granted herein and the effectiveness of all financing statements and other instruments filed with respect thereto.

13. Headings. The descriptive headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning of or construction of any provision of this Agreement.

14. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of Texas applicable to contracts made and to be performed entirely therein.

16. Performance Unchanged. It is expressly agreed, anything herein or in the Partnership Agreement contained to the contrary notwithstanding, that the Pledgors shall remain liable to perform all of the obligations, if any, of theirs with respect to the Interests, and the Pledgee shall not have any obligations or liabilities under the Partnership Agreement by reason of or arising out of this Agreement, nor shall the Pledgee be required or obligated in any manner to perform or fulfill any of the obligations of the Pledgors pursuant to the Partnership Agreement; provided, however, that the Pledgee acknowledges that the Note is without recourse to Centerline (and to any member or partner thereof and any successor or assignee of any such member or partner) and that

the sole source of payment for the Note or under this Agreement, if the Pledgors do not agree to make such payment, shall be the Interests and the Pledgee's interest therein hereunder.

IN WITNESS WHEREOF, the undersigned have executed this Pledge Agreement as of the first date set forth above.

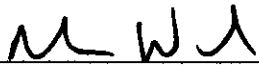
Pledgors:

CENTERLINE INVESTOR LP LLC

address:

625 Madison Avenue
New York, New York 10022

By: CENTERLINE MANAGER LLC,
its Manager

By: 

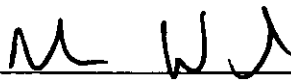
Andrew J. Weil
Executive Vice President

CENTERLINE SLP LLC

address:

625 Madison Avenue
New York, New York 10022

By: CENTERLINE MANAGER LLC,
its Manager

By: 

Andrew J. Weil
Executive Vice President

Pledgee:

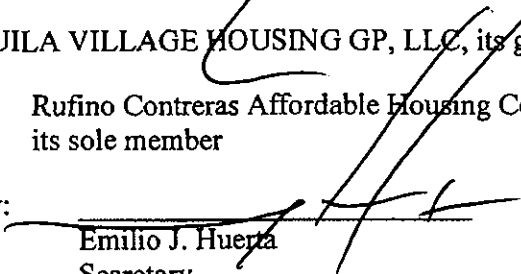
EDCOUCH HOUSING DEVELOPMENT, L.P.

address:

c/o Rufino Contreras Affordable Housing Corporation, Inc.
908 East 5th Street, Suite 201
Austin, Texas 78702

By: AGUILA VILLAGE HOUSING GP, LLC, its general partner

By: Rufino Contreras Affordable Housing Corporation, Inc.,
its sole member

By: 
Emilio J. Huerta
Secretary

\$4,318,860

Exhibit BCAPITAL NOTE

For value received, Centerline Investor LP LLC, Delaware limited liability company (the "Company"), promises to pay to Edcouch Housing Development, L.P., a Texas limited partnership (the "Payee") at 2200 E. Martin Luther King, Jr., Blvd., Austin, Texas 78702, or at such other address as the Payee shall in writing direct, the principal sum of Four Million Three Hundred Eighteen Thousand Eight Hundred Sixty and 00/100 (\$4,318,860), without interest, in the manner and at the times provided for in Section 3.4 of the Partnership Agreement (as hereinafter defined).

Payments shall be due hereunder within ten business days after the occurrence of an event entitling the Payee to payment as provided above and receipt by the Company of written notice from the Payee of such occurrence. If the Company disputes the occurrence of any event entitling the Payee to payment, payments hereunder shall be deferred until the resolution of such dispute in accordance with Section 3.4 of the Partnership Agreement; provided, however, that if the Company fails to contest the matter in good faith and it is subsequently determined that the Payee was so entitled to such payment, the Company shall pay interest on the payment at the Penalty Rate (as hereinafter defined) from the end of the ten business day period to the date of payment.

This Note evidences the obligation of the Company to pay a portion of the capital contributions for its Interest in the Payee as provided in the Amended and Restated Agreement of Limited Partnership of the Payee (the "Partnership Agreement") and shall be subject to the provisions of Section 3.4 of that agreement. Capitalized terms not defined herein shall have the meaning provided in the Partnership Agreement.

No member or partner of the Company nor any successor or assignee of any such member or partner nor the Company shall have any personal liability for payment of any amount due under this Note, or the performance of any obligation under or arising pursuant to this Note and, in the event of any default hereunder, the Payee (and its successors and assigns) shall look only to the Interest for performance hereunder. If, pursuant to the Partnership Agreement or any instrument executed or delivered incident thereto, the Company shall be entitled to any right of indemnification, then, without limiting any other right of the Company as provided in the Partnership Agreement or any other instrument, the Company shall have the right to set off against its payment obligations under this Note the sum of (i) the amount of the obligations for which the Company is entitled to indemnification, and (ii) interest on such amount, from the date on which such right of set-off arises until the date of receipt of the payment in connection with which the right of set-off is asserted, computed at the rate per annum (the "Penalty Rate") which is the lesser of (i) 2% over the Prime Rate, or (ii) the maximum rate permitted by the law of the State.

The debt evidenced by this Note shall be prepayable, in whole or in part, at any time, without penalty.

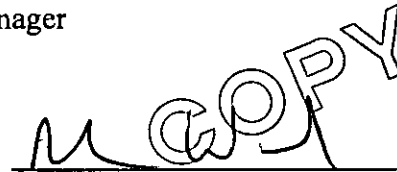
This Note shall be governed, construed and enforced in all respects in accordance with the laws of the State applicable to contracts made and to be performed entirely therein.

Signed and delivered as of December 1st, 2007.

CENTERLINE INVESTOR LP LLC

By: CENTERLINE MANAGER LLC,
its Manager

By:



Andrew J. Weil
Executive Vice President

Budget Worksheet

Exhibit C

Income and Expense

Projections

Upon Completion, send to Centerline Capital Group Inc..

Project Number:	Name of Project:
-----------------	------------------

Description of Account	Acct. No.	Audited last FY	Curr. FY (no. of mos.)	2007 Budget
Rental income				
Apartments or Member Carrying Charges (Coops)				
Tenant Assistance Payments				
Furniture and Equipment				
Stores and Commercial				
Garage and Parking Spaces				
Flexible Subsidy Income				
Miscellaneous (specify)				
Total Rent Revenue Potential at 100% Occupancy		0	0	0
Vacancies				
Apartments				
Furniture and Equipment				
Stores and Commercial				
Garage and Parking Spaces				
Miscellaneous (specify)				
Net Rental Revenue (Rent Revenue less Vacancies)		0	0	0
Elderly & Congregate Srves. Income				
Total Service Income (schedule attached)		0	0	0
Financial Revenue				
Interest Income-Project Operations				
Income from Investments-Residual Receipts				
Income from Investments-Reserve for Replacement				
Income from Investments-Miscellaneous				
Total Financial Revenue		0	0	0
Other Revenue				
Laundry and Vending				
NSF and Late Charges				
Damages and Cleaning Fees				
Forfeited Tenant Security Deposits				
Other Revenue (specify)				
Total Other Revenue		0	0	0

Total Revenue			0	0	0
Administrative Expenses	Advertising				
	Other Renting Expense				
	Office Salaries				
	Office Supplies				
	Office or Model Apartment Rent				
	Management Fee				
	Manager or Superintendent Salaries				
	Manager or Superintendent Rent Free Unit				
	Legal Expenses (Project)				
	Auditing Expenses (Project)				
Bookkeeping Fees/Accounting Services					

Description of Account	Acct. No.	Audited last FY	Curr. FY (no. of mos.)	2007 Budget
Telephone and Answering Services				
Miscellaneous Administrative Expenses (specify)				
Total Administrative Expenses		0	0	0
Sub Total Expenses (carry forward to page 2)				

Description of Account	Acct. No.	Audited last FY	Curr. FY (no. of mos.)	2007 Budget
Sub Total Expenses (carried forward from page 1)		0	0	0
Utilities	Fuel Oil/Coal			
	Electricity			
	Water			
	Gas			
	Sewer			
	Total Utilities Expense		0	0
Operating & Maintenance Expenses	Janitor and Cleaning Payroll			
	Janitor and Cleaning Supplies			
	Janitor and Cleaning Contract			
	Exterminating Payroll/Contract			
	Exterminating Supplies			
	Garbage and Trash Removal			
	Security Payroll/Contract			
	Grounds Payroll			
	Grounds Supplies			
	Grounds Contract			
	Repairs Payroll			
	Repairs Material			
	Repairs Contract			
	Elevator Maintenance/Contract			
Heating/Cooling Repairs and Maintenance				
Swimming Pool Maintenance/Contract				

	Snow Removal				
	Decorating Payroll/Contract				
	Decorating Supplies				
	Vehicle & Maint. Equip. Operation and Repairs				
	Miscellaneous Operating & Maintenance Expenses				
	Total Operating & Maintenance Expenses		0	0	0
Taxes and Insurance	Real Estate Taxes				
	Payroll Taxes (FICA)				
	Miscellaneous Taxes, Licenses and Permits				
	Property and Liability Insurance (Hazard)				
	Fidelity Bond Insurance				
	Workmen's Compensation				
	Health Insurance & Other Employee Benefits				
	Other Insurance (specify)				
	Total Taxes & Insurance		0	0	0
Financial Expenses	Interest on Bonds Payable				
	Interest on Mortgage Payable				
	Interest on Notes Payable (Long-Term)*				
	Interest on Notes Payable (Short-Term)*				
	Mortgage Insurance Premium/Service Charge				
	Miscellaneous Financial Expenses				
		Total Financial Expenses		0	0
Elderly & Congregate Svcs. Expenses					
	Total Service Expenses (schedule attached)		0	0	0
	Reserve for Replacements Dep. Req.				
	Painting Reserve				
	Principal Payments Req.				
	Debt Service (Sec. 241 & other approved loans)				
	Debt Service Reserve (202)				
Description of Account	Acct. No.	Audited last FY	Curr. FY (no. of mos.)	2007 Budget	
	General Operating Reserve				
	Total Cost of Operations		0	0	0
	Less Total Revenue		0	0	0
	Excess (Deficiency) Income Over Expenses		0	0	0

Exhibit DFORM OF OCCUPANCY REPORT**DIRECTIONS FOR STABILIZED MONTHLY OCCUPANCY REPORTING**

Centerline Capital Group Inc. has made some innovative changes to our monthly occupancy reporting. These innovations are designed to enhance the analytical review of stabilized occupancy for our use as well as yours. As your limited partner we continue to strive to provide you with additional tools and resources while streamlining the reporting required. We are dedicated to the efficiency that electronic reporting has provided our clients as well as our own staff and have designed this submission for the same ease of execution.

Monthly Occupancy Report

We are confident that with timely, monthly submissions by the individual responsible for pertinent occupancy data, we can proactively evaluate key economic factors affecting your property's operating performance. This knowledge may then be incorporated immediately into the next month's marketing plan. We believe that your leasing agents already collect the information that we are requesting and that this entire submission will take a very small effort and time commitment.

Directions for Centerline Capital Group Inc. Monthly Occupancy Report:

1. The Centerline Capital Group Inc. Occupancy Set-up can be completed via the Internet at the following address: <https://secure.centerline.com/occupancy>
2. Your initial set-up password is: [XXX]
Enter the password and it will prompt you to the next step.
3. You will have information sent to your e-mail address with reminders to report. In the event you do not have the capacity to access our website via the Internet, or if you have any questions, please contact occupancy@centerline.com.
4. Enter the valid email address that you want us to contact you with about occupancy. After entering a valid email address, you will be sent a new password based on that email address. Your Set-Up is now complete and you may begin reporting occupancy using our website. The e-mail provides the link, username and password along with general instructions for occupancy reporting. Once you have accessed our website it will guide you through our reporting process.

Exhibit E

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made and entered as of _____, 200_, by Centerline Investor LP LLC, a Delaware limited liability company (the "Assignor") and _____, a Delaware limited partnership (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor is a limited partner in _____ (the "Partnership"), pursuant to an Amended and Restated Agreement of Limited Partnership dated as of _____ (the "Partnership Agreement"), and the interest held by the Assignor in the Partnership is hereinafter referred to as the "Assignor's Interest".

WHEREAS, the Assignor desires to assign the Assignor's Interest to the Assignee upon the terms and conditions contained herein and the Assignee wishes to acquire the Assignor's Interest upon such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Assignor and the Assignee hereby agree as follows:

1. Assignment. The Assignor hereby sells, transfers, assigns, and conveys to the Assignee all of its right, title and interest in and to the Assignor's Interest, and shall endeavor to obtain the consent for the admission of the Assignee to the Partnership as a Substitute Special Limited Partner. Immediately after the transfer of the Assignor's Interest to the Assignee, the Assignee shall be entitled to all of the profit and losses allocated by the Partnership with respect to the Assignor's Interest, to all of the distributions made by the Partnership with respect to the Assignor's Interest, and to exercise all of the rights of the Assignor pursuant to the Partnership Agreement. The Assignor also hereby sells, transfers, assigns, and conveys to the Assignee all of its right, title and interest in and to the documents and agreements listed on Schedule A attached hereto and made a part hereof by this reference

2. Acceptance. The Assignee hereby accepts the sale, transfer, assignment, delivery and conveyance of the Assignor's Interest and agrees to be bound by all of the provisions of the Partnership Agreement. In payment for the Assignor's Interest, the Assignee shall, simultaneously with the execution and delivery of this Agreement, pay the Assignor \$_____. In addition, the Assignee hereby assumes all of the obligations of the Assignor to the Partnership under the Partnership Agreement. The Assignee also accepts the assignment to it of the Assignor's right, title and interest in and to the documents and agreements listed on Schedule A attached hereto.

3. Representations and Warranties. (a) The Assignor hereby represents and warrants to the Assignee as follows:

(i) The Assignor is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to execute this Agreement.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Assignor enforceable in accordance with its terms.

(iii) No consents or approvals are required from any governmental authority or other person or entity for the Assignor to enter into this Agreement. All corporate, limited liability company or partnership action on the part of the Assignor necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(iv) The execution and delivery of this Agreement by the Assignor, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organizational documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) The Assignor owns the Assignor's Interest free and clear of any mortgage, lien, security interest, pledge, charge, claim, conditional sale, option or other encumbrance of any sort, other than a pledge of such interest to the Partnership.

(vi) No action, suit, claim, arbitration, governmental investigation or proceeding, whether legal or administrative or in mediation or in arbitration, at law or in equity, including, without limitation, any audit by any taxing authority (collectively "Proceeding"), before any federal, state, municipal or other governmental department, commission, board or agency is pending against the Assignor or, to the Assignor's knowledge, threatened against the Assignor or the Partnership pursuant to which an unfavorable judgment would restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the transactions contemplated hereunder, nor does the Assignor know of any reason to believe any such Proceeding will be instituted.

The Assignor hereby indemnifies and holds harmless the Assignee and its respective partners and agents from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties (including, without limitation, legal costs and expenses) suffered or incurred by any of them arising out of or resulting from the breach of any representation, warranty or covenant by the Assignor contained herein.

(b) The Assignee hereby represents and warrants to the Assignor as follows:

(i) The Assignee is duly organized, validly existing and in good

standing under the laws of its jurisdiction of formation with all requisite power and authority to execute this Agreement.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Assignee enforceable in accordance with its terms.

(iii) No consents or approvals are required from any governmental authority or other person or entity for the Assignee to enter into this Agreement. All corporate, limited liability company or partnership action on the part of the Assignee necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(iv) The execution and delivery of this Agreement by the Assignee, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organizational documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) No Proceeding before any federal, state, municipal or other governmental department, commission, board or agency is pending against the Assignee or, to the Assignee's knowledge, threatened against the Assignee pursuant to which an unfavorable judgment would restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the transactions contemplated hereunder, nor does the Assignee know of any reason to believe any such Proceeding will be instituted.

(vi) The Assignee is an "accredited investor" as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended. The Assignee is acquiring the Assignor's Interest for its own account and not with a view to resell, transfer or otherwise dispose thereof.

The Assignee hereby indemnifies and holds harmless the Assignor and its respective members and agents from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties (including, without limitation, legal costs and expenses) suffered or incurred by any of them arising out of or resulting from the breach of any agreement, representation, warranty or covenant by the Assignee contained herein.

(c) Except as provided herein, the Assignor has made no other representations or warranties to the Assignee concerning the Assignor's Interest, the Partnership, or any other matter or thing. The Assignee is experienced in financial transactions such as ownership of the Assignor's Interest and understands the business and operations of the Partnership. The Assignee has had the opportunity to ask questions about and seek information from the Partnership, and has not relied upon any express or implied representations or warranties from the Assignor with regard to the Assignor's Interest or the Partnership except as expressly provided herein.

4. Notices. All notices, requests, demands, consents, and other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been duly given when delivered if hand-delivered, sent by recognized overnight courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, at the address of such party as set forth below, which address may be changed by notice to the other parties hereto duly given pursuant hereto:

if to Assignor, to it at:

625 Madison Avenue
New York, New York 10022

with a copy to:

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
Attention: Alan S. Cohen, Esq.

if to Assignee, to it at:

625 Madison Avenue
New York, New York 10022

with a copy to:

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
Attention: Alan S. Cohen, Esq.

5. Attorneys' Fees. If any action is brought to enforce any of the terms or provisions contained herein, the prevailing party shall be entitled to an award of attorneys' fees from the losing party.

6. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the Assignor and the Assignee and their respective successors and assigns.

7. Governing Law. This Assignment shall be construed and enforced in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment and Assumption Agreement to be executed as of the day and year first above written.

ASSIGNOR:

CENTERLINE INVESTOR LP LLC

By: _____
Andrew J. Weil
Vice President

ASSIGNEE:

By: _____,
general partner

By: _____
Andrew J. Weil
Vice President

Schedule A to
Assignment and Assumption Agreement

1. Contribution Agreement dated as of _____, among the Assignor, Centerline SLP LLC ("SLP"), the Partnership and _____ (the "General Partner").
2. Development Deficit Guaranty Agreement dated as of _____, among the Assignor, SLP, the Partnership, the General Partner, and _____ (the General Partner, and _____ are hereinafter collectively referred to as the "Guarantor").
3. Operating Deficit Guaranty Agreement dated as of _____, among the Partnership and the Guarantor, as to which the Assignor and SLP are third party beneficiaries.
4. Replacement Reserve Guaranty Agreement dated as of _____, among the Guarantor, the Partnership, SLP and the Assignor.
5. Recapture Guaranty Agreement dated as of _____, among the Assignor and the Guarantor.

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made and entered as of _____, 200_, by Centerline SLP LLC, a Delaware limited liability company (the "Assignor") and _____, a Delaware limited partnership (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor is a limited partner in _____ (the "Partnership"), pursuant to an Amended and Restated Agreement of Limited Partnership dated as of _____ (the "Partnership Agreement"), and the interest held by the Assignor in the Partnership is hereinafter referred to as the "Assignor's Interest".

WHEREAS, the Assignor desires to assign the Assignor's Interest to the Assignee upon the terms and conditions contained herein and the Assignee wishes to acquire the Assignor's Interest upon such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Assignor and the Assignee hereby agree as follows:

1. Assignment. The Assignor hereby sells, transfers, assigns, and conveys to the Assignee all of its right, title and interest in and to the Assignor's Interest, and shall endeavor to obtain the consent for the admission of the Assignee to the Partnership as a Substitute Special Limited Partner. Immediately after the transfer of the Assignor's Interest to the Assignee, the Assignee shall be entitled to all of the profit and losses allocated by the Partnership with respect to the Assignor's Interest, to all of the distributions made by the Partnership with respect to the Assignor's Interest, and to exercise all of the rights of the Assignor pursuant to the Partnership Agreement. The Assignor also hereby sells, transfers, assigns, and conveys to the Assignee all of its right, title and interest in and to the documents and agreements listed on Schedule A attached hereto and made a part hereof by this reference

2. Acceptance. The Assignee hereby accepts the sale, transfer, assignment, delivery and conveyance of the Assignor's Interest and agrees to be bound by all of the provisions of the Partnership Agreement. In payment for the Assignor's Interest, the Assignee shall, simultaneously with the execution and delivery of this Agreement, pay the Assignor \$10.00. In addition, the Assignee hereby assumes all of the obligations of the Assignor to the Partnership under the Partnership Agreement. The Assignee also accepts the assignment to it of the Assignor's right, title and interest in and to the documents and agreements listed on Schedule A attached hereto.

3. Representations and Warranties. (a) The Assignor hereby represents and warrants to the Assignee as follows:

(i) The Assignor is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to execute this Agreement.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Assignor enforceable in accordance with its terms.

(iii) No consents or approvals are required from any governmental authority or other person or entity for the Assignor to enter into this Agreement. All corporate, limited liability company or partnership action on the part of the Assignor necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(iv) The execution and delivery of this Agreement by the Assignor, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organizational documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) The Assignor owns the Assignor's Interest free and clear of any mortgage, lien, security interest, pledge, charge, claim, conditional sale, option or other encumbrance of any sort, other than a pledge of such interest to the Partnership.

(vi) No action, suit, claim, arbitration, governmental investigation or proceeding, whether legal or administrative or in mediation or in arbitration, at law or in equity, including, without limitation, any audit by any taxing authority (collectively "Proceeding"), before any federal, state, municipal or other governmental department, commission, board or agency is pending against the Assignor or, to the Assignor's knowledge, threatened against the Assignor or the Partnership pursuant to which an unfavorable judgment would restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the transactions contemplated hereunder, nor does the Assignor know of any reason to believe any such Proceeding will be instituted.

The Assignor hereby indemnifies and holds harmless the Assignee and its respective partners and agents from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties (including, without limitation, legal costs and expenses) suffered or incurred by any of them arising out of or resulting from the breach of any representation, warranty or covenant by the Assignor contained herein.

(b) The Assignee hereby represents and warrants to the Assignor as follows:

(i) The Assignee is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to execute this Agreement.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Assignee enforceable in accordance with its terms.

(iii) No consents or approvals are required from any governmental authority or other person or entity for the Assignee to enter into this Agreement. All corporate, limited liability company or partnership action on the part of the Assignee necessary for the authorization, execution

and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(iv) The execution and delivery of this Agreement by the Assignee, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organizational documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) No Proceeding before any federal, state, municipal or other governmental department, commission, board or agency is pending against the Assignee or, to the Assignee's knowledge, threatened against the Assignee pursuant to which an unfavorable judgment would restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the transactions contemplated hereunder, nor does the Assignee know of any reason to believe any such Proceeding will be instituted.

(vi) The Assignee is an "accredited investor" as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended. The Assignee is acquiring the Assignor's Interest for its own account and not with a view to resell, transfer or otherwise dispose thereof.

The Assignee hereby indemnifies and holds harmless the Assignor and its respective members and agents from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties (including, without limitation, legal costs and expenses) suffered or incurred by any of them arising out of or resulting from the breach of any agreement, representation, warranty or covenant by the Assignee contained herein.

(c) Except as provided herein, the Assignor has made no other representations or warranties to the Assignee concerning the Assignor's Interest, the Partnership, or any other matter or thing. The Assignee is experienced in financial transactions such as ownership of the Assignor's Interest and understands the business and operations of the Partnership. The Assignee has had the opportunity to ask questions about and seek information from the Partnership, and has not relied upon any express or implied representations or warranties from the Assignor with regard to the Assignor's Interest or the Partnership except as expressly provided herein.

4. Notices. All notices, requests, demands, consents, and other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been duly given when delivered if hand-delivered, sent by recognized overnight courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, at the address of such party as set forth below, which address may be changed by notice to the other parties hereto duly given pursuant hereto:

if to Assignor, to it at:

625 Madison Avenue
New York, New York 10022

with a copy to:

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
Attention: Alan S. Cohen, Esq.

if to Assignee, to it at:

625 Madison Avenue
New York, New York 10022

with a copy to:

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
Attention: Alan S. Cohen, Esq.

5. Attorneys' Fees. If any action is brought to enforce any of the terms or provisions contained herein, the prevailing party shall be entitled to an award of attorneys' fees from the losing party.

6. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the Assignor and the Assignee and their respective successors and assigns.

7. Governing Law. This Assignment shall be construed and enforced in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment and Assumption Agreement to be executed as of the day and year first above written.

ASSIGNOR:

CENTERLINE SLP LLC

By: _____
Andrew J. Weil
Vice President

ASSIGNEE:

By: _____,
general partner

By: _____
Andrew J. Weil
Vice President

Schedule A to
Assignment and Assumption Agreement

1. Contribution Agreement dated as of _____, among the Assignor, Centerline Investor LP LLC ("Centerline"), the Partnership and _____ (the "General Partner").
2. Development Deficit Guaranty Agreement dated as of _____, among the Assignor, Centerline, the Partnership, the General Partner, _____ (the General Partner, _____ are hereinafter collectively referred to as the "Guarantor").
3. Operating Deficit Guaranty Agreement dated as of _____, among the Partnership and the Guarantor, as to which the Assignor and SLP are third party beneficiaries.
4. Replacement Reserve Guaranty Agreement dated as of _____, among the Guarantor, the Partnership, Centerline and the Assignor.
5. Recapture Guaranty Agreement dated as of _____, among Centerline, the Guarantor and _____.

From: Jean Latsha [jlatsha@nfwsc.org]
Sent: Friday, May 22, 2009 12:23 PM
To: sharon.gamble@tdhca.state.tx.us
Subject: Casa Messina TDHCA #09319

Hi Sharon,

To answer your questions about the Summary of Sources and Uses for Casa Messina...

We closed the LP agreement and construction loan assuming total costs of around \$7.4 million. Sources during the construction phase included a \$1,900,000 loan from USBank and about \$250k in local government loans, along with \$4,706,450 in equity, leaving about a \$540k gap that was filled by deferred developer fee.

According to the Contribution Agreement, the LP would receive equity according to the following schedule:

\$1,218,140 - initial contribution (start of construction)
\$1,107,400 - 50% completion
\$1,107,400 - 75% completion
\$1,273,510 (adjusted to \$1,073,510) - 100% completion
\$830,550 (adjusted to \$705,550) - stabilization/conversion

The last two amounts are changed due to anticipated downward timing adjusters since lease-up was also delayed. We anticipate those adjusters to be \$200,000 for the 100% completion contribution and an additional \$125,000 for the final contribution. In addition, we only received \$150,000 in local government loans during construction, and had cost overruns upward of \$300,000.

In the current Summary of Sources and Uses, I indicated that we have \$3,432,940 in equity, the sum of the first three contributions. Although we have reached 100% completion and incurred \$7,773,616 in costs, the 100% completion contribution has been delayed for various reasons. National Farm Workers Service Center, as Developer and Guarantor, is responsible for those costs and required to fill the gap. The \$2,290,676 is the amount that NFWSC will put into the project if for any reason the equity contribution does not come in. It was calculated solely based on a gap method. To date, the project costs are \$2,290,676 more than the combination of the other sources (the construction loan, equity, and HCUCP loan).

I could include the 100% completion equity contribution as a source in the Construction Stage on the Summary since we do anticipate receiving the contribution soon, but since we have not received it yet I wanted to reflect the reality of the situation. I attached the other scenario here in case it makes more sense, adding \$1,073,510 in equity to the \$3,432,940 that we have already received.

In my financing narrative I stated that 130% of the \$800,000 developer fee, or \$1,061,616 would be deferred if we did not receive additional equity from these additional 2009 tax

credits. This assumes that we would receive the last two adjusted equity contributions, making the total equity \$5,212,000.

I hope this makes sense. If it doesn't or you have any questions about it, please feel free to call. Thanks,
Jean

Please note my change of address and phone and fax numbers below, effective immediately. Thank you,

Jean Latsha
Senior Project Manager
National Farm Workers Service Center, Inc.
Rufino Contreras Affordable Housing Corp.
PO Box 684162
Austin TX 78768-4162
ph. 512-519-9444
fax 512-519-9774

Physical address (for fedex, UPS, etc.):
1208 South Trace Dr
Austin TX 78745

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Casa Messina**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan		\$ 1,900,000	\$ 1,500,000	US Bank
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit				
4	HOME		\$ 150,000	\$ -	HCUCP
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 4,506,450	\$ 6,072,000	Centerline
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant				
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee		\$ 1,217,166	\$ 201,616	NFWSC/RCAHC
TOTAL SOURCES OF FUNDS			\$ 7,773,616	\$ 7,773,616	
TOTAL USES OF FUNDS			\$ 7,773,616	\$ 7,773,616	

⁽¹⁾ Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #:	<u>5</u>	Amount:	\$ <u>5,537,000</u>	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input checked="" type="checkbox"/> Equity	Commitment Date	<u>11/28/07</u>
Source Name:	<u>Centerline Capital Group</u>			Contact Name:		<u>Josh Levy</u>		
Address:	<u>625 Madison Ave, 5th Floor</u>		City:	<u>New York</u>	State:	<u>NY</u>	ZIP:	<u>10022</u>
Phone:	<u>(212) 521-6319</u>	Fax:	<u>(212) 751-5343</u>					
Level of Commitment:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>							
<input type="checkbox"/> Grant	Terms: _____							
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	_____ yrs	Repayment Term:	_____ yrs		
Interest Rate:	_____ %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating				
Rate Index:	_____	Annual Payment	\$ _____	Lien Priority	_____			
<input checked="" type="checkbox"/> Syndication	Tax Credits Estimate:	\$ <u>589,102</u>	Syndication Factor:	\$ <u>94</u> Per Credit Dollar				

Source #:	<u>5</u>	Amount:	\$ <u>860,000</u>	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input checked="" type="checkbox"/> Equity	Commitment Date	<u>05/15/09</u>
Source Name:	<u>Centerline Capital Group</u>			Contact Name:		<u>Eric Trucksess</u>		
Address:	<u>625 Madison Ave, 5th Floor</u>		City:	<u>New York</u>	State:	<u>NY</u>	ZIP:	<u>10022</u>
Phone:	<u>(212) 521-6319</u>	Fax:	<u>(212) 751-3543</u>					
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>							
<input type="checkbox"/> Grant	Terms: _____							
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	_____ yrs	Repayment Term:	_____ yrs		
Interest Rate:	_____ %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating				
Rate Index:	_____	Annual Payment	\$ _____	Lien Priority	_____			
<input checked="" type="checkbox"/> Syndication	Tax Credits Estimate:	\$ <u>172,000</u>	Syndication Factor:	\$ <u>50</u> Per Credit Dollar				

Source #:	_____	Amount:	\$ _____	<input type="checkbox"/> Interim	<input type="checkbox"/> Permanent	<input type="checkbox"/> Equity	Commitment Date	____/____/____
Source Name:	_____			Contact Name:		_____		
Address:	_____		City:	_____	State:	_____	ZIP:	_____
Phone:	(____) _____-_____	Fax:	(____) _____-_____					
Level of Commitment:	<input type="checkbox"/> Closed <input type="checkbox"/> Firm <input type="checkbox"/> Conditional <input type="checkbox"/> Letter of Interest <input type="checkbox"/> Other: <u>(Describe)</u>							
<input type="checkbox"/> Grant	Terms: _____							
<input type="checkbox"/> Loan	<input type="checkbox"/> Recourse	<input type="checkbox"/> Non-Recourse	Amortization Term:	_____ yrs	Repayment Term:	_____ yrs		
Interest Rate:	_____ %	<input type="checkbox"/> Fixed	<input type="checkbox"/> Adjustable	<input type="checkbox"/> Floating				
Rate Index:	_____	Annual Payment	\$ _____	Lien Priority	_____			
<input type="checkbox"/> Syndication	Tax Credits Estimate:	\$ _____	Syndication Factor:	\$ _____ Per Credit Dollar				



May 15, 2009

Mr. Manuel Bernal
National Farm Workers Service Center, Inc.
634 South Spring Street
Suite 719
Los Angeles, CA 90014

Re: Edcouch Housing Development, L.P.

Dear Manuel,

Centerline Housing Partnership VIII LP – Fund II, a Centerline controlled tax credit fund, purchased the tax credits currently allocated to Edcouch Housing Development, L.P. This letter shall confirm Centerline Capital's willingness, subject to Investor consent, to purchase any additional tax credits allocated to Owner for a price equal to \$0.50 per credit. Assuming additional tax credits of \$172,000 per annum as specified in the tax credit application, Centerline would make an additional capital contribution of \$860,000.

We look forward to continuing to work with you on this transaction. Please feel free to call with any questions or comments.

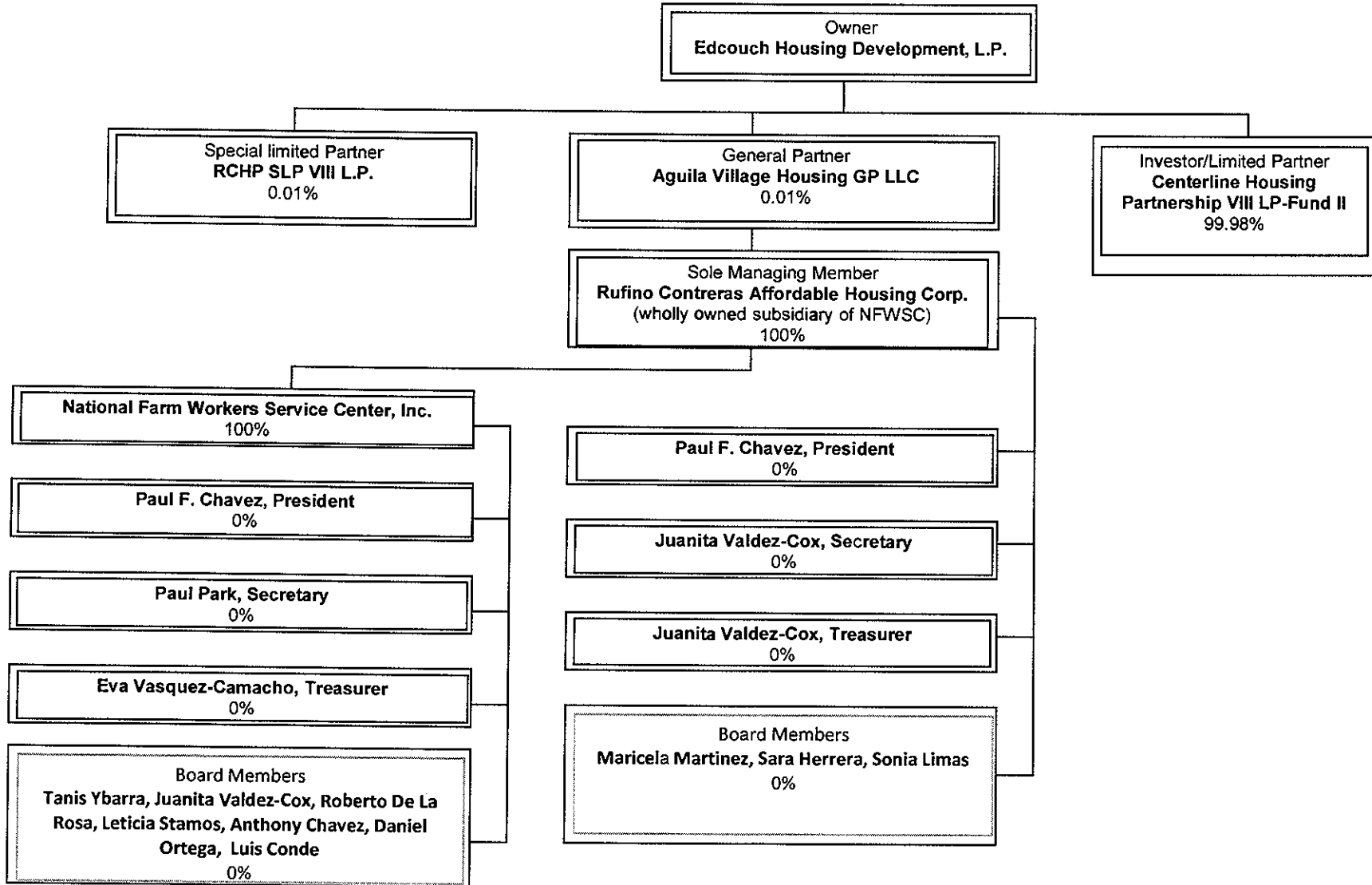
Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Trucksess".

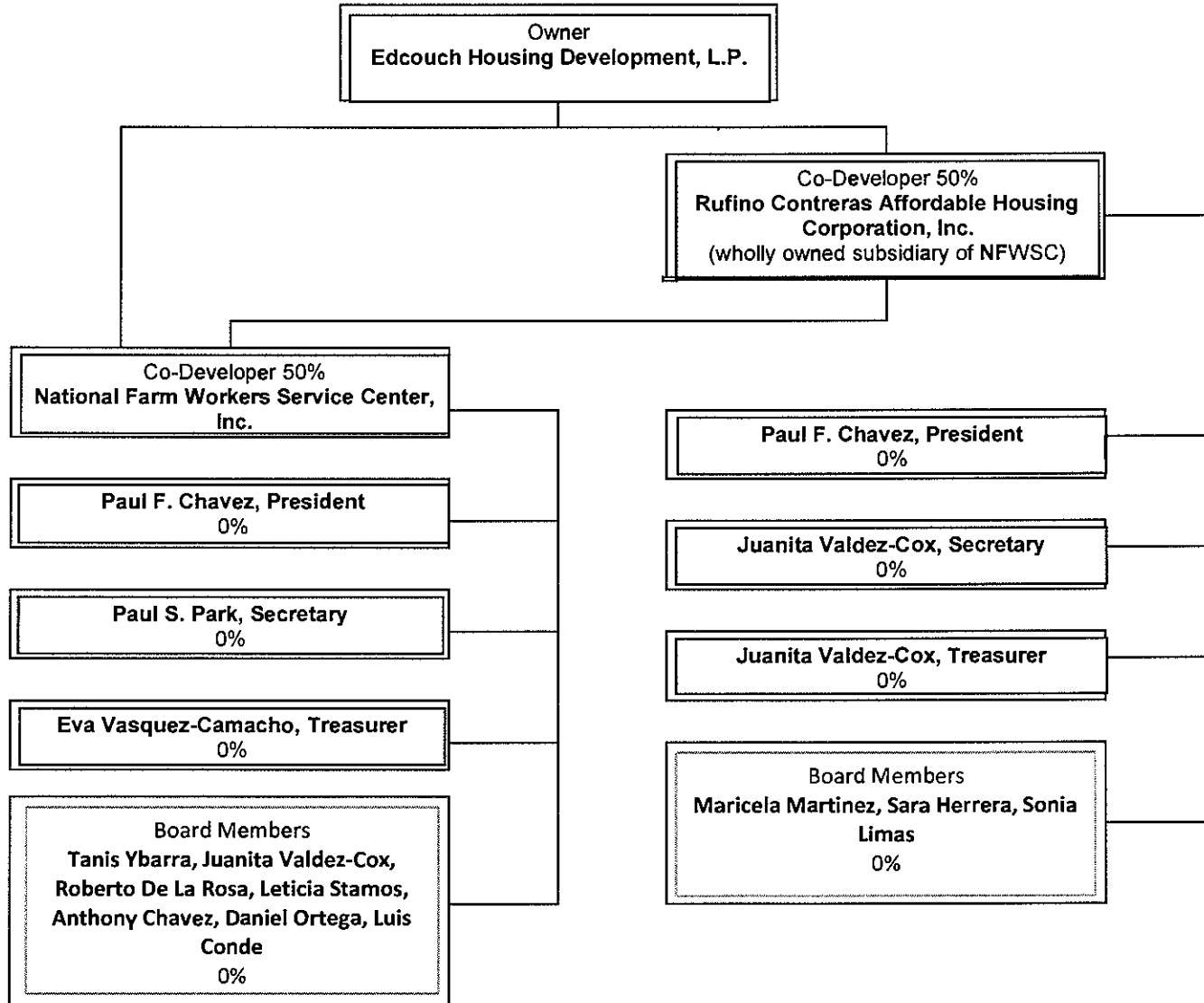
Eric Trucksess
Managing Director

Casa Messina

Ownership Chart



**Casa Messina
Developer Chart**



Volume 1, Tab 5 PART C. LIST OF PRINCIPALS OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

This form must include all **organizations and natural persons** with an ownership interest in the Development Owner, Developer, or Guarantor or that will receive more than 10% of the developer fee. This form must also include the executive directors and board members of nonprofits, corporations and government instrumentalities (even if the executives and board members own “0%” of the organization.) **Note:** you must submit *Part E. Previous Participation and Background Certification Form* for each person/entity identified as having previous participation on this form.

Organization Name:	Principal Name:	Role/Title	% Interest in the Org.	Principal has Previous Participation with Funding from TDHCA:
Organization 1.1	(Blank if space to left is not blank)	Development Owner	100%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Principal 1	General Partner	100%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Organization 1.2 (the GP, e.g. a non profit)	(Blank if space to left is not blank)	General Partner	100%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Principal 1	Executive Director	0%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Principal 2	Board Member	0%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Centerline Housing Partnership VIII LP-Fund II		Investor Limited Partner	99.98 %	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
RCHP SLP VIII L.P.		Special Limited Partner	.01%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Aguila Village Housing GP, LLC		General Partner	.01%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
National Farm Workers Service Center, Inc.		Development Owner (through GP), Developer, Guarantor	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Paul F. Chavez	President	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Paul S. Park	Secretary	0%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Eva Vasquez-Camacho	Treasurer	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Tanis Ybarra	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Leticia Stamos	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Anthony Chavez	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Daniel Ortega, Esq.	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Luis Conde	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Juanita Valdez-Cox	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Roberto De La Rosa	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Rufino Contreras Affordable Housing Corporation, Inc.		Development Owner (through GP), Developer	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Juanita Valdez-Cox	Secretary/Treasurer	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Sonia Limas	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Sara Herrera	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maricela Martinez	Board Member	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Paul F. Chavez	President	0%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
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				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

Volume 1, Tab 5

PART E. PREVIOUS PARTICIPATION and BACKGROUND CERTIFICATION FORM

(also referred to as the "Previous Participation Certification" in the QAP)

Part E, Sections 1 and 2 must be completed by Persons as defined in the introduction of this exhibit through their ownership or control of TDHCA assisted affordable housing or related supportive services activities. Persons who are otherwise included in the Applicant ownership chart required under Part A. of this exhibit must also complete these sections. Nonprofit entities, public housing authorities and publicly traded corporations are required to submit documentation for the entities involved; documentation for individual board members and executive directors is also required for this exhibit. If the Person or entity has previous experience with TDHCA funding, then this should be noted by checking the "Yes" box in to the "Principal has Previous Participation with Funding from TDHCA" column in Part C. List of Principals of Organizations with an Ownership Interest in the Application and completing Sections 1 and 2 of this form. If the Person or entity has no previous experience with TDHCA funding, then this should be noted by checking the "No" box, and this form is not required.

Any Person receiving more than 10% of the Developer fee will also be required to submit documents for this exhibit. Units of local government are also required to submit this document. All participation in any TDHCA funded or monitored activity, including non-housing activities, must be disclosed. Review the information for accuracy and full disclosure as incomplete forms or disclosure may result in disqualification of the Application or an administrative deficiency.

Entity/Person Printed Name: Luis Conde

List the "Applicant Legal Name" for each current or pending TDHCA Application of the Principal: Edcouch Housing Development, L.P., Alton Housing Development, L.P.

Section 1. Experience with TDHCA Housing Construction/Rehab. Programs

TDHCA Activity ID # ³	Property Name	Property City	Total # of Units	HOME	HTF	HTC	Mort. Revenue Bonds	Other: Describe	Term of Participation or Contract Begin (mm/yy)	Term of Participation or Contract End (mm/yy)	Disclosure ⁴
01-111	Village at Meadowbend	Temple	138	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/02	N/A	<input type="checkbox"/>
03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

³ TDHCA Activity ID #: Final Development, Contract or Loan Number used by TDHCA to identify the development or activity.
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Volume 1, Tab 5

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Entity/Person Printed Name: Daniel Ortega

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Section 1. Experience with TDHCA Housing Construction/Rehab. Programs

TDHCA Activity ID # ³	Property Name	Property City	Total # of Units	HOME	HTF	HTC	Mort. Revenue Bonds	Other: Describe	Term of Participation or Contract Begin (mm/yy)	Term of Participation or Contract End (mm/yy)	Disclosure ⁴
01-111	Village at Meadowbend	Temple	138	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/02	N/A	<input type="checkbox"/>
03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Anthony Chavez

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Section 1. Experience with TDHCA Housing Construction/Rehab. Programs

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01-111	Village at Meadowbend	Temple	138	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/02	N/A	<input type="checkbox"/>
03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Leticia Stamos

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Section 1. Experience with TDHCA Housing Construction/Rehab. Programs

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01-111	Village at Meadowbend	Temple	138	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/02	N/A	<input type="checkbox"/>
03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Roberto De La Rosa

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03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Juanita Valdez-Cox

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03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadow-bend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Tanis Ybarra

List the "Applicant Legal Name" for each current or pending TDHCA Application of the Principal: Edcouch Housing Development, L.P., Alton Housing Development, L.P.

Section 1. Experience with TDHCA Housing Construction/Rehab. Programs

TDHCA Activity ID # ³	Property Name	Property City	Total # of Units	HOME	HTF	HTC	Mort. Revenue Bonds	Other: Describe	Term of Participation or Contract Begin (mm/yy)	Term of Participation or Contract End (mm/yy)	Disclosure ⁴
01-111	Village at-Meadowbend	Temple	138	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/02	N/A	<input type="checkbox"/>
03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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⁴ Disclosure: Check the box if the development or activity has known past non-compliance or defaults, technical or otherwise. If disclosures exist, then provide on separate document a description of the issue and note whether it has been cured. Examples of disclosures include: defaults, mortgage relief, assignments, foreclosures, material/mechanic's liens, legal action, issuance of IRS Form 8823, instances of non-compliance with local building codes or planning regulations, and other program findings of non compliance.

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Entity/Person Printed Name: Maricela Martinez

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Section 1. Experience with TDHCA Housing Construction/Rehab. Programs

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03-013	Jardines De-La-Fuente	Pharr	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/03	N/A	<input checked="" type="checkbox"/>
04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Sara Herrera

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04-145	Village at Meadowbend II	Temple	99	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input type="checkbox"/>
04-146	Casa Saldana	Mercedes	196	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/04	N/A	<input checked="" type="checkbox"/>
060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Entity/Person Printed Name: Sonia Limas

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060177	Casa Edcouch	Edcouch	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01/06	N/A	<input type="checkbox"/>
07302	Casa Alton	Alton	76	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	/	<input type="checkbox"/>

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Volume I, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Juanita Valdez-Cox
 Entity/Person Represented by this form

By: [Signature] 5-13-09 Its: Secretary/Treasurer
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Texas
 COUNTY OF: Hidalgo

I, the undersigned, a notary Public in and for said County, in said State, do hereby certify that Juanita Valdez-Cox, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 13th day of May, 09. (seal)

[Signature]
 Notary Public Signature 04-25-2013
 Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: HTC

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 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
 TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Daniel Ortega
 Entity/Person Represented by this form

By: [Signature] 5/14/09 Its: self
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: Arizona
 COUNTY OF: Maricopa

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Daniel Ortega, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 14 day of May, 2009 (seal)

[Signature]
 Notary Public Signature

Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: HTC

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Roberto De La Rosa
 Entity/Person Represented by this form

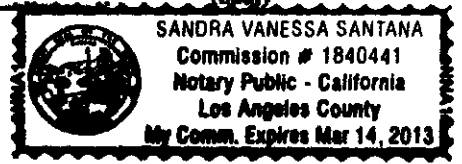
By: [Signature] _____ Its: _____
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: California
 COUNTY OF: Los Angeles

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Roberto De la Rosa, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 14 day of May 2009 (2009)

Sandra Vanessa Santana March 14, 2013
 Notary Public Signature Commission Expires



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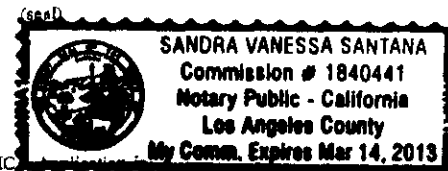
Leticia Stamos
Entity/Person Represented by this form

By Leticia Maldonado Stamos 5/14/09
Signature of Applicant/Owner/Authorized Person Date

STATE OF: _____
COUNTY OF: _____

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that E. Leticia Maldonado Stamos whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.
Given under my hand and official seal this 14 day of May, 2009.

Sandra Vanessa Santana March 14, 2013
Notary Public Signature Commission Expires



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Luis Conde
 Entity/Person Represented by this form

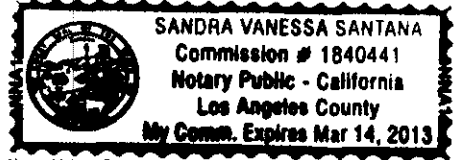
By: *Luis Conde* 5/14/09 Its: _____
 Signature of Applicant/Owner/Authorized Person Date

STATE OF: California
 COUNTY OF: Los Angeles

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Luis Conde, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 14 day of May, 2009 (seal)

Sandra Vanessa Santana March 14, 2013
 Notary Public Signature Commission Expires



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PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with:
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
 TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Tanis Ybarra
 Entity/Person Represented by this form

By: *Tanis Ybarra* 5/15/2009 Its: _____
 Signature of Applicant/Owner/Authorized Person Date

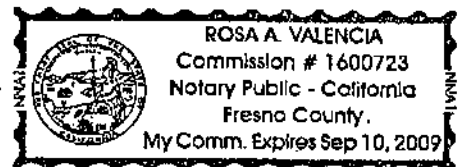
STATE OF: California
 COUNTY OF: Fresno

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Tanis Ybarra, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 15 day of May, 2009 (seal)

Rosa A. Valencia
 Notary Public Signature

9/10/09
 Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: HTC

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**PART E. 9% APPLICANT CREDIT LIMIT DOCUMENTATION AND CERTIFICATION
(HTC 9% ONLY)**

Pursuant to §49.6(d) of the QAP, the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant (which includes Affiliates), Developer, Related Party, or Guarantor. Applicants are eligible to submit tax credit Applications for which the total requested credits exceed \$2 million, however, all Applications must be identified herein to ensure that the Department is advised of all Applications having potential for violations, so that actual commitments do not exceed \$2 million.

In order to encourage the capacity enhancement of developers in Rural areas, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer, is submitted in the Rural Regional Allocation, and the Development has 80 Units or less. To be considered for this provision, a copy of a Joint Venture Agreement and narrative of how this builds the capacity of the inexperienced developer is required to be submitted behind this form.

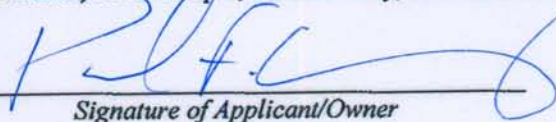
Instructions

Complete Part I of this form. For each person or entity identified in Part I, a Part II form must be submitted (i.e. if 4 persons/entities are listed in Part I, then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

- A. Development Name: Casa Messina
- B. Applicant Name: Edcouch Housing Development, L.P.
- C. Affiliates of the Applicant, Developers, Related Parties, and Guarantors– List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer, Related Party, or Guarantor:
 - 1. Rufino Contreras Affordable Housing Corp.
 - 2. National Farm Workers Service Center, Inc
 - 3. Paul F. Chavez
 - 4. Paul S. Park
 - 5. Eva Vasquez-Camacho
 - 6. Luis Conde
 - 7. Daniel Ortega, Esq.
 - 8. Anthony Chavez
 - 9. Leticia Stamos
 - 10. Roberto De La Rosa
 - 11. Tanis Ybarra
 - 12. Juanita Valdez-Cox
 - 13. Sara Herrera
 - 14. Maricela Martinez
 - 15. Sonia Limas

Individually, or as the general partner(s) or officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and entity that meet the definition of Applicant (which includes Affiliates) or Developer, Related Party, or Guarantor.

By:  5-14-09 Its: President
Signature of Applicant/Owner *Date*

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, LLP

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Tania Ybarra

- which is: [] the Applicant for a tax credit allocation. [] a Developer for the Applicant for this specific Application. [X] a Related Party to the Applicant. [] a Guarantor on the Application.

Address: PO Box 62 City: Keene State: TX ZIP: 75531

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Table with 4 columns: Development Name, City, % Ownership, % of Dev Fee. Rows include Casa Messina (Edcouch, N/A, N/A) and Casa Alton (Alton, N/A, N/A).

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: [] Yes [X] No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: Tania Ybarra Signature of Person or Entity Date: 5/15/2009 Its: _____

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Juanita Valdez-Cox

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: Po Box 188 City: San Juan State: TX ZIP: 78589

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fec:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: Juanita Valdez-Cox 5-12-09 Its: _____
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Eva Vasquez-Camacho

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 6306 Englebright Lake Dr City: Bakersfield State: CA ZIP: 93312

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By:  Its: _____
Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Rec'd TDHCA 5/15/2009

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Paul S. Park

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 634 South Spring St Suite 400 City: Los Angeles State: CA ZIP: 90014

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer: To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Signature of Person or Entity Date: 5-14-09 Its: Secretary

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part H. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Paul F. Chavez

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: PO Box 62

City: Keene

State: CA ZIP: 93531

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

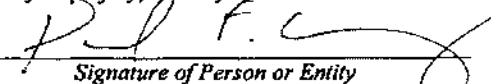
In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By:  5-13-09 Its: _____
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009-Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, LP

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Sonia Jimas

- which is: the Applicant for a tax credit allocation.
- a Developer for the Applicant for this specific Application
- a Related Party to the Applicant.
- a Guarantor on the Application.

Address: 428 Rene City: SE Alamo State: TX ZIP: 78516

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Its: 5-14-09
Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development LP

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Leticia Stamos

- which is: [] the Applicant for a tax credit allocation. [] a Developer for the Applicant for this specific Application [X] a Related Party to the Applicant. [] a Guarantor on the Application.

Address: 2281 Corner Greeld Lane City: Fallbrook State: CA ZIP: 92028

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Table with 4 columns: Development Name, City, If Joint Venture: % Ownership, % of Dev Fee. Rows include Casa Messina, Edcouch, Casa Alton, Alton.

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: [] Yes [X] No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Date: 5/14/09

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Daniel Ortega, Esq.

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 650 N Third Street City: Phoenix State: AZ ZIP: 85003
1112 E. Washington 85034

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

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Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Date: 5/14/09 Its: self

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, CIP

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Roberto De La Rosa

- which is: the Applicant for a tax credit allocation.
- a Developer for the Applicant for this specific Application
- a Related Party to the Applicant.
- a Guarantor on the Application.

Address: 450 West Alice Avenue City: Porterville State: CA ZIP: 93257

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

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This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

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Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: Roberto De La Rosa Its: _____
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, LLP

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Luis Conde

- which is: [] the Applicant for a tax credit allocation. [] a Developer for the Applicant for this specific Application. [X] a Related Party to the Applicant. [] a Guarantor on the Application.

Address: 116 Cecil Avenue City: Delano State: CA ZIP: 95215

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Table with 4 columns: Development Name, City, If Joint Venture: % Ownership, % of Dev Fee. Rows include Casa Messina, Edcouch, N/A, N/A and Casa Alton, Alton, N/A, N/A.

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: [] Yes [X] No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

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Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Signature of Person or Entity Date: 5/14/09 Its: _____

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Volume 2, Tab 1

Project Name: Casa Messina

Site Address: 7766 Mile 16 Road North
Edcouch TX 78538

Existing/Proposed: Existing

Housing Type: New Construction

Population Served: Family

Current Owner: Edcouch Housing Development, L.P.
PO Box 684162
Austin TX 78768
512-519-9444 office
512-519-9774 fax

Contact: National Farm Workers Service Center
PO Box 684162
Austin TX 78768
Jean Latsha
512-470-7312 office (cell)
512-519-9774 fax

Volume 3, Tab 1
PART B. SPECIFICATIONS AND AMENITIES

SITE ATTRIBUTES

Total Acquisition Acreage: 25.40 Development Site Acreage: 8.324 # Units per Acre: 9.13
 Single Site Contiguous Multiple Sites (# Sites:) Scattered Sites (# Sites:)**

** Note: If Scattered Site, submit evidence of scattered site pursuant to ASPM behind this tab.

DEVELOPMENT ATTRIBUTES *Selections must be consistent with submitted architectural plans*

of Residential Buildings: 19 Maximum # of Floors: 1 # of Non-Residential Buildings: 1
Configuration: Duplex Fourplex Single family construction
 Townhome >4 units per building SRO (per §42(i)(3)(B))
 Transitional (per §42(i)(3)(B))

Fire Sprinkler in all residential areas # of Passenger Elevators: 0 Wt Capacity N/A

EXTERIOR *Selections must be consistent with submitted architectural plans*

Subfloor

- Wood
- Concrete Slab
- Other (Describe)

Walls

- % Plywood/Hardboard
- % Vinyl or Aluminum Siding
- % Masonry Veneer
- % Fiber Cement Siding
- 100 % Stucco
- % Other (Describe)

Parking

- #Shed or Flat Roof Carport Spaces
- #Detached Garage Spaces
- 160 #Uncovered Spaces
- #Parking Garage Spaces

Roofs

- Built-Up Tar and Gravel
- Comp. Shingle
- Comp. Roll
- Elastomeric
- Wood Shake
- Other (Describe)

INTERIOR *Selections must be consistent with submitted architectural plans*

Flooring

- % Carpet
- % Resilient Covering
- 100 % Ceramic Tile
- % Light Concrete
- % Other (Describe)

Air System

- Forced Air
- Furnace
- Hot Water
- Warm and Cooled Air
- Heat Pump, packaged
- Wall Units
- Other (Describe)

Walls

- Drywall
- Plaster
- 8 - Foot Ceilings

Other

- Washer and Dryers onsite (#)
- Fireplace included in all Units
- Fireplace onsite (#)
- Other ceiling fixtures in each room

Roger Williams
Secretary of State

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Office of the Secretary of State

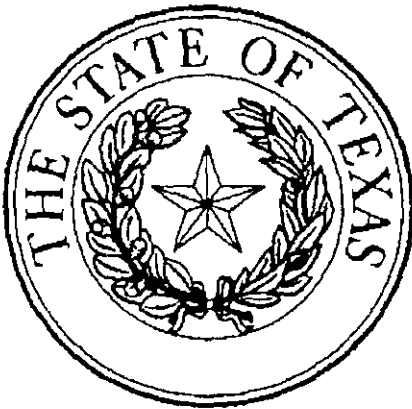
The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Aguila Village Housing GP, LLC
Filing Number: 800278498

Articles of Organization

December 11, 2003

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on March 23, 2005.



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

DEC 11 2003

Corporations Section

**ARTICLES OF ORGANIZATION
OF
AGUILA VILLAGE HOUSING GP, LLC**

The undersigned, being a natural person of the age of eighteen years or more, acting as the organizer of a limited liability company (hereinafter called the "Company") under the Texas Limited Liability Company Act, does hereby adopt the following Articles of Organization for the Company:

ARTICLE ONE

The name of the Company is Aguila Village Housing GP, LLC

ARTICLE TWO

The period of duration of the Company is perpetual.

ARTICLE THREE

The purpose for which the Company is organized is to provide decent, safe, and affordable housing to very low and low income people by developing, owning, leasing, operating, renovating, financing, and disposing of the Casa Aguila Village Apartments property in the City of Pharr, Texas, and doing all things incident to the ownership of such property. In addition to the foregoing, the Company has been formed for the purpose of furthering the public and charitable purpose of its Member, Rufino Contreras Affordable Housing Corporation, Inc.

ARTICLE FOUR

The street address of the initial registered office of the Company is 2200 East Martin Luther King Boulevard, Austin, Texas 78702 and the name of its initial registered agent at such address is Scott McGuire.

ARTICLE FIVE

The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of the Company's Members. The name and address of the Company's initial member is:

<u>Name</u>	<u>Mailing and Street Address</u>
Rufino Contreras Affordable Housing Corporation, Inc.	2200 East Martin Luther King Blvd. Austin, Texas 78702

ARTICLE SIX

The power to adopt, alter, amend or repeal the Regulations of the Company shall be vested in Members.

ARTICLE SEVEN

The Company shall have the power and authority to indemnify any person to the fullest extent permitted by law.

ARTICLE EIGHT

The name and address of the organizer are as follows:

<u>Name</u>	<u>Mailing and Street Address</u>
Paul F. Chavez	2200 East Martin Luther King Blvd. Austin, Texas 78702

ARTICLE NINE

All Members of the Company shall be (a) organizations which are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or (b) governmental units and instrumentalities. No Member of the Company shall be permitted to directly or indirectly transfer its membership interests to an entity which is not either (a) exempt from taxation under Code Section 501(c)(3) or (b) a governmental unit or instrumentality. In the event that the Member ceases to be either (a) exempt from taxation under Code Section 501(c)(3) or (b) a governmental unit or instrumentality, such Member shall be required to transfer its membership interest in the Company to the remaining Members of, if there are no remaining Members, to (a) an organization exempt from taxation under Code Section 501(c)(3) or (b) a governmental unit or instrumentality for an amount equal to the book value of such membership interest. Such transfer shall occur within ninety (90) days following the date that the Member ceased to be exempt from taxation under Code Section 501(c)(3) or a governmental unit or instrumentality, as applicable. Each Member of the Company shall be required to enforce its rights in the Company in a vigorous and expeditious manner, including, but not limited to, pursuing all legal and equitable remedies necessary to protect its interest in the Company.

ARTICLE TEN

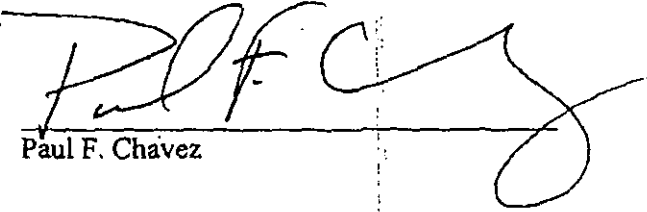
Upon the dissolution of the Company, the Members, after paying or making provision for payment of all of the liabilities of the Company in accordance with any prior legal agreements covering assets, shall distribute all of the assets to the Company's Members; provided, however, that such assets shall continue to be devoted to the purpose of providing affordable housing to very low and low income people. In the event that the Members are unable to utilize the assets

of the Company in such manner, such assets shall be distributed exclusively to exempt organizations or for exempt purposes as provided under Code Section 501(c)(3).

ARTICLE ELEVEN

No substantial part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Code Section 501(h)), and the Company shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

SIGNED this 8 day of December, 2003.


Paul F. Chavez

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF ORGANIZATION
OF**

Aguila Village Housing GP, LLC
Filing Number: 800278498

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Organization for the above named company have been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Organization.

Issuance of this Certificate of Organization does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 12/11/2003

Effective: 12/11/2003



Handwritten signature of Geoffrey S. Connor in black ink.

Geoffrey S. Connor
Secretary of State

Balance Sheet

Book= Accrual

Property=rcah AND mm/yy=12/2008

Name	Account	8-Dec	7-Dec	\$ Change
ASSETS				
Cash in Bank-Operations	1120110	0	0	0
Construction Cash	1121000	44,624.62	146,710.23	-102,085.61
Construction Cash Account	1121100	0	0	0
Accounts Receivable-Other	1132000	565,499.51	606,492.01	-40,992.50
Accounts and Notes Receivable - Operation	1140000	274,288.00	30,000.00	244,288.00
Accounts Receivable-NFWSCC	1140010	50,000.00	50,000.00	0
Advances	1141000	0	0	0
Miscellaneous Current Assets	1190000	0	0	0
TOTAL CURRENT ASSETS		934,412.13	833,202.24	101,209.89
DEPOSITS HELD IN TRUST				
PREPAID EXPENSES				
RESTRICTED DEPOSITS AND FUNDED RESERVES				
PROPERTY AND EQUIPMENT				
Work in Progress	1485000	4,938,531.04	0	4,938,531.04
Work in Progress-Contra Acct.	1485999	-4,318,862.94	0	-4,318,862.94
TOTAL PROPERTY AND EQUIPMENT		619,668.10	0	619,668.10
ACCUMULATED DEPRECIATION				
NET PROPERTY AND EQUIPMENT		619,668.10	0	619,668.10
OTHER ASSETS				
Investments - Entity	1515000	-1,816,397.82	-1,816,397.82	0
TOTAL OTHER ASSETS		-1,816,397.82	-1,816,397.82	0
TOTAL ASSETS		-262,317.59	-983,195.58	720,877.99
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable - Operations	2110000	0	330	-330
Accounts Payable - Dispositions	2110100	0	0	0
Accounts payable - Construction	2111000	343,489.75	123,699.97	219,789.78
Retention Payable	2111010	182,755.21	500	182,255.21
Accounts Payable - Entity	2113000	0	0	0
Accounts Payable-NFWSC	2113050	34,259.40	27,259.40	7,000.00
NFWSC Project Advances	2118000	0	0	0
Accrued Interest Payable	2134010	0	0	0
Accrued Interest Other Secured Debt	2134100	361,136.38	361,136.38	0
Note Payable-Construction	2178000	0	0	0
TOTAL CURRENT LIABILITIES		921,640.74	512,925.75	408,714.99
DEPOSIT LIABILITIES				
LONG TERM LIABILITIES				
Other Secured Debt	2322010	656,383.59	656,383.59	0
TOTAL LONG TERM LIABILITIES		656,383.59	656,383.59	0
TOTAL LIABILITIES		1,578,024.33	1,169,309.34	408,714.99
EQUITY				
Retained Earnings	3163000	-1,840,409.92	-2,152,572.92	312,163.00
TOTAL EQUITY/RETAINED EARNINGS		-1,840,409.92	-2,152,572.92	312,163.00
TOTAL LIABILITIES AND EQUITY		-262,385.59	-983,263.58	720,877.99

Budget Comparison (Accrual)
Rufino Contreras Affordable Housing - (rcah)
Months: Dec 2008

Prepared For:

Prepared By:
 Financial Mgmt
 P.O. Box 62
 Keene, CA 93531

Rec'd TDHCA 5/15/2009

	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
INCOME									
FINANCIAL/ NON-OPERATING REVENUE									
Developer Fee Income	0.00	0.00	0.00	0.00	244,288.00	0.00	244,288.00	0.00	0.00
Costs of Construction	0.00	0.00	0.00	0.00	74,869.91	0.00	74,869.91	0.00	0.00
TOTAL FINANCIAL/ NON-OPERATING REVENUE	0.00	0.00	0.00	0.00	319,157.91	0.00	319,157.91	0.00	0.00
TOTAL REVENUE	0.00	0.00	0.00	0.00	319,157.91	0.00	319,157.91	0.00	0.00
EXPENSES									
ADMINISTRATIVE EXPENSES									
Legal Expense - Project	0.00	0.00	0.00	0.00	537.50	0.00	(537.50)	0.00	0.00
Audit Expense	500.00	0.00	(500.00)	0.00	6,451.25	0.00	(6,451.25)	0.00	0.00
Other Administrative Expense	0.00	0.00	0.00	0.00	6.16	0.00	(6.16)	0.00	0.00
TOTAL ADMINISTRATIVE EXPENSE	500.00	0.00	(500.00)	0.00	6,994.91	0.00	(6,994.91)	0.00	0.00
ENTITY EXPENSES									
MORTGAGOR ENTITY EXPENSES									
INTEREST ON NOTES PAYABLE FROM SURPLUS CASH									
TOTAL OPERATING EXPENSES	500.00	0.00	(500.00)	0.00	6,994.91	0.00	(6,994.91)	0.00	0.00
OPERATING PROFIT OR (LOSS)	(500.00)	0.00	(500.00)	0.00	312,163.00	0.00	312,163.00	0.00	0.00

JobCost Summary (Consolidated)

Change Orders From - Job

Job=rufino AND Post Date mm/yy=01/2008-12/2008

Description	Revised Budget	Original Contract	Change Orders	Revised Contract	Prior Billed	Billed This Period	Billed To Date	Cost To Complete	% Complete
110-20000 Escrow Deposits	0	0	0	0	0	0	0	0	0
110-30000 Land Value	84,340.00	83,578.00	0	83,578.00	84,340.00	-478	83,862.00	-284	100.34
120-10000 Appraisal	9,600.00	17,400.00	0	17,400.00	9,600.00	0	9,600.00	7,800.00	55.17
120-20000 Appraisal-Acquisition	480	0	0	480	480	0	480	0	100
140-70000 Maintenance	0	0	0	0	0	-600	-600	600	0
150-10000 Title Insurance & Fees	443.44	347.44	0	347.44	443.44	0	443.44	-96	127.63
170-10000 Environmental (HazMat)	0	0	0	0	0	0	0	0	0
170-20000 Assessment	2,200.00	7,241.67	0	7,241.67	2,200.00	0	2,200.00	5,041.67	30.38
170-21000 Phase I	5,441.67	0	0	5,441.67	5,441.67	0	5,441.67	0	100
180-40000 Other bldg systems inspect	0	0	0	0	6,334.00	50	6,384.00	-6,384.00	0
180-50000 Market Study	2,219.87	8,553.87	0	8,553.87	2,219.87	-2,100.00	119.87	8,434.00	1.4
180-60000 Other	1,197.84	3,352.39	0	3,352.39	1,578.39	-380.55	1,197.84	2,154.55	35.73
210-23000 Origination Fee	0	1,169.00	0	1,169.00	0	0	0	1,169.00	0
210-40000 Interest Charges	8,096.60	7,689.65	0	7,689.65	7,299.57	797.03	8,096.60	-406.95	105.29
210-50000 Escrow Fees	-762.08	-762.08	0	-762.08	-762.08	0	-762.08	0	100
220-21000 Application Fee	4,589.00	0	0	4,589.00	4,589.00	0	4,589.00	0	100
220-25000 Interest Charges	16,061.00	0	0	16,061.00	16,061.00	0	16,061.00	0	100
230-20000 Lender Fees	10,310.00	0	0	10,310.00	10,310.00	0	10,310.00	0	100
230-22000 Commitment Fee	4,250.00	14,250.00	0	14,250.00	4,250.00	0	4,250.00	10,000.00	29.82
230-31000 Legal	35,189.38	13,325.00	0	13,325.00	30,189.38	0	30,189.38	-16,864.38	226.56
230-34000 Construction Inspections	0	9,325.00	0	9,325.00	0	0	0	9,325.00	0
230-40000 Interest Charges	0	161,510.00	0	161,510.00	0	67,933.62	67,933.62	93,576.38	42.06
230-50000 Title & Escrow Fees	52,169.00	32,235.56	0	32,235.56	52,169.00	54.13	52,223.13	-19,987.57	162
240-20000 Lender Fees	0	2,000.00	0	2,000.00	0	0	0	2,000.00	0
240-40000 Interest Charges	10,893.00	4,643.00	0	4,643.00	0	0	0	4,643.00	0
250-23000 Origination Fee	4,750.00	4,750.00	0	4,750.00	0	0	0	4,750.00	0
260-10000 Tax Credit Fees	0	34,375.00	0	34,375.00	30,205.00	5,000.00	35,205.00	-830	102.41
260-20000 Application Fee	2,500.00	0	0	2,500.00	2,500.00	0	2,500.00	0	100
260-30000 Reservation Fee (9% projects)	0	0	0	0	0	0	0	0	0
260-60000 Monitoring Fee	0	0	0	0	0	0	0	0	0
260-72000 Legal	0	0	0	0	2,139.75	1,544.75	3,684.50	-3,684.50	0
310-10000 Legal	0	73,618.75	0	73,618.75	0	1,961.50	1,961.50	71,657.25	2.66
310-20000 Real Estate	606.95	0	0	606.95	606.95	0	606.95	0	100
310-30000 Land Use Entitlements	73,959.00	73,959.00	0	73,959.00	73,959.00	0	73,959.00	0	100
310-50000 Organizational	95,179.75	1,381.25	0	1,381.25	80,221.00	15,153.75	95,374.75	-93,993.50	6,904.96
320-10000 Insurance	141,591.62	73,254.00	0	73,254.00	145,759.25	-4,167.63	141,591.62	-68,337.62	193.29
330-10000 Property Taxes	1,572.72	6,000.00	0	6,000.00	6,188.23	2,388.73	8,576.96	-2,576.96	142.95
340-20000 Construction Management	18,426.59	0	0	18,426.59	18,426.59	0	18,426.59	0	100

340-30000 Project Admin	838.26	0	0	838.26	0	166.03	166.03	672.23	19.81
340-40000 Consultant/Processing agent	1,000.00	1,800.00	0	1,800.00	0	1,000.00	1,000.00	800	55.56
340-50000 Audit & Tax Return (not incl c	15,500.00	21,000.00	0	21,000.00	2,500.00	3,500.00	6,000.00	15,000.00	28.57
340-70000 Developer Fee	800,000.00	800,000.00	0	800,000.00	100,000.00	548,576.00	648,576.00	151,424.00	81.07
350-20000 Construction Consultant	1,800.00	0	0	1,800.00	1,800.00	0	1,800.00	0	100
370-10000 Cost Certification Audit	5,023.75	6,000.00	0	6,000.00	0	5,023.75	5,023.75	976.25	83.73
390-10000 Soft Cost Contingency	0	42,789.33	0	42,789.33	1,124.50	-1,490.82	-366.32	43,155.65	-0.86
410-10000 Architect	477.31	0	0	477.31	477.31	0	477.31	0	100
410-30000 Design	67,389.38	83,154.84	0	83,154.84	67,389.38	0	67,389.38	15,765.46	81.04
410-40000 Construction Admin/Supervision	0	22,000.00	0	22,000.00	0	17,145.00	17,145.00	4,855.00	77.93
410-50000 Reimbursables	0	4,364.73	0	4,364.73	482.43	9,719.09	10,201.52	-5,836.79	233.73
410-60000 Additional Services	6,080.43	2,480.43	0	2,480.43	2,480.43	3,600.00	6,080.43	-3,600.00	245.14
420-10000 Landscape Architect	11,918.19	17,500.00	0	17,500.00	11,918.19	0	11,918.19	5,581.81	68.1
440-10000 Survey	30,661.25	35,000.00	0	35,000.00	8,000.00	22,661.25	30,661.25	4,338.75	87.6
440-20000 Pre-Construction (ALTA, etc)	1,666.50	0	0	1,666.50	1,666.50	0	1,666.50	0	100
450-10000 Civil Engineer	14,000.00	42,000.00	0	42,000.00	14,000.00	0	14,000.00	28,000.00	33.33
450-21000 Grading	3,300.00	0	0	3,300.00	3,300.00	0	3,300.00	0	100
450-23000 Utilities	17,208.64	0	0	17,208.64	17,208.64	0	17,208.64	0	100
450-31000 Grading	8,010.00	0	0	8,010.00	8,010.00	0	8,010.00	0	100
450-40000 Subdivision	20,404.00	0	0	20,404.00	20,404.00	0	20,404.00	0	100
454-00000 STRUCTURAL ENGINEER	1,829.36	0	0	1,829.36	1,829.36	0	1,829.36	0	100
454-10000 FRAMING ENGINEER	1,808.51	5,129.36	0	5,129.36	1,750.00	58.51	1,808.51	3,320.85	35.26
455-10000 SOILS ENGINEER	0	0	0	0	0	0	0	0	0
455-20000 FOUNDATION ENGINEER	740	8,310.00	0	8,310.00	300	440	740	7,570.00	8.9
456-00000 MECH., ELEC. AND PLUMBING ENG	0	18,026.81	0	18,026.81	818.17	5,025.27	5,843.44	12,183.37	32.42
460-10000 Geotechnical Engineer	0	7,590.00	0	7,590.00	7,590.00	35,041.18	42,631.18	-35,041.18	561.68
510-22000 Building Permit Fees	44,764.00	40,032.00	0	40,032.00	44,764.00	0	44,764.00	-4,732.00	111.82
510-50000 State	750	0	0	750	0	750	750	0	100
630-00000 Contract-Construction-G702	0	4,846,480.00	0	4,846,480.00	45,975.06	4,555,830.45	4,601,805.51	244,674.49	94.95
630-01310 Project Management & Coordinat	0	0	0	0	0	0	0	0	0
630-01502 General Requirements	0	0	0	0	0	0	0	0	0
640-30000 Residential Units-MF	0	0	0	0	0	672.23	672.23	-672.23	0
640-40000 Community Bldg; Maint. Bldg	0	0	0	0	0	0	0	0	0
660-10000 General Conditions-G702	334,681.80	318,000.00	0	318,000.00	52,681.80	198,389.19	251,070.99	66,929.01	78.95
660-20000 Preconstruction Services	0	0	0	0	0	0	0	0	0
660-50000 Sales Tax	0	0	0	0	0	0	0	0	0
670-20000 Profit-G702	120,000.00	120,000.00	0	120,000.00	9,500.00	118,500.00	128,000.00	-8,000.00	106.67
690-10000 Contingency, Construction	0	264,224.00	0	264,224.00	21,223.85	0	21,223.85	243,000.15	8.03
710-30000 Advertising	22,800.00	22,800.00	0	22,800.00	0	1,273.87	1,273.87	21,526.13	5.59
720-10000 Furnishings	50,000.00	60,000.00	0	60,000.00	0	9,521.41	9,521.41	50,478.59	15.87
730-10000 Reserves	47,900.00	47,900.00	0	47,900.00	0	3,037.45	3,037.45	44,862.55	6.34
	2,215,856.73	7,469,778.00	0	7,584,477.28	1,043,942.63	5,625,597.19	6,669,539.82	914,937.46	87.94



Fidelity National Title

INSURANCE COMPANY

515 Congress #100

Austin, TX 78701

(512) 494-9600 • FAX (512) 494-9601

Rec'd TDHCA 5/15/2009

DATE: September 22, 2005

TIME: 19:20:02

GF #: 04-83858-WAB

ESCROW OFFICER: Wendy A. Butters

CLOSING DATE: September 23, 2005

BUYER FINAL CLOSING STATEMENT

SELLER(S): LYNCH PROPERTIES, L.L.C.

BUYER(S): NATIONAL FARM WORKERS SERVICE CENTER

PROPERTY: 28 acres West and Adams Tracts, Edcouch, TX

	\$ DEBITS	\$ CREDITS
FINANCIAL:		
Total Consideration	254,200.00	
Deposit - Rufino Contreras Affordable Housing Corp.		10,000.00
Deposit - Rufino Contreras Affordable Housing Corp.		5,000.00
Deposit - National Farm Worker Svc. Cntr. p/c #1329		3,000.00
Deposit - National Farm Workers Svc. Center p/c 1328		2,000.00
Deposit - Rufino Contreras Affordable Housing Corp.		5,000.00
New 1st Trust Deed to ENTERPRISE HOUSING FINANCIAL SERVICES, INC.		177,100.00
PRORATIONS/ADJUSTMENTS:		
Unpaid County Taxes at \$5,984.95 Annually from 01/01/05 to 09/23/05		4,345.24
TITLE CHARGES:		
Simultaneous with Owners Policy for 177,100.00	100.00	
Endorsement Fee(s)	25.00	
State of Texas Guaranty Fee (Mortgagees)	1.00	
ESCROW CHARGES		
Settlement or Closing Fee	250.00	
NEW LOAN CHARGES - ENTERPRISE HOUSING FINANCIAL SERVICES, INC.		
Total Loan Charges: \$3,542.00		
Loan Origination Fee ENTERPRISE HOUSING FINANCIAL SERVICES, INC.	3,542.00	
<hr/>		
BALANCE DUE ESCROW		\$ 51,672.76
TOTALS	\$ 258,118.00	\$ 258,118.00

SAVE THIS STATEMENT FOR INCOME TAX PURPOSES



Rufino Contreras Affordable Housing Corporation, Inc.

Post Office Box 62, Keene, CA 93531 • Telephone (661) 823-6201 • Fax (661) 823-6175

December, 2008

Board of Directors

Directors

Paul F. Chavez, Director
President of the National Farm Workers
Service Center, Inc.
P.O. Box 62
Keene, CA 93531

Maricela Martinez
Community Activist
P.O. Box 188
San Juan, TX 78589

Sara Herrera
Community Activist
38709 Miguel St.
Penitas Texas 78576

Sonia Limas
Community Activist
428 Rene
St. Alamo, Texas 78516

Officers

Paul F. Chavez, President

Secretary
Juanita Valdez-Cox
Executive Director of La Union De Pueblo
Enterno
P.O. Box 188
San Juan, TX 78589

Treasurer
Juanita Valdez-Cox
Executive Director of La Union De Pueblo
Enterno
P.O. Box 188
San Juan, TX 78589



National Farm Workers Service Center, Inc.

Post Office Box 62, Keene, CA 93531 • Telephone (661) 823-6201 • Fax (661) 823-6175

Directors*	Directors*	Officers*
<p>Paul F. Chavez President of the National Farm Workers Service Center, Inc. P.O. Box 62 Keene, CA 93531 Tel: (661) 823-6201</p> <p>Elected 05/11/1991</p>	<p>Tanis Ybarra Secretary-Treasurer for the United Farm Workers of America, AFL-CIO P.O. Box 62 Keene, CA 93531 Tel: (661) 823-6174</p> <p>Elected 07/23/94</p>	<p>President Paul F. Chavez P.O. Box 62 Keene, CA 93531 Tel. (661) 823-6201</p> <p>Appointed 06/12/1992</p>
<p>Eva Vasquez-Camacho Community Activist/Organizer 9505 Bard Ct. Bakersfield, CA 93311 Tel: (661) 387-6732</p> <p>Elected 07/23/1994</p>	<p>Juanita Valdez Cox Executive Director of La Union De Pueblo Enterno P.O. Box 188 San Juan, TX 78589 Tel: (956) 783-5626</p> <p>Elected 01/27/2001</p>	<p>Treasurer Eva Vasquez-Camacho 6306 Englebright Lake Drive Bakersfield, CA 93312 Tel. (661) 387-6732</p> <p>Appointed 05/09/1996</p>
<p>Roberto De La Rosa Executive Director of OLA Raza 450 West Alice Avenue Porterville, CA 93257 Tel: (559) 784-1121</p> <p>Elected 05/12/1994</p>	<p>Leticia Stamos School Teacher and Community Activist 2281 Corner Creek Lane Fallbrook, CA 92028 Tel: (760) 723-1164</p> <p>Elected 12/11/1999</p>	<p>Secretary Paul S. Park 634 S. Spring Street Suite 400 Los Angeles, CA 90014 Tel: (213)362-0260</p> <p>Appointed 05/02/1995</p>
<p>Anthony F. Chavez Executive Vice President of Communications National Farm Workers Service Center, Inc. P.O. Box 62 Keene, CA 93531 Tel: (661) 837-0745</p> <p>Elected 07/23/1994</p>	<p>Daniel Ortega, Esq. Roush, McCarcken, Guerrero, Miller & Ortega 650 N. Third Street Phoenix, AZ 85003-001 Tel: (602) 253-3554</p> <p>Elected 01/25/2003</p>	



National Farm Workers Service Center, Inc.

Post Office Box 62, Keene, CA 93531 • Telephone (661) 823-6201 • Fax (661) 823-6175

<p>Luis Conde Executive Director of PROTEUS, Inc. 1427 S. Lexington Street Suite No. 9 Delano, CA 93215 Tel: (661) 725-0803</p>		
---	--	--

Elected 05/07/1997

***All Directors and Officers were re-appointed for one year terms on January 31, 2009 and ending January 30, 2010.**

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Maricela Martinez
which is: the Applicant for a tax credit allocation.
 a Developer for the Applicant for this specific Application
 a Related Party to the Applicant.
 a Guarantor on the Application.

Address: PO Box 138 City: San Juan State: TX ZIP: 78589

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name	City	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Aiton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Date: 5-14-09 Its: _____

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Sara Herrera
Entity/Person Represented by this form

By: Sara Herrera 5/14/09 Its: _____
Signature of Applicant/Owner/Authorized Person Date

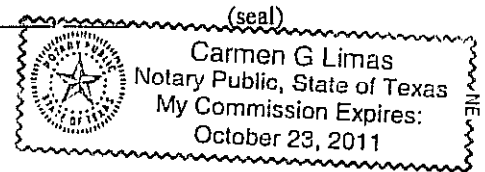
STATE OF: Texas
COUNTY OF: Hidalgo

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Sara Herrera, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 14 day of May, 2009

Carmen G. Limas
Notary Public Signature

10/23/2011
Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: HTC

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Sara Herrera

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 38709 Miguel Street City: Penitas State: TX ZIP: 78576

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: Sara Herrera 5/14/09 Its: _____
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Volume 1, Tab 5
PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with:
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.);
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.);
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.
 TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Anthony Chavez
 Entity/Person Represented by this form

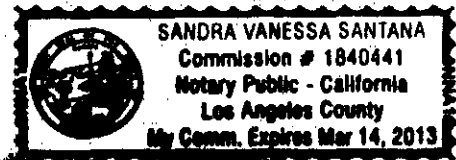
By: [Signature] Date: 5/15/09 It: _____
 Signature of Applicant/Owner/Authorized Person

STATE OF: California
 COUNTY OF: Los Angeles

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Anthony Chavez, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 15 day of May, 2009. (seal)

Sandra Vanessa Santana
 Notary Public Signature
March 14, 2013
 Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: HTC

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Casa Messina

Applicant Name: Edcouch Housing Development, L.P.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Anthony F. Chavez

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: PO Box 62 City: Keene State: CA ZIP: 93531

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Casa Messina</u>	<u>Edcouch</u>	<u>N/A</u>	<u>N/A</u>
<u>Casa Alton</u>	<u>Alton</u>	<u>N/A</u>	<u>N/A</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Date: 5/15/09 Its: _____

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

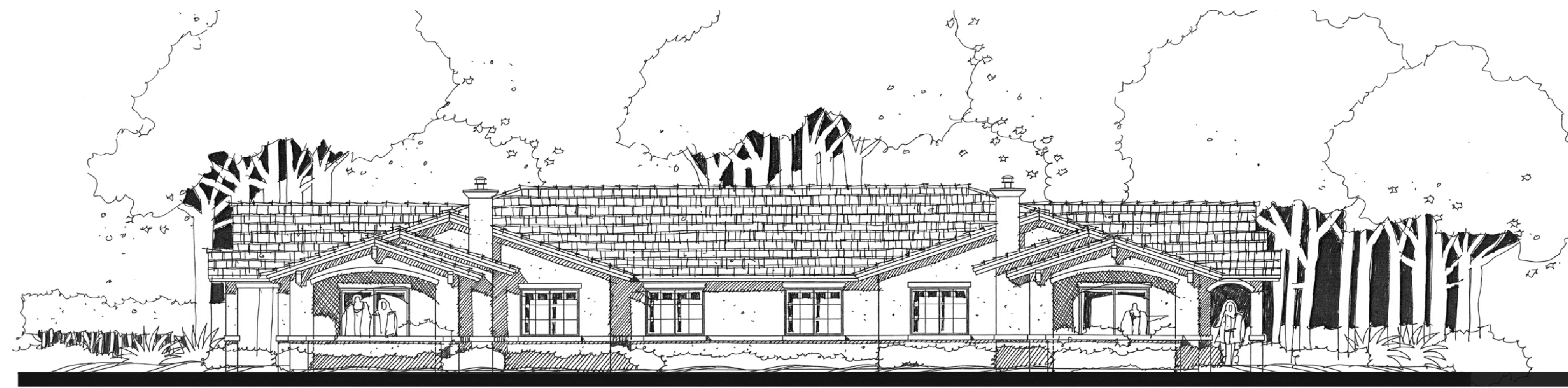
Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

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- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
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 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;



PROJECT DIRECTORY

OWNER:
EDCOUCH HOUSING DEVELOPMENT, L. P.
 908 E. FIFTH ST., SUITE 201
 AUSTIN, TX 78702
 (512) 474-5003 (512) 474-5010 FAX

RUFINO CONTRERAS AFFORDABLE HOUSING CORP., INC.
 908 E. FIFTH ST., SUITE 201
 AUSTIN, TX 78702
 (512) 474-5003 (512) 474-5010 FAX

ARCHITECT
 RODRIGUEZ ASSOCIATES, INC. ARCHITECTS & PLANNERS, INC.
 2445 FIFTH AVENUE, SUITE 220
 SAN DIEGO, CA 92101
 (619) 544-8951 (619) 544-8941 FAX

CIVIL ENGINEER
 BARRERA INFRASTRUCTURE GROUP, INC.
 10125 NORTH 10TH STREET, SUITE A
 MCALLEN, TX 78504
 (956) 624-4985 (956) 318-1118 FAX

STRUCTURAL ENGINEER
 HENKEL ENGINEERING
 210 N. DENTON TAP ROAD, SUITE 160
 COPPELL, TX 75067
 (972) 745-3039 (972) 745-8980 FAX

LANDSCAPE ARCHITECT
 MECKS DESIGN GROUP
 1100 CENTENNIAL BLVD., SUITE 210
 RICHARDSON, TX 75081
 (972) 690-7474 (972) 690-7878 FAX

FOUNDATION ENGINEER
 STRAND SYSTEMS ENGINEERING, INC.
 2964 L. B. J., SUITE 312
 DALLAS, TX 75234
 (972) 620-8204 (972) 488-8432 FAX

SOILS ENGINEER
 RABA-KISTNER CONSULTANTS, INC.
 800 E. HACKBERRY
 MCALLEN, TX 78501
 (956) 682-5332 (956) 682-5487 FAX

M. E. P. ENGINEER
 EN, INC.
 13581 POND SPRINGS ROAD, SUITE 305
 AUSTIN, TEXAS 78729
 (512) 918-9315 (512) 918-9318 FAX

EDCOUCH APARTMENTS

CITY OF EDCOUCH - TEXAS

RUFINO CONTRERAS AFFORDABLE HOUSING CORP.

RODRIGUEZ ASSOCIATES, ARCHITECTS AND PLANNERS, INC.

BUILDING DEPARTMENT SUBMITTAL SET

SQUARE FOOTAGE

UNIT A.1

SPACE	SQ. FOOTAGE
LIVING AREA	750 S.F.
COVERED PATIO	100 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	12 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	N/A
TOTAL	910 S.F.

UNIT B.1

SPACE	SQ. FOOTAGE
LIVING AREA	947 S.F.
COVERED PATIO	114 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	11 S.F.
TOTAL	1,130 S.F.

UNIT C.1

SPACE	SQ. FOOTAGE
LIVING AREA	1,068 S.F.
COVERED PATIO	106 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	N/A
TOTAL	1,232 S.F.

COMM. BUILDING

SPACE	SQ. FOOTAGE
EAST WING (OFFICES)	1,007 SQ. FT.
WEST WING (COMMUNITY SP)	2,878 SQ. FT.
BREEZEWAY	143 SQ. FT.
WH # ELEC. ALCOVE	24 SQ. FT.
ARCH. POP-OUT	67 SQ. FT.
TOTAL	4,124 SQ. FT.

UNIT A.2

SPACE	SQ. FOOTAGE
LIVING AREA	750 S.F.
COVERED PATIO	100 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	12 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	10 S.F.
TOTAL	920 S.F.

UNIT B.2

SPACE	SQ. FOOTAGE
LIVING AREA	947 S.F.
COVERED PATIO	114 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	21 S.F.
TOTAL	1,140 S.F.

UNIT C.2

SPACE	SQ. FOOTAGE
LIVING AREA	1,068 S.F.
COVERED PATIO	106 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	10 S.F.
TOTAL	1,242 S.F.

BUILDING TYPE I

SPACE	SQ. FOOTAGE
LIVING AREA	3,000 S.F.
SUBTOTAL	3,000 S.F.
GEN. STORAGE	36 S.F.
COVERED PATIO	400 S.F.
COVERED PORCH	156 S.F.
WH CLOSET	48 S.F.
ARCH. POP-OUT	20 S.F.
UTILITY ALCOVE	17 S.F.
TOTAL BLDG. AREA	3,677 S.F.

BUILDING TYPE II

SPACE	SQ. FOOTAGE
LIVING AREA	3,788 S.F.
SUBTOTAL	3,788 S.F.
GEN. STORAGE	36 S.F.
COVERED PATIO	456 S.F.
COVERED PORCH	156 S.F.
WH CLOSET	40 S.F.
ARCH. POP-OUT	64 S.F.
UTILITY ALCOVE	20 S.F.
TOTAL BLDG. AREA	4,560 S.F.

BUILDING TYPE III

SPACE	SQ. FOOTAGE
LIVING AREA	4,272 S.F.
SUBTOTAL	4,272 S.F.
GEN. STORAGE	36 S.F.
COVERED PATIO	424 S.F.
COVERED PORCH	156 S.F.
WH CLOSET	40 S.F.
ARCH. POP-OUT	20 S.F.
UTILITY ALCOVE	19 S.F.
TOTAL BLDG. AREA	4,967 S.F.

SHEET INDEX

ARCHITECTURAL

- TS TITLE SHEET
- AS.1 ARCHITECTURAL SITE PLAN
- GN.1 GEN. NOTES, SYMBOLS AND ABBREVI.
- GN.2 DISABLED ACCESS REQUIREMENTS
- GN.3 DISABLED ACCESS REQUIREMENTS
- GN.4 DISABLED ACCESS REQUIREMENTS
- GN.5 FIRE RATING PENETRATIONS
- SP.1 GENERAL SPECIFICATIONS
- SP.2 GENERAL SPECIFICATIONS
- SP.3 GENERAL SPECIFICATIONS
- SP.4 GENERAL SPECIFICATIONS
- SP.5 GENERAL SPECIFICATIONS
- SP.6 GENERAL SPECIFICATIONS
- SP.7 GENERAL SPECIFICATIONS
- SP.8 GENERAL SPECIFICATIONS
- SC.1 DOOR & WINDOW SCHEDULE
- AO.01 INTERIOR ELEVATIONS
- AO.02 INTERIOR ELEVATIONS
- AO.1 UNIT PLAN A
- AO.2 UNIT PLAN B
- AO.3 UNIT PLAN C
- A1.1 BLDG. I - FLOOR PLAN
- A1.2 BLDG. I - ROOF PLAN
- A1.3 BLDG. I - EXT. ELEVATIONS
- A1.4 BLDG. I - BUILDING SECTIONS
- A2.1 BLDG. II - FLOOR PLAN
- A2.2 BLDG. II - ROOF PLAN
- A2.3 BLDG. II - EXT. ELEVATIONS
- A2.4 BLDG. II - BUILDING SECTIONS
- A3.1 BLDG. III - FLOOR PLAN
- A3.2 BLDG. III - ROOF PLAN
- A3.3 BLDG. III - EXT. ELEVATIONS
- A3.4 BLDG. III - BUILDING SECTIONS
- A4.0 COMM. BLDG. - INTERIOR ELEVATIONS
- A4.1 COMM. BLDG. - INTERIOR ELEVATIONS
- A4.2 COMM. BLDG. - 1ST LEVEL FLOOR PLAN
- A4.3 COMM. BLDG. - EXT. ELEVATIONS
- A4.4 COMM. BLDG. - EXT. ELEVATIONS
- A4.5 COMM. BLDG. - BUILDING SECTIONS
- A4.6 COMM. BLDG. - BUILDING SECTIONS
- A4.7 COMM. BLDG. - BUILDING SECTIONS
- AS.1 TRASH ENCL. - PLAN & EXT. ELEV.
- A6.1 MAIL KIOSK
- D.1 ROOF DETAILS
- D.2 WINDOW DETAILS
- D.3 DOOR DETAILS
- D.4 EXTERIOR DETAILS
- D.5 EXTERIOR DETAILS
- D.6 INTERIOR DETAILS
- D.7 INT / MISC. DETAILS
- D.8 SITE DETAILS

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- S-1 BLDG. TYPE I - FRAMING PLAN
- S-2 BLDG. TYPE II - FRAMING PLAN
- S-3 BLDG. TYPE III - FRAMING PLAN
- S-4 COMMUNITY BLDG. - ROOF FRAMING PLAN
- S-5 COMMUNITY BLDG. - SHEAR WALL LAYOUT PLAN
- S-6 ANGLIARY BLDG. - FRAMING PLAN
- S-7 TYPICAL FRAMING SECTIONS & DETAILS
- S-8 TYPICAL FRAMING SECTIONS & DETAILS
- S-9 TYPICAL ROOF BRACING DETAILS
- S-10 GENERAL NOTES
- FD-0.0 GENERAL NOTES & TYPICAL DETAILS
- FD-0.1 FOUNDATION DETAILS
- FP-1.0 FORMING & POST-TENSION PLAN TYPE I
- FP-2.0 FORMING & POST-TENSION PLAN TYPE II
- FP-3.0 FORMING & POST-TENSION PLAN TYPE III
- FP-4.0 FORMING & POST-TENSION PLAN COMMUNITY BLDG.

POST TENSION SLAB

MEP

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- E-1 SITE - LIGHTING & POWER
- MPE-2.0 BLDG. TYPE I, II & III
- M-3 UNITS A, B & C - MECHANICAL
- M-4 COMMUNITY BLDG. - MECHANICAL
- M-5 MECHANICAL DETAILS & SCHEDULES
- P-3 UNITS A, B & C - PLUMBING
- P-4 BLDG. TYPE I, II & III - COLD WATER
- P-5 BLDG. TYPE I, II & III - WASTEWATER
- P-6 COMM. BLDG. - PLUMBING
- P-7 COMM. BLDG. - WASTEWATER RISER
- P-8 PLUMBING DETAILS & SCHEDULES
- E-3 UNITS A, B & C - ELECTRICAL
- E-4 COMMUNITY BLDG. - ELECTRICAL
- E-5 MAIL & TRASH AREA - ELECTRICAL
- E-6 UNIT & BUILDING - CALCULATIONS
- E-7 COMM. BLDG. ELEC. RISER DIAGRAM
- E-8 ELECTRICAL DETAILS & SCHEDULES

LANDSCAPE

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- LO.01 KEY PLAN
- LO.02 ACCESS PLAN
- LO.03 DETAILS
- LO.04 TAS NOTES
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- LO.06 GENERAL NOTES
- LI.01 CONSTRUCTION PLAN
- LI.02 CONSTRUCTION PLAN
- LI.03 CONSTRUCTION PLAN
- LI.04 POOL CONSTRUCTION
- LI.04B POOL LAYOUT
- LI.04G POOL MATERIALS
- LI.05 CONSTRUCTION DETAILS
- LI.06 CONSTRUCTION DETAILS
- LI.07 CONSTRUCTION DETAILS
- L2.01 PLANTING PLAN
- L2.02 PLANTING PLAN
- L2.03 PLANTING PLAN
- L2.04 POOL PLANTING
- L2.05 GRASS/GRAVEL PLAN
- L2.06 PLANTING DETAILS

PROJECT DATA

PROJECT LOCATION: EDCOUCH, TEXAS
PARCEL IDENTIFICATION: R 326153 & R 326154
PARCEL ACCOUNTING NO.: M-3800-00-554-0000-02 & M-3800-00-554-0000-05

LEGAL DESCRIPTION:
 AN 8.32 ACRE TRACT OF LAND OUT OF FARM TRACT 554, WEST TRACT SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER MAP RECORDED IN VOLUME 2, PAGE 34, MAP RECORDS OF HIDALGO COUNTY, TEXAS.

SITE AREA: SEE CIVIL PLANS
PROPOSED NO. OF UNITS: 16 UNITS

UNIT TYPE	NO. BEDROOM/BATH	NO. UNITS
PLAN 'A'	1 BDRM. - 1 BATH	12
PLAN 'B'	2 BDRM. - 2 BATH	36
PLAN 'C'	3 BDRM. - 2 BATH	28
TOTAL NO. OF UNITS:		76

BLDG. TYPE	NO. OF STORIES	NO. OF BLDGS.	OCCUPANCY	TYPE OF CONST.
BLDG. I (4-FLEX)	ONE	3	R-2	VB
BLDG. II (4-FLEX)	ONE	1	R-2	VB
BLDG. III (4-FLEX)	ONE	7	R-2	VB
COMMUNITY BLDG.	ONE	1	A-3	VB
TOTAL NO. OF BLDGS.:		20		

EDCOUCH APARTMENTS

RUFINO CONTRERAS AFFORDABLE HOUSING CORP. HOUSING & COMMUNITY DEV.

908 E. FIFTH ST., SUITE 201 AUSTIN, TEXAS 78702
 (512) 474-5003 PHONE (510) 474-5010 FAX

TITLE SHEET

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
▲			▲		
▲			▲		
▲			▲		

DATE: FEB. 12, 2007 SHEET: TS

JOB NO. [] DRAWN [] CHECKED []

VICINITY MAP

NOT TO SCALE

CITY APPROVALS & REQUIREMENTS

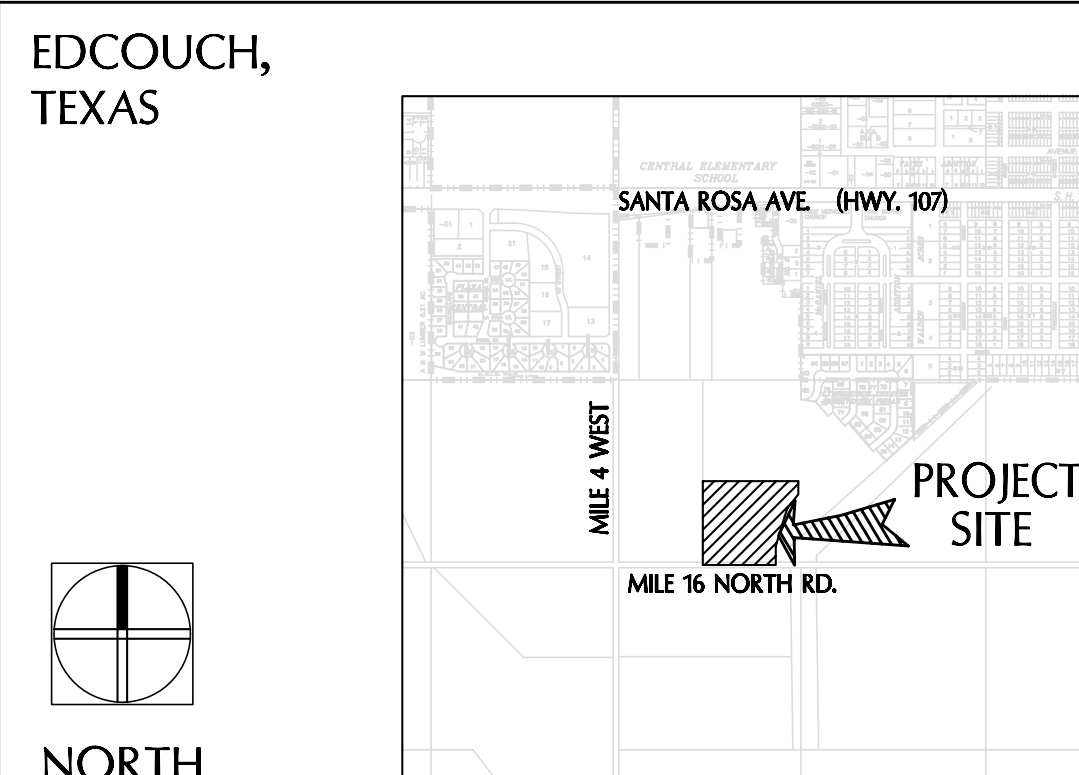
PLAN CHECK FILE NO.:
 BUILDING DEPARTMENT PERMIT APPROVAL:
 APPLICABLE BUILDING CODES:
 THIS PROJECT SHALL COMPLY WITH THE 2003 EDITION OF THE INTERNATIONAL BUILDING CODE.
 NOTE: THIS PROJECT SHALL COMPLY WITH ALL APPLICABLE BLDG. CODES.

DEFERRED SUBMITTAL

I. TRUSS CALCULATIONS AND LAYOUTS
 NOTE:
 SUBMITTAL DOCUMENTS FOR DEFERRED SUBMITTAL ITEMS SHALL BE SUBMITTED TO THE ARCHITECT OR ENGINEER OF RECORD, WHO SHALL REVIEW THEM AND FORWARD THEM TO A BUILDING OFFICIAL WITH A NOTATION INDICATING THAT THE DEFERRED SUBMITTAL DOCUMENTS HAVE BEEN REVIEWED AND THAT THEY HAVE BEEN FOUND TO BE IN GENERAL CONFORMANCE WITH THE DESIGN OF THE BUILDINGS. THE DEFERRED SUBMITTAL ITEMS SHALL NOT BE FABRICATED OR INSTALLED UNTIL THEIR DESIGN AND SUBMITTAL DOCUMENTS HAVE BEEN APPROVED BY A BLDG. OFFICIAL.

SPECIAL INSPECTIONS & GRADING REQ.

I. POST-TENSION SLAB

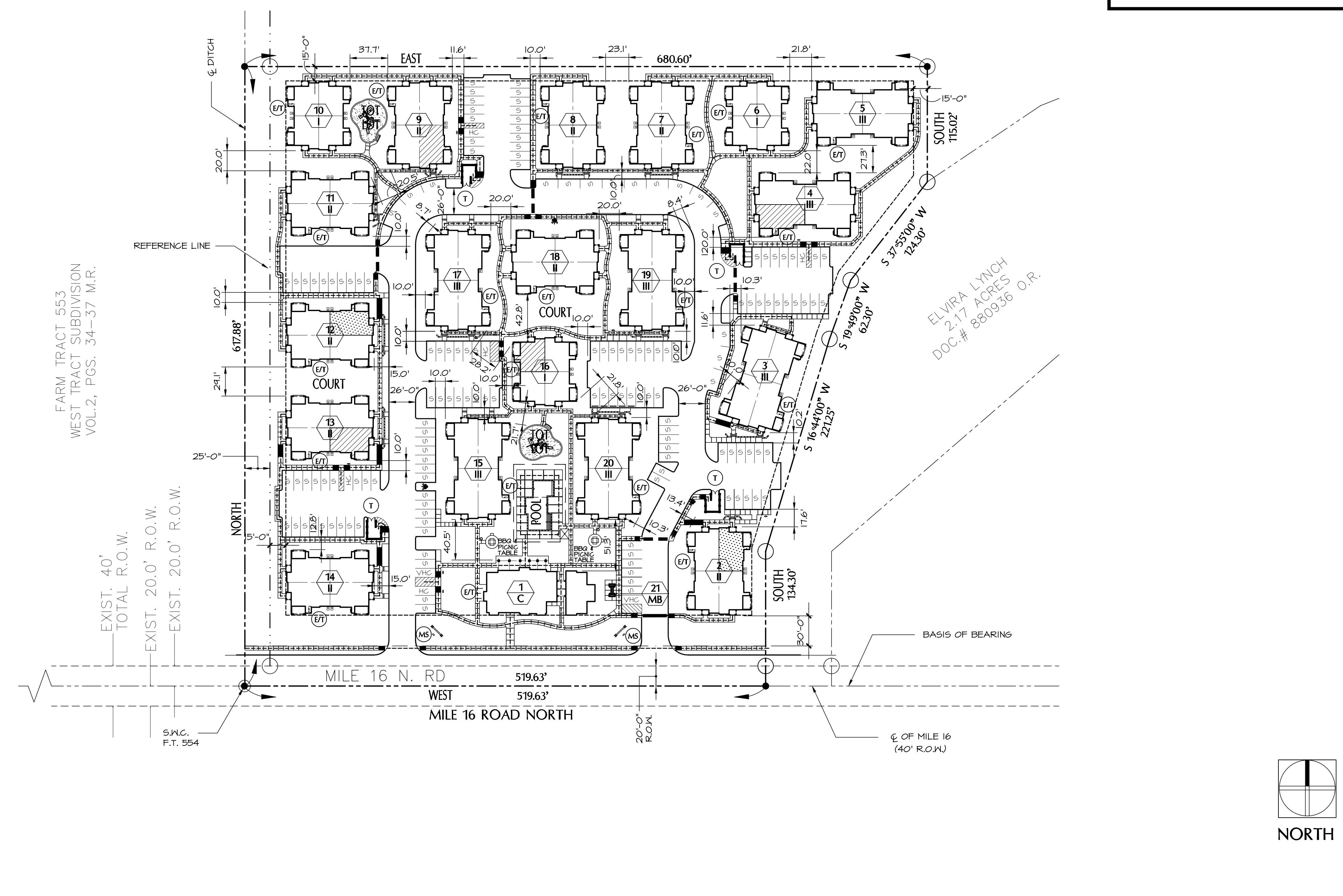


NORTH

THESE SERVICES, REPRESENTATIONS OF VALUE AND/OR COSTS ARE PRESENTED BY THIS DRAWING SET UNDER THE PROFESSIONAL SEAL AND SIGNATURE OF THE ARCHITECTS & PLANNERS, INC. CONTRACTOR SHALL VERIFY & BE RESPONSIBLE FOR ALL DIMENSIONS & CONDITIONS SHOWN BY THESE DRAWINGS.

NOTE:
 CONTRACTOR SHALL VERIFY ALL PEDESTRIAN ACCESSIBLE PATH AND HARDSCAPE WITH CIVIL AND LANDSCAPE PLANS PRIOR TO CONSTRUCTION.

- SHEET NOTES**
- ARCHITECTURAL SITE PLAN IS FOR BLDGS. DEPARTMENT REFERENCE ONLY AND NOT FOR CONSTRUCTION. FOR ALL SITE INFORMATION REFER TO CIVIL ENGINEER & LANDSCAPE ARCH. DRAWINGS.
 - REFER TO PLANS PREPARED BY CIVIL, MECHANICAL, PLUMBING, ELECTRICAL ENGINEERS AND LANDSCAPE ARCHITECT FOR HORIZONTAL CONTROLS, SITE ACCESSIBILITY, SITE UTILITIES AND ADDITIONAL INFORMATION.
 - MAILBOX EQUIPMENT AND LOCATIONS SHALL BE PROVIDED BY GENERAL CONTRACTOR AS REQUIRED BY THE U.S. POSTAL SERVICE AND APPROVED BY THE ARCHITECT. MAIL BOXES SHALL MEET ACCESSIBILITY STANDARDS. REFER TO GNB3 FOR ADDITIONAL INF.
 - HANDICAP PARKING SPACES - SEE CIVIL PLANS.
 - PLAYGROUND AND TOT-LOT AREAS - SEE LANDSCAPE PLANS.
 - PROJECT MONUMENT - SEE LANDSCAPE PLANS.
 - FOR SITE RETAINING WALLS - SEE CIVIL PLANS.
 - FOR LIMITS OF SITE WALLS, AND RETAINING WALLS, DETAILS AND ADDITIONAL INFORMATION SEE CIVIL AND LANDSCAPE PLANS, AS MINIMUM STANDARD ALL SITE RETAINING WALLS SHALL BE WATER-PROOFED. PER. (16 D.B.) (17 D.B.)
 - ALL PROPERTY LINES, EASEMENTS AND BLDGS., BOTH EXISTING AND PROPOSED, ARE SHOWN ON THE CIVIL PLANS.
 - BUILDING NUMBERS SHALL BE DIMENSIONAL CUT NUMERALS WITH PIN SUPPORTS AND ADHERED TO EXTERIOR STUCCO FINISH. FONT, NEW TIMES ROMAN. COLOR, BLACK. MATERIAL, RAISED VINYL. LETTERS. SUBMIT SAMPLES FOR ARCHITECTURAL REVIEW.
 - ALL DWELLING UNIT SEPARATION WALLS SHALL BE ONE HOUR FIRE RESISTIVE PER DETAIL. (8 D.T.) (10 D.B.)
 - PROJECT SITE DIRECTORY SHALL BE PER LANDSCAPE CONTRACTOR TO VERIFY W/ LOCAL FIRE DEPARTMENT REQUIREMENT AND SUBMIT SHOP DRAWINGS.
 - FOR APARTMENT NUMBERS REFER TO DETAIL. (15 D.B.)
 - MARKING OF FIRE LANES SHALL INCLUDE ALL DRIVEWAYS AND PARKING AREA. FIRE DEPARTMENT ACCESS ROADS SHALL BE PROVIDED AND MAINTAINED IN ACCORDANCE WITH SECTIONS 501 AND 503 ON THE INTERNATIONAL FIRE CODE WITH AMENDMENTS AS APPROVED BY THE CITY OF EDCOUCH. FIRE LANES SHALL EXTEND BEHIND THE PARKING SPACES.
 - AT EVERY PRIMARY PUBLIC ENTRANCE AND EVERY MAJOR JUNCTION ALONG OR LEADING TO AN ACCESSIBLE ROUTE OF TRAVEL INSTALL SITE ACCESSIBILITY SIGNAGE PER DETAIL. (8 D.B.)
 - FOR HANDICAP SIGNAGE REFER TO DETAILS: (5 D.B.) (6 D.B.) (8 D.B.)
 - FOR HANDICAP PARKING AND CARPORTS REFER TO DETAILS: (1 D.B.) (2 D.B.)
 - SURFACE WATER SHALL BE SLOPED AWAY FROM BUILDING. REFER TO CIVIL PLANS.
 - FOR FIRE DEPARTMENT RED CURB AND PARKING STRIPING REFER TO CIVIL PLANS.
 - CONTRACTOR SHALL FIELD VERIFY SITE CONDITION FOR DEEPEN FOOTING FOUNDATIONS PRIOR TO CONSTRUCTION. (4 D.4)
 - FIRE SPRINKLER PLANS SHALL BE SUBMITTED TO THE FIRE DEPARTMENT FOR APPROVAL PRIOR TO INSTALLATION.
 - ALL ACCESSIBLE ACCESS AISLES SHALL BE PAINTED PER CITY OF EDCOUCH STANDARDS.
 - ALL ON-SITE CURB RAMP THAT ADJOIN A VEHICULAR TRAFFIC LANE WILL REQUIRE DETECTABLE WARNINGS. DETECTABLE WARNINGS SHALL BE 'ARMOR TILE' OR EQUAL.
 - ENTIRE FACILITY SHALL COMPLY WITH THE INTERNATIONAL BUILDING CODE FOR ACCESSIBILITY. WHEN CONFLICTS EXIST BETWEEN THE ADA AND THE INTERNATIONAL BUILDING CODE THE STANDARD THAT PROVIDES THE GREATEST DEGREE OF ACCESSIBILITY SHALL COMPLY.
 - SITE ACCESS SHALL COMPLY WITH FIRE CODE REQUIREMENTS FOR ALL-WEATHER ROADWAY AND FIRE HYDRANT INSTALLATION PRIOR TO FRAMING.
 - SITE ACCESS SHALL COMPLY WITH FIRE CODE REQUIREMENTS.



ARCHITECTURAL SITE PLAN

REFER TO CIVIL ENGINEERING AND LANDSCAPE PLANS FOR ADDITIONAL INFORMATION AND NOTES.

PROJECT DATA

PROJECT LOCATION: EDCOUCH, TEXAS		STANDARD PARKING PROVIDED: STANDARD PARKING = 148 TOTAL STANDARD PARKING PROVIDED = 148		ACCESSIBLE UNITS EQUIPPED W/ HEARING OR VISION IMPAIRED DEVICES: 2% OF ALL UNITS (2% X 76) = 152 TOTAL NO. OF UNITS REQUIRED = 2	
SITE: LAND AREA = 8 ACRES DENSITY = 4.5 DU/AC		HANDICAP PARKING PROVIDED: VAN HANDICAP PARKING = 2 HANDICAP PARKING = 5 GRAN TOTAL PARKING PROVIDED = 155		ACCESSIBLE UNIT TYPES PROVIDED: UNIT TYPE 'A' (H.C. ACCESSIBLE) = 1 UNIT TYPE 'B' (H.C. ACCESSIBLE) = 2 UNIT TYPE 'C' (H.C. ACCESSIBLE) = 1 UNIT TYPE 'D' (EQUIPPED W/ VISIBLE & HEARING IMPAIRED DEVICES) = 2 TOTAL ACCESSIBLE UNITS PROVIDED = 6	
BUILDING MIX: BUILDING I (4-FLEX BLDGS.) = 3 BUILDING II (4-FLEX BLDGS.) = 4 BUILDING III (4-FLEX BLDGS.) = 7 COMMUNITY BUILDING = 1 TOTAL NO. OF BLDGS. = 20		REQUIRED STANDARD PARKING: TWO SPACES PER UNIT (2 X 76) = 152 TOTAL REQUIRED PARKING = 152		ACCESSIBLE UNITS REQUIRED: RESIDENTIAL - ONE PER HCP UNIT (1 X 4) = 4 COMMUNITY BLDG. - TWO PER BLDG. (2 X 1) = 2 TOTAL REQUIRED PARKING = 6	
RESIDENTIAL UNIT MIX: PLAN 'A' 1 BEDROOM / 1 BATH = 12 16% PLAN 'B' 2 BEDROOM / 2 BATH = 36 47% PLAN 'C' 3 BEDROOM / 2 BATH = 28 37% TOTAL NO. OF UNITS = 76 100%		REQUIRED HANDICAP PARKING: RESIDENTIAL - ONE PER HCP UNIT (1 X 4) = 4 COMMUNITY BLDG. - TWO PER BLDG. (2 X 1) = 2 TOTAL REQUIRED PARKING = 6			

SHEET LEGEND

(I)	INDICATES BUILDING NUMBER	(E)	INDICATES ELECTRICAL ALCOVE	---	INDICATES PROPERTY LINE
(II)	INDICATES BUILDING TYPE: • I - RESIDENTIAL / 4-PLEX BLDG. • II - RESIDENTIAL / 4-PLEX BLDG. • III - RESIDENTIAL / 4-PLEX BLDG. • C - COMMUNITY BUILDING • MB - MAIL BOX KIOSK	(TD)	INDICATES TEL./DATA ALCOVE	---	INDICATES EASEMENT LINE
(T)	INDICATES TRASH / RECYCLING ENCLOSURE LOCATION. MUST HAVE 6' HIGH SOLID SCREEN OF WOOD OR CMU WALL. PROVIDE CONC. APRON AS REQUIRED BY CITY AND CIVIL.	(MS)	MONUMENT SIGN LOCATION	---	INDICATES SETBACK LINE
(ET)	INDICATES ELECTRICAL/DATA ALCOVE	S	STANDARD PARKING STALL (9'X20')	---	INDICATES ACCESSIBLE PATH OF TRAVEL
		HC	HANDICAP PARKING STALL (14' MIN X 20')	[Hatched Box]	HANDICAP ACCESSIBLE DWELLING UNIT LOCATION
		VHC	VAN HANDICAP PARKING STALL (11' MIN X 20')	[Dotted Box]	HANDICAP ACCESSIBLE DWELLING UNIT LOCATION EQUIPPED W/ HEARING OR VISIBLE IMPAIRED DEVICES
		(F)	FIRE HYDRANT LOCATION		

EDCOUCH APARTMENTS

RUFINO CONTRERAS AFFORDABLE HOUSING CORP. HOUSING & COMMUNITY DEV.

908 E. FIFTH ST., SUITE 201 AUSTIN, TEXAS 78702
 (512) 474-5003 PHONE (510) 474-5010 FAX

ARCHITECTURAL SITE PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
▲			▲		
▲			▲		
▲			▲		

DATE FEB. 12, 2007 SHEET AS.1

JOB NO. _____

DRAWN _____

CHECKED _____

ALL IDEAS, DESIGNS, ARRANGEMENTS & PLANS INDICATED OR REPRESENTED BY THIS DRAWING ARE OWNED BY & THE PROPERTY OF RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC. & WERE CREATED, EVOLVED & DEVELOPED FOR USE ON, & IN CONNECTION WITH, THE SPECIFIED PROJECT. NONE OF SUCH IDEAS, DESIGNS, ARRANGEMENTS OR PLANS SHALL BE USED WITHOUT THE WRITTEN PERMISSION OF RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL TAKE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTOR SHALL VERIFY & BE RESPONSIBLE FOR ALL DIMENSIONS & CONDITIONS ON THE JOB. & THIS OFFICE MUST BE NOTIFIED OF ALL VARIATIONS FROM THE DIMENSIONS & CONDITIONS SHOWN BY THESE DRAWINGS.

PLAN SHEET LEGEND

	2X4 STUD WALL		INDICATES FURRED GL. AREA TO 7'-0" CLR. UNO.	(1) (D7)
	2X6 STUD WALL		WALL W/ UNFACED R-II BATT SOUND INSUL.	(5) (D7)
	2X8 STUD WALL		1 - HOUR DWELLING SEPARATION WALL	(5) (D7)
	MASONRY WALL		NOTES CEILING HT.	

PLAN FINISH SCHEDULE LEGEND

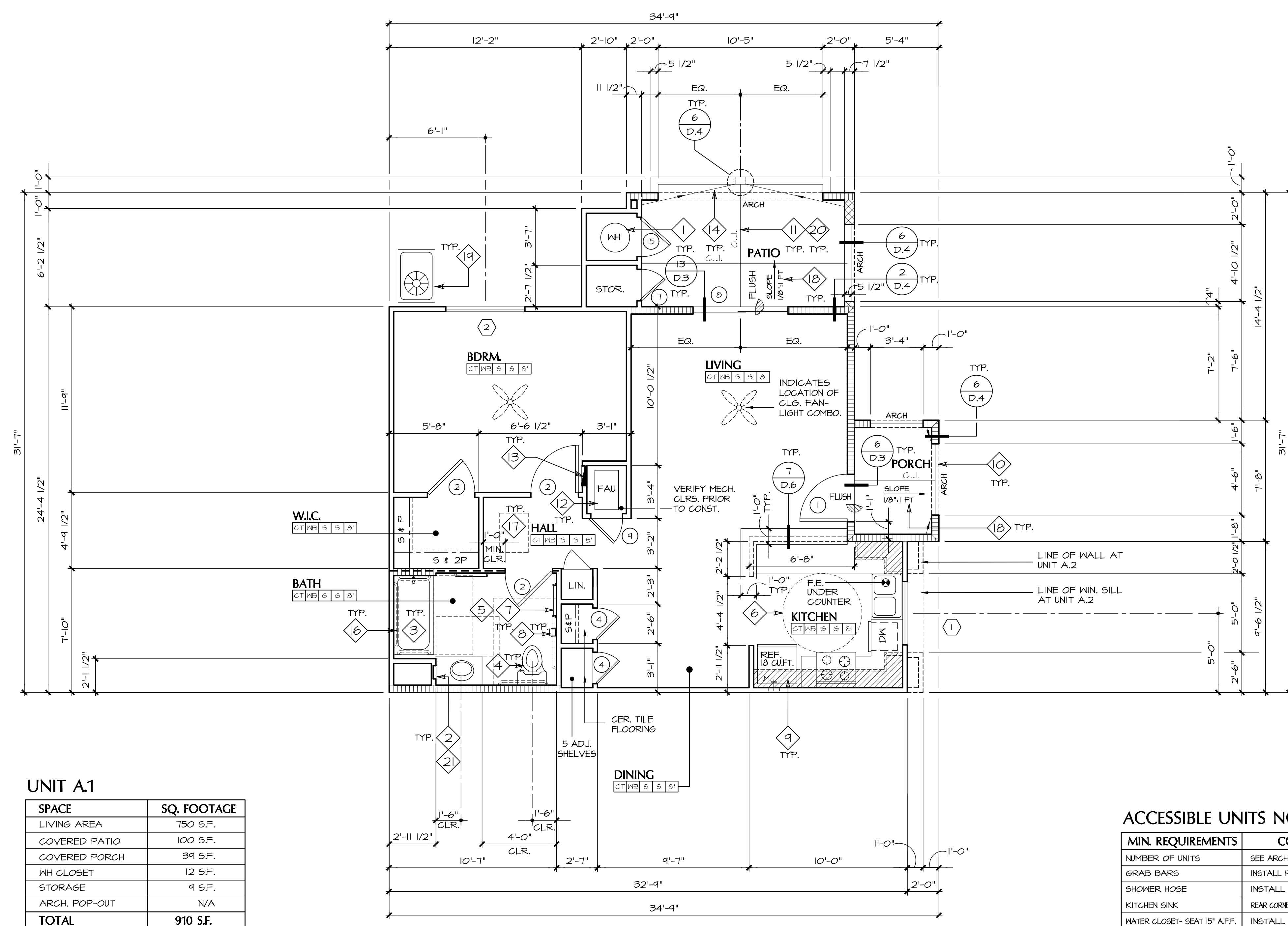
ROOM NAME	ROOM	CEILING HEIGHT	N	NONE
FLOOR MATERIAL		CEILING MATERIAL	GB	6YP. BD. TAPED/PAINTED. 1 COAT PAINT, PER SPEC.S
BASE MATERIAL		WALL FINISH	F	6YP. BD. LIGHT ORANGE PEEL TEXTURE & FLAT LATEX PAINT PER SPEC.S
CT	CERAMIC TILE, PER SPEC.S	SC	SMOOTH TROWELED CONC. FINISH	6YP. BD. LIGHT ORANGE PEEL TEXTURE & SEMI-GLOSS ENAMEL PAINT PER SPEC.S
CP	CARPET W/ PAD, PER SPEC.S	V	VAULTED CEILING	6YP. BD. LIGHT ORANGE PEEL TEXTURE & GLOSS ENAMEL PAINT PER SPEC.S
SV	SHEET VINYL, PER SPEC.S	VB	VINYL BASE	6YP. BD. LIGHT ORANGE PEEL TEXTURE & GLOSS ENAMEL PAINT PER SPEC.S
VCT	VINYL COMPOSITION TILE, PER SPEC.S	WB	WOOD BASE PRIMED & PAINTED PER SPEC.S.	

PLAN SHEET NOTES

- FOR ABBREVS, SYMBOLS & GEN. NOTES REFER TO SHT. GN.1.
- FOR ADD. DISABLED ACCESS REQMT.S & BATHROOM GRAB BAR CONDITION AND WALL BLOCKING REFER TO SHEETS GN.2, GN.3 & GN.4.
- FOR DOOR AND WINDOW SCHEDULE, REFER TO SHEET SC.1.
- SWITCHES & ELEC. TEL. & TV RECEPTACLES SHALL BE INSTALLED AT ACCESSIBLE HEIGHT AS REQ. BY ICC/ANSI A117.1-1983 & TEXAS ACCESSIBILITY STANDARDS.
- INSTALL SMOKE DETECTORS AS REQ'D. REFER TO ELEC. PLANS.

PLAN SHEET KEYNOTES

	WATER HEATER LOCATION INSTALL PER DETAIL. INSTALL 6"X4" GALV. WALL VENT 4" BELOW CEILING.		LINE OF HANDICAP GRAB BARS, AS REQUIRED.
	RECESS. MEDICINE CABT. W/ USABLE SHELF AT 44" A.F.F.		22" X 30" MIN. CLR. ATTC. ACCESS PANEL. VERIFY SIZE W/ MECH. ENG.
	32"X60" (UNO) I-PIECE PREFAB. TUB/SHOWER. W/ 12" MAINSCOT		SLOPE TO DRAIN.
	WATER CLOSET		AIR CONDITIONING CONDENSERS. REFER TO MECH. PLANS.
	48"X66" W.C. CLEARANCE 30"X48" LAV. CLEARANCE. 30"X60" TUB CLEARANCE.		PROVIDE STUCCO CONTROL JOINT AT CLG. SOFFIT TO MATCH DECK/PATIO G.L.
	INDICATES 5'-0" HANDICAP ACCESSIBLE TURNING RADIUS.		RECESSED MEDICINE CABT. BY 'JENSEN MODEL NO. 135-36 WH.
	24" TOWEL BAR. INSTALL AT +40" A.F.F.		RECESSED MEDICINE CABT. BY 'JENSEN MODEL NO. 835F24 OR EQ.
	TOILET PAPER DISPENSER		
	33"X12" REFRIG. SPACE. VERIFY W/ OWNER & VENDOR PRIOR TO CONST.		
	LINE OF 6YP. BD. CASED OPENING, SOFFIT OR CLG. ABV.		
	CONC. CONTROL JOINT.		
	FORCED AIR UNIT (F.A.U.) W/ R.A.S. PER MECH. PLANS.		
	UNIT ELECTRICAL PANEL, PER ELEC. PLANS.		
	PATIO OR BALCONY DRAINAGE CRICKET.		
	CONT. 1-HR. FLR./CLG. ASSEMBLY AT VOID SPACES, TYPICAL.		



UNIT A.1

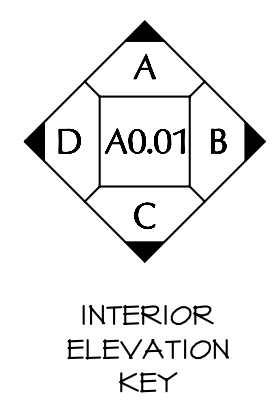
SPACE	SQ. FOOTAGE
LIVING AREA	750 S.F.
COVERED PATIO	100 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	12 S.F.
STORAGE	4 S.F.
ARCH. POP-OUT	N/A
TOTAL	910 S.F.

UNIT A.2

SPACE	SQ. FOOTAGE
LIVING AREA	750 S.F.
COVERED PATIO	100 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	12 S.F.
STORAGE	4 S.F.
ARCH. POP-OUT	10 S.F.
TOTAL	920 S.F.

UNIT PLAN A.1

1 BEDROOM · 1 BATH



SCALE: 1/4" = 1'-0"

ACCESSIBLE UNITS NOTES

MIN. REQUIREMENTS	COMMENTS
NUMBER OF UNITS	SEE ARCH. SITE, SHT. AS.1
GRAB BARS	INSTALL PER TENANT'S REQUEST
SHOWER HOSE	INSTALL PER SHT. GN.4
KITCHEN SINK	REAR CORNER DISCHARGE (6 1/2" MAX DEEP)
WATER CLOSET - SEAT 15' AFF.	INSTALL PER SHT. GN.3
IN-TUB SEAT	INSTALL PER TENANT'S REQUEST
UPPER CABT. 48" A.F.F.	INSTALL PER SHT. GN.3 & INT. ELEV.
FRONT DR. PEEP HOLES	TWO (2), SEE SHT. SC.1
HEARING IMPAIRED DEVICE	VISUAL LIGHT ON DR. CHIME VISUAL LIGHT FOR SMOKE DETECTORS VISUAL LIGHT FOR FIRE ALARM.
ACCESSIBLE TYPE REF.	FROST-FREE. INSTALL PER PLANS
RANGE/OVEN ACCESSIBLE	FRONT CONTROLS, SELF-CLEANING OVEN, INSTALL PER PLANS
RANGE HOOD	42" WIDE W/ ELEC. WALL SWITCH, INSTALL PER PLANS
TOWEL BAR MOUNTING HEIGHT	ONE AT +40" AFF. AT ACCESSIBLE BATH
WIRE PULLS ON CABT. DOORS	INSTALL PER PLANS
HIGH DENSITY PAD OR DIRECT CONTACT AT CARPET	INSTALL PER PLANS

- FOR ADDITIONAL REQUIREMENTS REFER TO:
- ARCHITECTURAL SHEETS GN.2, GN.3 & GN.4
 - SEPARATE VISUAL ALARMS SHALL BE PROVIDED FOR EACH DEVICE.
 - VERIFY W/ OWNER ANY ADDITIONAL ACCESSIBILITY REQUIREMENTS & INSTALLATIONS PRIOR TO CONSTRUCTION.
 - UNITS DESIGNATED FOR HEARING AND VISION IMPAIRED SHALL HAVE A TELEPHONE JACK SYSTEM INTERFACE WIRING CAPABLE OF SUPPORTING VOICE AND TTY COMMUNICATION WITH PUBLIC USE SYSTEM. AN ELEC. OUTLET TO BE PROVIDED ADJ. TO PHONE JACK.
 - UNITS DESIGNATED FOR HEARING AND VISION IMPAIRED SHALL HAVE SWITCH AND OUTLET SHALL HAVE COLOR COVER PLATE WITH CONTRAST COLOR FROM WALLS.

EDCOUCH APARTMENTS

RUFINO CONTRERAS AFFORDABLE HOUSING CORP. HOUSING & COMMUNITY DEV.
 908 E. FIFTH ST., SUITE 201 AUSTIN, TEXAS 78702
 (512) 474-5003 PHONE (510) 474-5010 FAX

UNIT A.1 & A.2 · FLOOR PLANS

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
▲			▲		
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DATE: FEB. 12, 2007 SHEET: A0.1

JOB NO. _____ DRAWN _____ CHECKED _____

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PLAN SHEET LEGEND

	2X4 STUD WALL		INDICATES FURRED CLG. AREA TO 7'-0" CLR. UNO.	(1) (D7)
	2X6 STUD WALL		WALL W/ UNFACED R-II BATT SOUND INSUL.	(5) (D7)
	2X8 STUD WALL		1 - HOUR DWELLING SEPARATION WALL	(5) (D7)
	MASONRY WALL		NOTES CEILING HT.	

PLAN FINISH SCHEDULE LEGEND

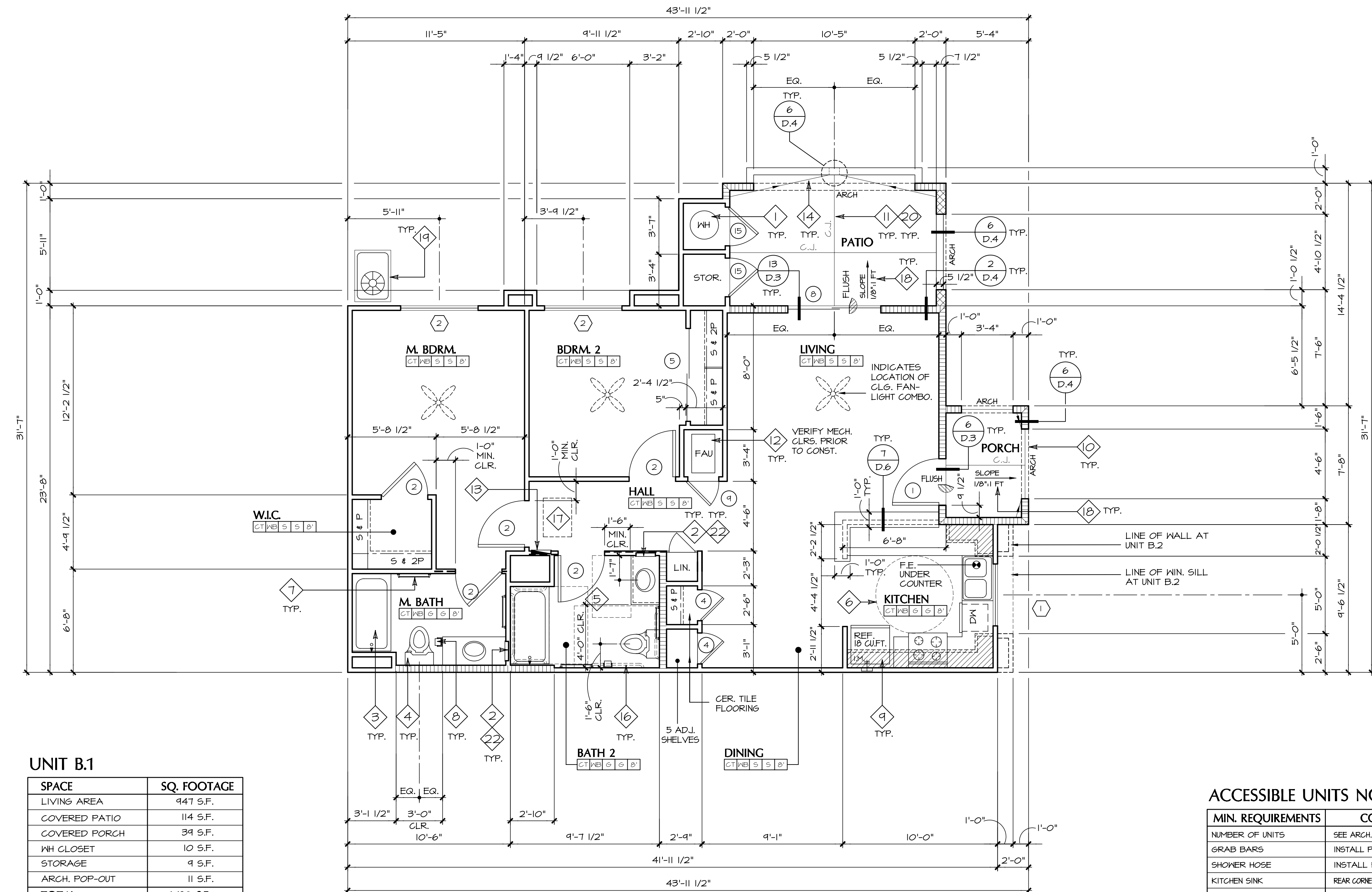
ROOM NAME	ROOM	CEILING HEIGHT	N	NONE
FLOOR MATERIAL		CEILING MATERIAL	GB	6YP. BD. TAPED/PAINTED. 1 COAT PAINT, PER SPEC.S
CT CERAMIC TILE, PER SPEC.S	SC SMOOTH TROWELED CONC. FINISH	F		6YP. BD. LIGHT ORANGE PEEL TEXTURE & FLAT LATEX PAINT PER SPEC.S
CP CARPET W/ PAD, PER SPEC.S	V VAULTED CEILING	S		6YP. BD. LIGHT ORANGE PEEL TEXTURE & SEMI-GLOSS ENAMEL PAINT PER SPEC.S
SV SHEET VINYL, PER SPEC.S	VB VINYL BASE	G		6YP. BD. LIGHT ORANGE PEEL TEXTURE & GLOSS ENAMEL PAINT PER SPEC.S
VCT VINYL COMPOSITION TILE, PER SPEC.S	WB WOOD BASE PRIMED & PAINTED PER SPEC.S			

PLAN SHEET NOTES

- FOR ABBREVS, SYMBOLS & GEN. NOTES REFER TO SHT. GN.1.
- FOR ADD. DISABLED ACCESS REQMT.S & BATHROOM GRAB BAR CONDITION AND WALL BLOCKING REFER TO SHEETS GN.2, GN.3 & GN.4.
- FOR DOOR AND WINDOW SCHEDULE, REFER TO SHEET SC.1.
- SWITCHES & ELEC. TEL. & TV RECEPTACLES SHALL BE INSTALLED AT ACCESSIBLE HEIGHT AS REQ. BY ICC/ANSI A117.1-1988 & TEXAS ACCESSIBILITY STANDARDS.
- INSTALL SMOKE DETECTORS AS REQ'D. REFER TO ELEC. PLANS.

PLAN SHEET KEYNOTES

	WATER HEATER LOCATION INSTALL PER DETAIL. INSTALL 6"X4" GALV. WALL VENT 4" BELOW CEILING.		LINE OF HANDICAP GRAB BARS, AS REQUIRED.
	RECESS. MEDICINE CABT. W/ USABLE SHELF AT 44" A.F.F.		22" X 30" MIN. CLR. ATIC ACCESS PANEL. VERIFY SIZE W/ MECH. ENG.
	32"X60" (UNO) I-PIECE PREFAB. TUB/SHOWER. W/ 12" MAINSCOT		SLOPE TO DRAIN.
	WATER CLOSET		AIR CONDITIONING CONDENSERS. REFER TO MECH. PLANS.
	48"X66" W.C. CLEARANCE 30"X48" LAV. CLEARANCE. 30"X60" TUB CLEARANCE.		PROVIDE STUCCO CONTROL JOINT AT CLG. SOFFIT TO MATCH DECK/PATIO G.L.
	INDICATES 5'-0" HANDICAP ACCESSIBLE TURNING RADIUS.		RECESSED MEDICINE CABT. BY 'JENSEN MODEL NO. 135-36 WH.
	24" TONEL BAR. INSTALL AT 40" A.F.F.		RECESSED MEDICINE CABT. BY 'JENSEN MODEL NO. 835P24 OR EQ.
	TOILET PAPER DISPENSER		
	33"X12" REFRIG. SPACE. VERIFY W/ OWNER & VENDOR PRIOR TO CONST.		
	LINE OF 6YP. BD. CASED OPENING, SOFFIT OR CLG. ABV.		
	CONC. CONTROL JOINT.		
	FORCED AIR UNIT (F.A.U.) W/ R.A.S. PER MECH. PLANS.		
	UNIT ELECTRICAL PANEL, PER ELEC. PLANS.		
	PATIO OR BALCONY DRAINAGE CRICKET.		
	CONT. 1-HR. FLR./CLG. ASSEMBLY AT VOID SPACES, TYPICAL.		



UNIT B.1

SPACE	SQ. FOOTAGE
LIVING AREA	947 S.F.
COVERED PATIO	114 S.F.
COVERED PORCH	39 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	11 S.F.
TOTAL	1,130 S.F.

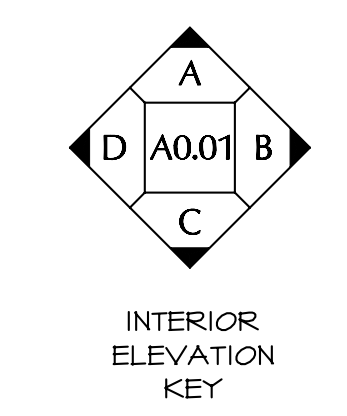
UNIT B.2

SPACE	SQ. FOOTAGE
LIVING AREA	947 S.F.
COVERED PATIO	114 S.F.
COVERED PORCH	39 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	21 S.F.
TOTAL	1,140 S.F.

ACCESSIBLE UNITS NOTES

MIN. REQUIREMENTS	COMMENTS
NUMBER OF UNITS	SEE ARCH. SITE, SHT. AS.1
GRAB BARS	INSTALL PER TENANT'S REQUEST
SHOWER HOSE	INSTALL PER SHT. GN.4
KITCHEN SINK	REAR CORNER DISCHARGE (6 1/2" MAX. DEEP)
WATER CLOSET- SEAT 15" A.F.F.	INSTALL PER SHT. GN.3
IN-TUB SEAT	INSTALL PER TENANT'S REQUEST
UPPER CABT. 48" A.F.F.	INSTALL PER SHT. GN.3 & INT. ELEV.
FRONT DR. PEEP HOLES	TWO (2), SEE SHT. SC.1
HEARING IMPAIRED DEVICE	VISUAL LIGHT ON DR. CHIME VISUAL LIGHT FOR SMOKE DETECTORS VISUAL LIGHT FOR FIRE ALARM
ACCESSIBLE TYPE REF.	FROST-FREE. INSTALL PER PLANS
RANGE/OVEN ACCESSIBLE	FRONT CONTROLS, SELF-CLEANING OVEN, INSTALL PER PLANS
RANGE HOOD	42" WIDE W/ ELEC. WALL SWITCH, INSTALL PER PLANS
TONEL BAR MOUNTING HEIGHT	ONE AT 40" AFF. AT ACCESSIBLE BATH
WIRE PULLS ON CABT. DOORS	INSTALL PER PLANS
HIGH DENSITY PAD OR DIRECT CONTACT AT CARPET	INSTALL PER PLANS

- FOR ADDITIONAL REQUIREMENTS REFER TO:
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 - UNITS DESIGNATED FOR HEARING AND VISION IMPAIRED SHALL HAVE SWITCH AND OUTLET SHALL HAVE COLOR COVER PLATE WITH CONTRAST COLOR FROM WALLS.



UNIT PLAN B.1

2 BEDROOMS - 2 BATH
 ADAPTABLE UNIT

SCALE: 1/4" = 1'-0"

EDCOUCH APARTMENTS

RUFINO CONTRERAS AFFORDABLE HOUSING CORP. HOUSING & COMMUNITY DEV.
 908 E. FIFTH ST., SUITE 201 AUSTIN, TEXAS 78702
 (512) 474-5003 PHONE (510) 474-5010 FAX

UNIT B.1 & B.2 - FLOOR PLANS

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
▲			▲		
▲			▲		

DATE FEB. 12, 2007 SHEET A0.2

JOB NO. _____
 DRAWN _____
 CHECKED _____

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PLAN SHEET LEGEND

	2X4 STUD WALL		INDICATES FURRED GLG. AREA TO 7'-0" CLR. UNO.	(1)
	2X6 STUD WALL		WALL W/ UNFACED R-II BATT SOUND INSUL.	(2)
	2X8 STUD WALL		1 - HOUR DWELLING SEPARATION WALL	(3)
	MASONRY WALL		NOTES CEILING HT.	(4)

PLAN FINISH SCHEDULE LEGEND

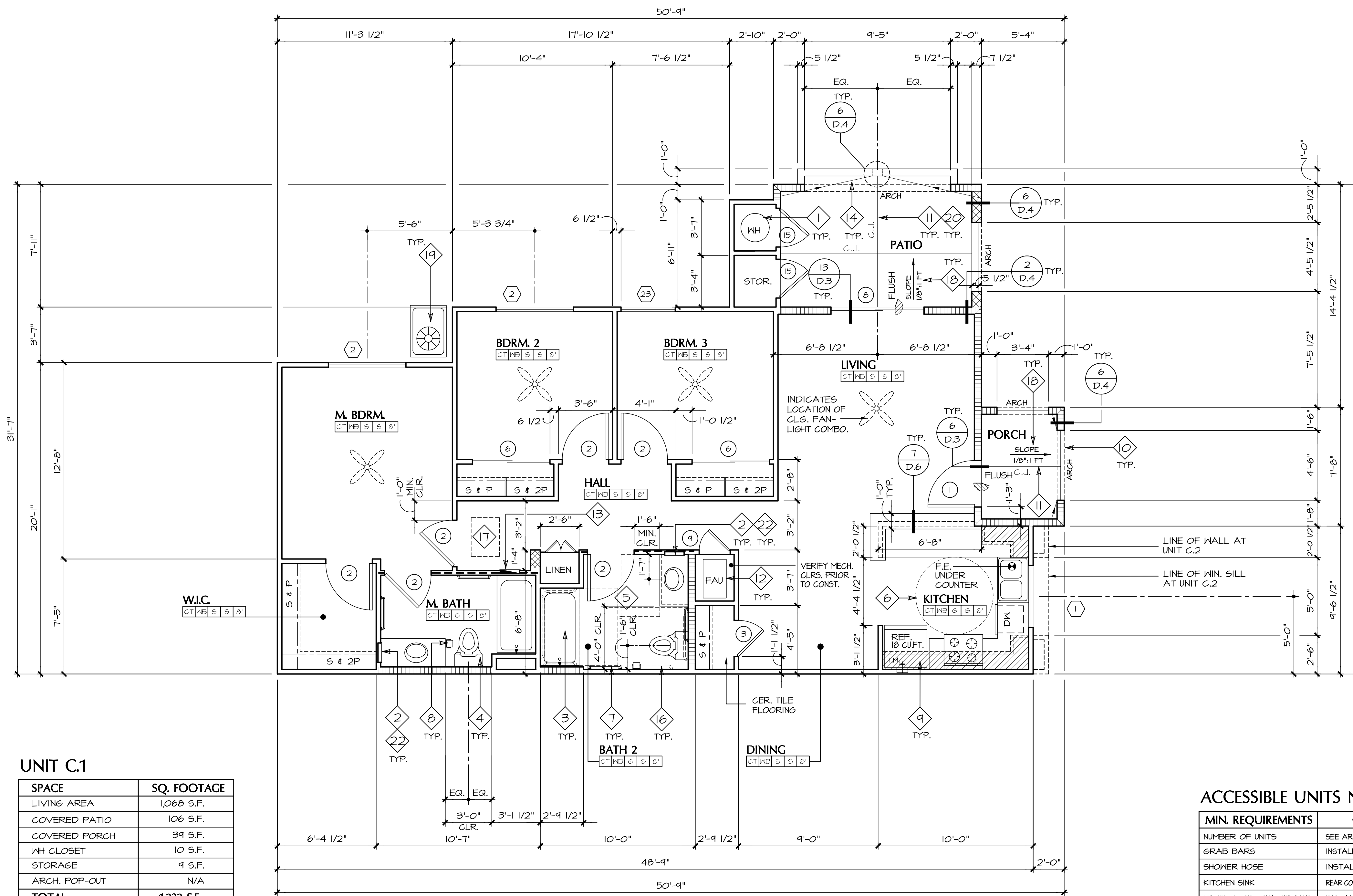
ROOM NAME	ROOM	CEILING HEIGHT	N	NONE
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BASE MATERIAL		WALL FINISH	F	6YP. BD. LIGHT ORANGE PEEL TEXTURE & FLAT LATEX PAINT PER SPEC.S
CT	CERAMIC TILE, PER SPEC.S	SC	SMOOTH TROWELED CONC. FINISH	F
CP	CARPET W/ PAD, PER SPEC.S	V	VAULTED CEILING	S
SV	SHEET VINYL, PER SPEC.S	VB	VINYL BASE	S
VCT	VINYL COMPOSITION TILE, PER SPEC.S	WB	WOOD BASE PRIMED & PAINTED PER SPEC.S	G

PLAN SHEET NOTES

- FOR ABBREVS, SYMBOLS & GEN. NOTES REFER TO SHT. GN.1.
- FOR ADD. DISABLED ACCESS REQMT.S & BATHROOM GRAB BAR CONDITION AND WALL BLOCKING REFER TO SHEETS GN.2, GN.3 & GN.4.
- FOR DOOR AND WINDOW SCHEDULE, REFER TO SHEET SC.1.
- SWITCHES & ELEC. TEL. & TV RECEPTACLES SHALL BE INSTALLED AT ACCESSIBLE HEIGHT AS REQ. BY ICC/ANSI A117.1-1988 & TEXAS ACCESSIBILITY STANDARDS.
- INSTALL SMOKE DETECTORS AS REQ'D. REFER TO ELEC. PLANS.

PLAN SHEET KEYNOTES

	WATER HEATER LOCATION INSTALL PER DETAIL. INSTALL 6"X4" GALV. WALL VENT 4" BELOW CEILING.		LINE OF HANDICAP GRAB BARS, AS REQUIRED.
	RECESS. MEDICINE CABT. W/ USABLE SHELF AT 44" A.F.F.		22" X 30" MIN. CLR. ATIC ACCESS PANEL. VERIFY SIZE W/ MECH. ENG.
	32"X60" (I.N.O.) I-PIECE PREFAB. TUB/SHOWER. W/ 12" MAINSCOT		SLOPE TO DRAIN.
	WATER CLOSET		AIR CONDITIONING CONDENSERS. REFER TO MECH. PLANS.
	48"X66" W.C. CLEARANCE 30"X48" LAV. CLEARANCE. 30"X60" TUB CLEARANCE.		PROVIDE STUCCO CONTROL JOINT AT CLG. SOFFIT TO MATCH DECK/PATIO C.J.
	INDICATES 5'-0" HANDICAP ACCESSIBLE TURNING RADIUS.		RECESSED MEDICINE CABT. BY 'JENSEN' MODEL NO. 135-36 WH.
	24" TONEL BAR. INSTALL AT +40" A.F.F.		RECESSED MEDICINE CABT. BY 'JENSEN' MODEL NO. 835F24 OR EQ.
	TOILET PAPER DISPENSER		
	33"X12" REFRIG. SPACE. VERIFY W/ OWNER & VENDOR PRIOR TO CONST.		
	LINE OF 6YP. BD. CASED OPENING, SOFFIT OR CLG. ABV.		
	CONC. CONTROL JOINT.		
	FORCED AIR UNIT (F.A.U.) W/ R.A.S. PER MECH. PLANS.		
	UNIT ELECTRICAL PANEL, PER ELEC. PLANS.		
	PATIO OR BALCONY DRAINAGE CRICKET.		
	CONT. 1-HR. FLR./CLG. ASSEMBLY AT VOID SPACES, TYPICAL.		



UNIT C.1

SPACE	SQ. FOOTAGE
LIVING AREA	1,068 S.F.
COVERED PATIO	106 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	N/A
TOTAL	1,232 S.F.

UNIT C.2

SPACE	SQ. FOOTAGE
LIVING AREA	1,068 S.F.
COVERED PATIO	106 S.F.
COVERED PORCH	34 S.F.
WH CLOSET	10 S.F.
STORAGE	9 S.F.
ARCH. POP-OUT	10 S.F.
TOTAL	1,242 S.F.

UNIT PLAN C.1

3 BEDROOMS - 2 BATHS



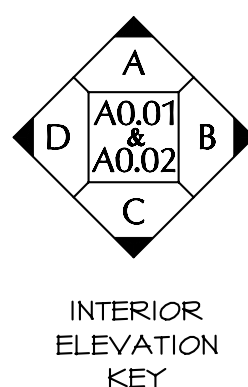
ADAPTABLE UNIT

ACCESSIBLE UNITS NOTES

MIN. REQUIREMENTS	COMMENTS
NUMBER OF UNITS	SEE ARCH. SITE, SHT. ASJ
GRAB BARS	INSTALL PER TENANT'S REQUEST
SHOWER HOSE	INSTALL PER SHT. GN.4
KITCHEN SINK	REAR CORNER DISCHARGE (6 1/2" MAX DEEP)
WATER CLOSET- SEAT 15" A.F.F.	INSTALL PER SHT. GN.3
IN-TUB SEAT	INSTALL PER TENANT'S REQUEST
UPPER CABT. 48" A.F.F.	INSTALL PER SHT. GN.3 & INT. ELEV.
FRONT DR. PEEP HOLES	TWO (2), SEE SHT. SC.1
HEARING IMPAIRED DEVICE	VISUAL LIGHT ON DR. CHIME VISUAL LIGHT FOR SMOKE DETECTORS VISUAL LIGHT FOR FIRE ALARM.
ACCESSIBLE TYPE REF.	FROST-FREE. INSTALL PER PLANS
RANGE/OVEN ACCESSIBLE	FRONT CONTROLS, SELF-CLEANING OVEN, INSTALL PER PLANS
RANGE HOOD	42" WIDE W/ ELEC. WALL SWITCH, INSTALL PER PLANS
TONEL BAR MOUNTING HEIGHT	ONE AT +40" A.F.F. AT ACCESSIBLE BATH
WIRE PULLS ON CABT. DOORS	INSTALL PER PLANS
HIGH DENSITY PAD OR DIRECT CONTACT AT CARPET	INSTALL PER PLANS

- FOR ADDITIONAL REQUIREMENTS REFER TO:
- ARCHITECTURAL SHEETS GN.2, GN.3 & GN.4
 - SEPARATE VISUAL ALARMS SHALL BE PROVIDED FOR EACH DEVICE.
 - VERIFY W/ OWNER ANY ADDITIONAL ACCESSIBILITY REQUIREMENTS & INSTALLATIONS PRIOR TO CONSTRUCTION.
 - UNITS DESIGNATED FOR HEARING AND VISION IMPAIRED SHALL HAVE A TELEPHONE JACK SYSTEM INTERFACE WIRING CAPABLE OF SUPPORTING VOICE AND TTY COMMUNICATION WITH PUBLIC USE SYSTEM. AN ELEC. OUTLET TO BE PROVIDED ADJ. TO PHONE JACK.
 - UNITS DESIGNATED FOR HEARING AND VISION IMPAIRED SHALL HAVE SWITCH AND OUTLET SHALL HAVE COLOR COVER PLATE WITH CONTRAST COLOR FROM WALLS.

SCALE: 1/4" = 1'-0"



INTERIOR ELEVATION KEY

EDCOUCH APARTMENTS



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UNIT C.1 & C.2 - FLOOR PLANS

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
▲			▲		
▲			▲		
▲			▲		

DATE FEB. 12, 2007 SHEET

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A0.3

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BUILDING SHEET LEGEND

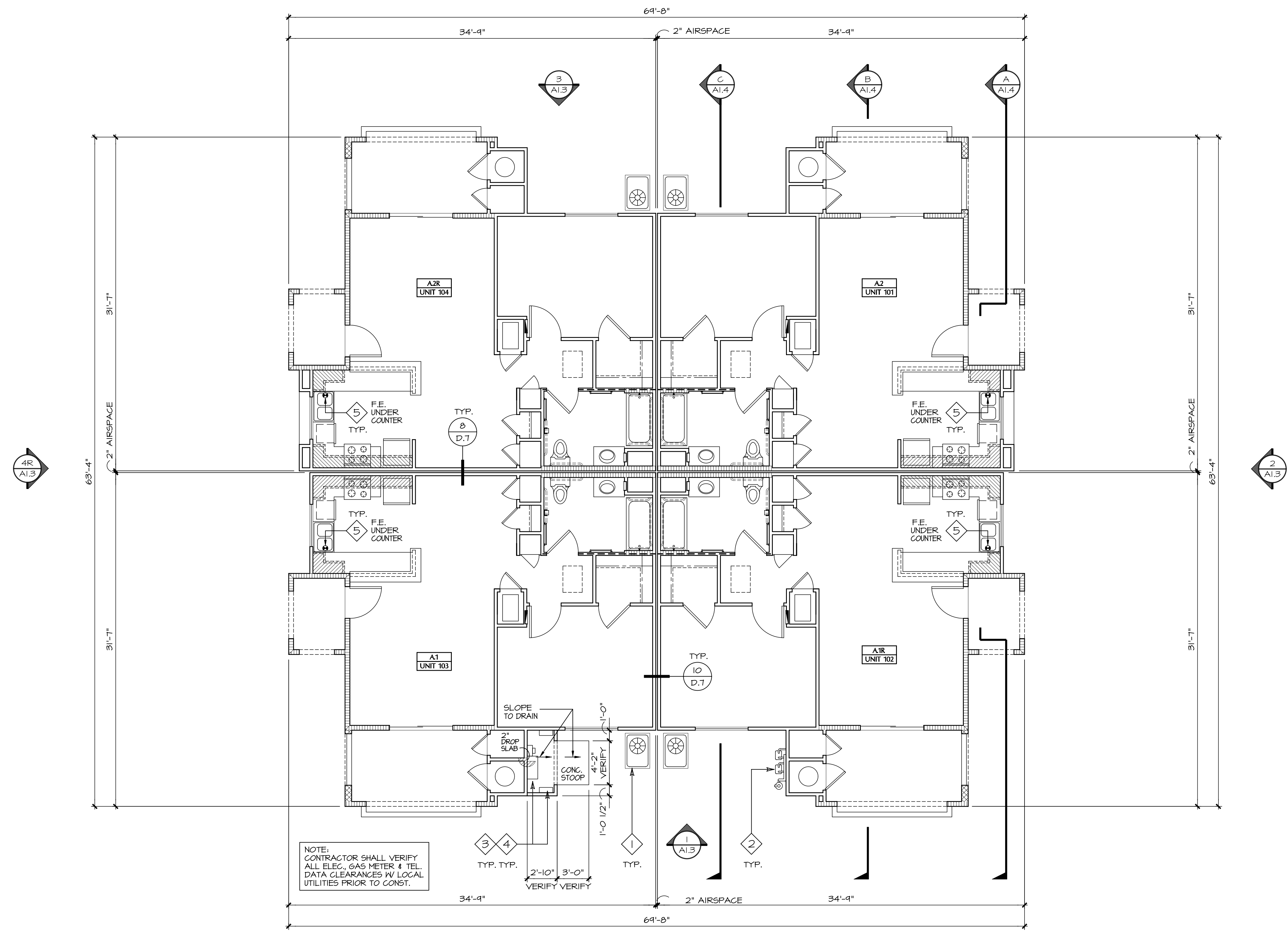
	2X4 STUD WALL
	2X6 STUD WALL
	2X8 STUD WALL
	MASONRY WALL
	1 - HOUR DWELLING SEPARATION WALL
	INDICATES FURRED CEILING AREA. TO +1'-0" U.N.O.

BUILDING SHEET NOTES

- WALLS AND FLOOR SEPARATING DWELLING UNITS IN THE SAME BLDG. SHALL NOT BE OF LESS THAN 1-HR. FIRE RESISTIVE CONST. (610 D7)
- PENETRATIONS OF AREA SEPARATION WALLS SHALL BE PROTECTED W/ THROUGH-PENETRATION FIRE STOPS & MEMBRANE-PENETRATION FIRE STOPS, PER U.B.C. SEC. 704.
- PENETRATIONS OF FIRE RESISTIVE WALLS, FLOOR-CEILINGS, AND ROOF-CEILINGS SHALL BE PROTECTED AS REQUIRED IN U.B.C.
- PLUMBING PENETRATIONS OF CORRIDOR WALLS, DWELLING UNIT SEPARATION WALLS & AREA SEPARATION WALLS SHALL BE PER PLUMB. PLANS. ALL PENETRATIONS SHALL BE FIRE-STOPPED
- ALL FIRST FLOOR UNITS SHALL MEET HANDICAP ADAPTABLE REQMS. FOR LOCATION OF HANDICAP ACCESSIBLE DWELLING UNITS REFER TO ARCHITECTURAL SITE PLAN.

BUILDING SHEET KEYNOTES

- AIR CONDITIONING CONDENSER LOCATIONS, REFER TO MECH. PLANS.
- GAS METER LOCATIONS, REFER TO PLUMBING PLANS.
- ELECTRICAL METER ALCOVE LOCATION, REFER TO ELECTRICAL PLANS.
- TEL. - DATA ALCOVE LOCATION, REFER TO ELECTRICAL PLANS.
- UNIT FIRE EXTINGUISHER LOCATION. VERIFY LOCATION AND NO. W/ LOCAL FIRE MARSHALL PRIOR TO CONSTRUCTION.



FLOOR PLAN

BUILDING I
 ALL UNITS ARE HANDICAP ADAPTABLE AND ACCESSIBLE UNITS

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

EDCOUCH APARTMENTS

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BLDG. I - FLOOR PLAN

BUILDING DATA		CONSTRUCTION NOTES AND DETAILS	
OCCUPANCY	R-2	DWELLING UNIT SEPARATION WALLS (PARTY WALLS) SHALL BE 1-HR. RATED FIRE-RESISTIVE CONST. (8 D7) (10 D7)	FOR FIRE STOPPING AT DWELLING SEPARATION WALLS REFER TO SHEET GN.5.
CONSTRUCTION	VB	FOR INTERSECTING WALLS AT ONE-HOUR DWELLING SEPARATION WALL, REFER TO DETAIL. (6 D7)	AT ALL LOCATIONS WHERE FINISH PATIO OR HARDSCAPE CONCRETE ELEVATION IS LESS THAN 4" BELOW FINISH FLOOR SHALL BE CONSTRUCTED PER DETAIL. (2 D4)
HEIGHT	1-STORY	ELEC. OUTLETS IN DWELLING UNIT SEPARATION WALLS SHALL BE PER DETAIL. (16 D6) (13 D6)	
FIRE SPRINKLERS	N/A	FURRED CEILING ABOVE CABINETS SHALL BE PER DETAIL. (3 D6)	FOR STUCCO SCREED AT CONCRETE CURB REFER TO DETAILS. (2 D4) (5 D4) (6 D4)
TOTAL DWELLING UNITS	4	TYPICAL INTERIOR CASED OPENINGS SHALL BE CONSTRUCTED PER REFERENCED DETAIL. (4 D6) (5 D6)	

BUILDING AREA - BUILDING I

SPACE	SQ. FOOTAGE
LIVING AREA	3,000 S.F.
SUBTOTAL	3,000 S.F.
GEN. STORAGE	36 S.F.
COVERED PATIO	400 S.F.
COVERED PORCH	156 S.F.
WH CLOSET	48 S.F.
ARCH. POP-OUT	20 S.F.
UTILITY ALCOVE	17 S.F.
TOTAL BLDG. AREA	3,677 S.F.

COVERAGE

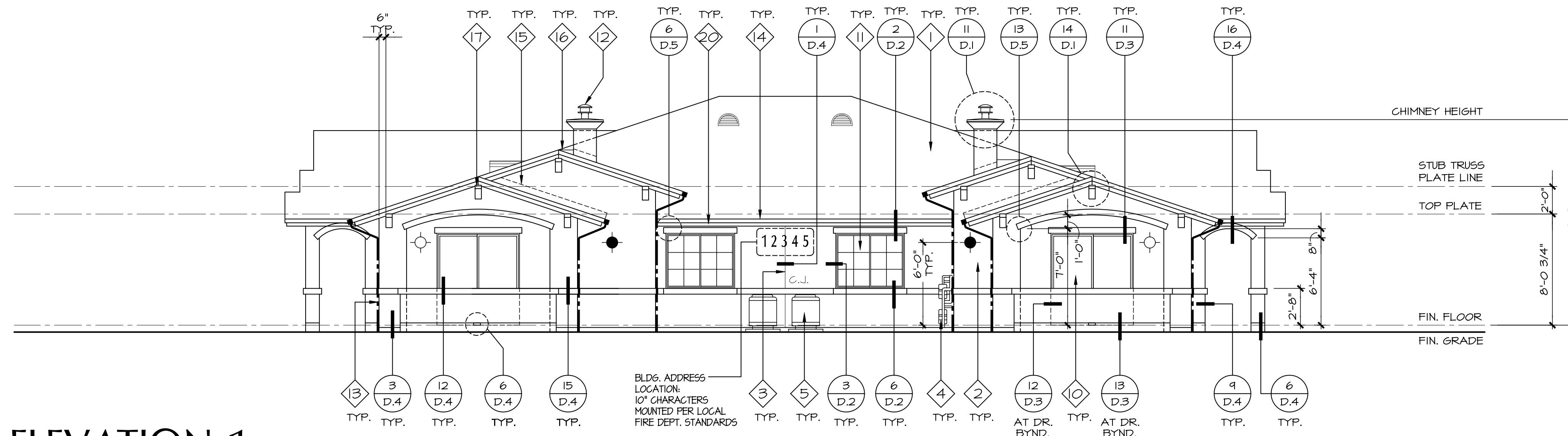
TOTAL COVERAGE	3,746 S.F.
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DATE FEB. 12, 2007 SHEET **A1.1**

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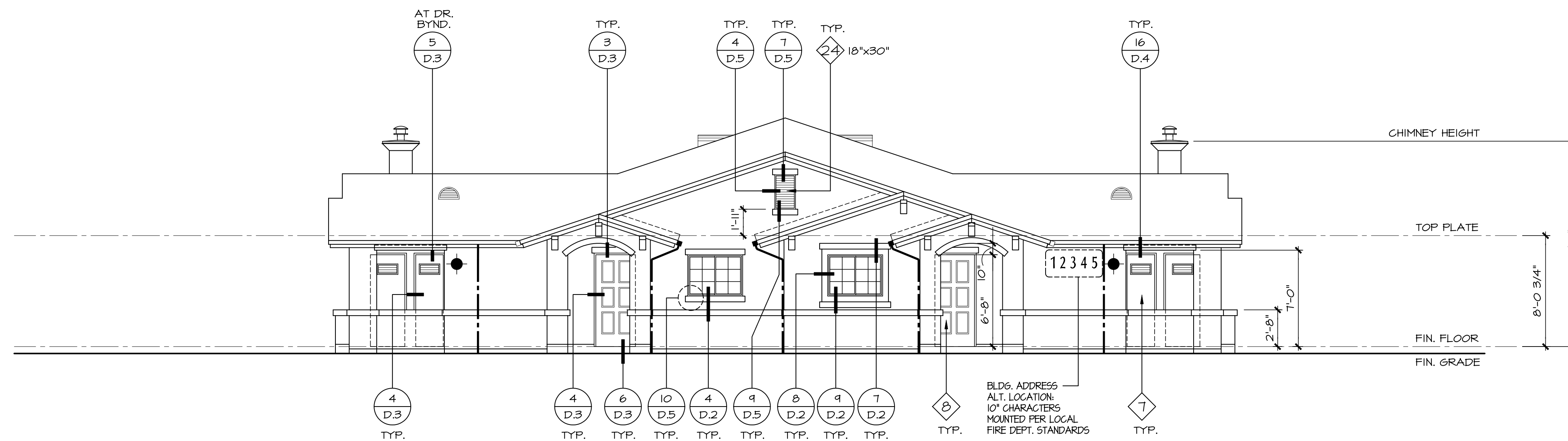
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ELEVATION 1

BUILDING I

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



ELEVATION 2 & 4 [ELEVATION 4 IS IDENTICAL & REVERSED TO ELEVATION 2]

BUILDING I NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

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



ELEVATION 3

BUILDING I NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

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

ELEVATION SHEET LEGEND

- INDICATES LOCATION OF UNIT EXT. LIGHT, REFER TO ELEC. PLANS.
- INDICATES BUILDING LIGHT LOCATION WIRED TO HOUSE ELECTRICAL METER, REFER TO ELECTRICAL PLANS.
- INDICATES LOCATION OF DECORATIVE BUILDING LIGHT FIXTURE, REFER TO ELECTRICAL PLANS.

ELEVATION SHEET NOTES

1. FOR TYPICAL FLASHING AT EXTERIOR OPENINGS REFER TO DETAIL: (1 D2)
2. DOOR AND WINDOW HEADER HEIGHTS SHALL BE 6'-8" NOMINAL, U.N.O. ON THE EXTERIOR ELEVATIONS, TYPICAL.
3. INSTALL STUCCO CONTROL JOINTS AT LOCATIONS INDICATED. IF NOT INDICATED INSTALL AT LOCATIONS COMPLYING W/ FOLLOWING CRITERIA & APPROVED BY ARCH. (1 D4)
 - A. WALL AREAS; NOT MORE THAN 144 SQ. FT. IN AREA.
 - B. HORIZONTAL SURFACES; NOT MORE THAN 100 SQ. FT. IN AREA.
4. FOR PENETRATION AT EXTERIOR WALLS REFER TO DETAIL: (2 D4)
5. REFER TO ROOF PLAN FOR TYP. ARCHITECTURAL ROOF DETAILS.

ELEVATION SHEET KEYNOTES

1	30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING AS SELECTED BY ARCHITECT. INSTALL PER MFR.'S SPEC'S.	13	MTL. DOWNSPOUT PRIMED & PAINTED PER ARCH. COLOR SCHEME. CONNECT TO SUB DRAIN OR CONC. SPLASH BLK., AS INDICATED ON CIVIL PLANS.
2	EXTERIOR STUCCO WALL FINISH, PER SPECIFICATIONS.	14	INDICATES LOCATION OF PRE-FORMED MTL. ROOF GUTTER, FIN. PER ARCH. COLOR SCHEME. (15 D1)
3	LINE OF STUCCO CONTROL JOINT. (1 D4)	15	LINE OF METAL FLASHING AT ROOF TO WALL CONDITION.
4	GAS METER LOCATION CONTRACTOR TO VERIFY CLEARANCES W/ LOCAL UTILITY.	16	METAL ROOF SADDLE, REFER TO ROOF PLAN.
5	AC CONDENSER UNIT	17	RESAWN WOOD CORBEL
6	GALV. MTL. FRENCH DR., PAINTED PER ARCH. COLOR SCHEME.	18	INSTALL 14" X 6" GALV. MTL. LOVERED WALL VENTS, 4" BELOW CL6. CENTERED ABV. WATER HEATER CLOSET DR. PAINTED TO MATCH EXT. FINISH.
7	GALV. MTL. LOVERED DR., PAINTED PER ARCH. COLOR SCHEME.	19	METAL STOREFRONT DOOR & WINDOW ASSEMBLY, PAINTED PER ARCHITECTURAL COLOR SCHEME.
8	RAISED PANEL GALV. METAL GLAD ENTRY DOOR, PAINTED PER ARCHITECTURAL COLOR SCHEME.	20	RESAWN WOOD FASCIA PER ARCH. COLOR SCHEME.
9	GALV. MTL. FLUSH DR., PAINTED PER ARCH. COLOR SCHEME.	21	EXP. RES. WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
10	VINYL FRAMED SL. GL. DR. W/ NOMINAL HEADER HT. AT 6'-8" U.N.O.	22	CMU BLOCK BUFF COLOR SLIMP BLOCK AS SELECTED BY ARCH.
11	VINYL FRAMED WINDOWS WITH NOMINAL HEADER HT. AT 6'-8" U.N.O. FRAME COLOR AS SELECTED BY ARCH.	23	MTL. SECTIONAL OVERHEAD DR. WOPNER PAINT PER ARCH. COLOR SCHEME.
12	METAL 'B' VENT TERMINATION GAP, PER MECHANICAL PLANS, PAINT PER ARCHITECTURAL COLOR SCHEME.	24	GALV. MTL. WALL VENT. PAINT PER ARCH. COLOR SCHEME.
		25	DRINKING FOUNTAINS.

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BLDG. I - EXT. ELEVATIONS

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DATE FEB. 12, 2007 SHEET

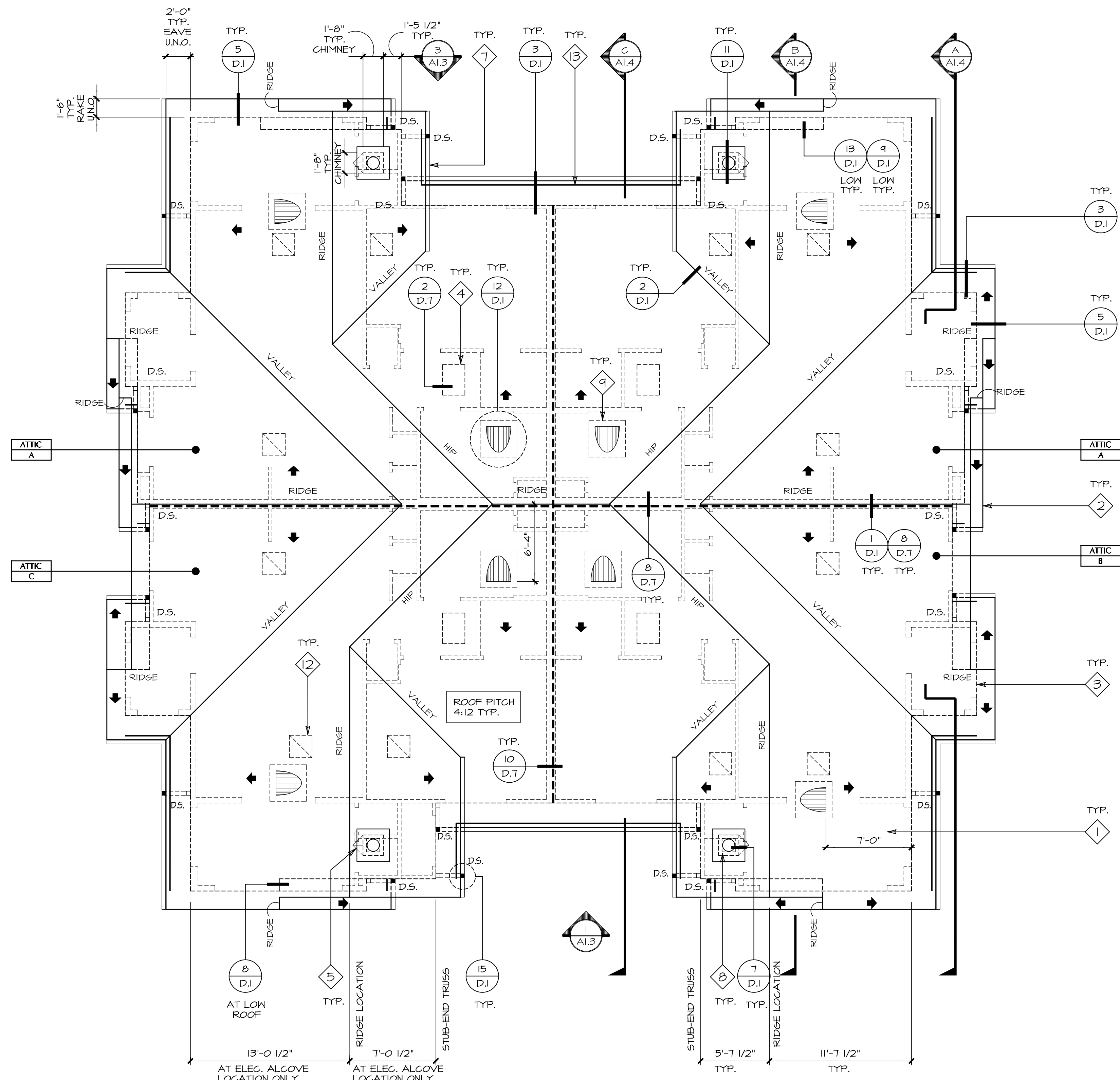
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A1.3

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ROOF PLAN
 BUILDING I

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

ROOF SHEET LEGEND

	INDICATES DIRECTION OF ROOF SLOPE.
D.S.	INDICATES MTL. DOWNSPOUT, FIN. PER ARCH. CLR. SCHEME. CONNECT BLDG. PERIMETER DOWNSPOUTS TO SUB-DRAIN SYS. OR CONC. SPLASH BLK. PER CIVIL.
	INDICATES LOCATION OF ROOF ACCENT LIGHTING
	INDICATES ATTIC DRAFTSTOP LOCATIONS.
	1 - HOUR DWELLING SEPARATION WALL

ROOF SHEET NOTES

- TYP. VENT FLASHING AT SLOPED ROOF REFER TO DETAIL.
- CONTRACTOR SHALL COORDINATE W/ ROOF TRUSS MFR. TO PROVIDE A CLEAR INSTALLATION SPACE FOR ALL WALL & ROOF ATTIC VENTS, AS SHOWN ON PLANS.
- CONTRACTOR SHALL VERIFY VENTILATION AREA OF ALL ATTIC VENTS WITH MANUFACTURER.
- ROOF VENTILATORS SHALL BE LOCATED AND ALIGNED THE SAME DISTANCE UP FROM THE ROOF EAVE LINE.
- ALL ROOF VENTS SHALL BE LOCATED A MINIMUM OF 2'-0" FROM ANY ROOF FLASHING CONDITION.
- ALL ROOF SHTG. EDGES SHALL BE BLOCKED & NAILED PER STRUC. CONTRACTOR SHALL ALSO PROVIDE MIN. BLKS/NAILING AS REQD. BY ROOF MFR.
- GALVANIZED METAL ROOF DIVERTERS SHALL BE INSTALLED AT ALL ROOF EAVE TO WALL CONDITION.
- ATTIC MOUNTED MECHANICAL EQUIPMENT. CONTRACTOR SHALL VERIFY REQMTS. W/ MANUFACTURER FOR EXT. VENTILATION & PROVIDE ADDITIONAL ROOF VENTS.
- INSTALL A VAPOR RETARDER HAVING A TRANSMISSION RATE NOT EXCEEDING 1 PERM IN ACCORDANCE WITH ASTM E 96 IS INSTALLED ON THE WARM SIDE OF THE ATTIC INSULATION.
- INSTALL HARDI PLANK EAVE ENCLOSURE.
- ROOF TRUSS MFR. SHALL VERIFY CLEARANCES FOR ROOF ATTIC PATH OF TRAVEL AS SHOWN ON PLANS.

ROOF SHEET KEYNOTES

- 30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING. INSTALL PER MFR.'S SPEC'S. COLOR & STYLE PER ARCHITECT.
- LINE OF ROOF EAVE/RAKE.
- INDICATES LINE OF BUILDING, BELOW.
- INDICATES 22" X 30" ATTIC ACCESS LOCATION WITHOUT ACCESS TO MECH. EQUIP. INDICATES 30" X 30" ATTIC ACCESS LOCATION WITH ACCESS TO MECH. EQUIP.
- METAL ROOF SADDLE.
- EXPOSED RESAWN WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
- INDICATES LOCATION OF METAL ROOF GUTTER, FINISH PER ARCH. COLOR SCHEME.
- METAL 'B' VENT TERMINATION CAP. PER MECHANICAL PLANS. PAINT PER ARCHITECTURAL COLOR SCHEME.
- GALV. ROOF DORMER VENT PAINT TO MATCH ROOFING.
- INDICATES RAKE GUTTER TO CONNECT UPPER & LOWER ROOF GUTTER.
- FORCE AIR UNIT (F.A.U.) W/ R.A.G. PER MECH. PLANS.
- 22" X 22" ROOF SHEATHING OPENING AT ROOF FILL AREA FOR VENTILATION. BLOCK OPENING AS REQD. BY STRUC.
- INDICATES 3" WIDE EAVE VENT.
- INDICATES ROOF ATTIC PATH OF TRAVEL. SEE NOTE #12

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BLDG. I - ROOF PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE

DATE FEB. 12, 2007 SHEET A1.2

ZONE	METHOD OF CALC.	ATTIC AREA	REQUIRED VENTILATION	PROPOSED EAVE VENTILATION	PROPOSED DORMER VENTS	PROPOSED WALL VENTS	TOTAL VENT. PROVIDED
A	NOTE 1	925 S.F.	3.08 S.F.	34.5' X 8.5' = 293.25 SQ. IN. 293.25 SQ. IN./144 = 2.04 S.F.	2 X .78 = 1.56 S.F.	N/A	3.60 S.F.
B	NOTE 1	916 S.F.	3.05 S.F.	34.5' X 8.5' = 293.25 SQ. IN. 293.25 SQ. IN./144 = 2.04 S.F.	2 X .78 = 1.56 S.F.	N/A	3.54 S.F.
C	NOTE 1	933 S.F.	3.11 S.F.	31.66' X 8.5' = 269.11 SQ. IN. 269.11 SQ. IN./144 = 1.87 S.F.	2 X .78 = 1.56 S.F.	N/A	3.43 S.F.

NOTE: PROVIDE VAPOR RETARDER ON THE ATTIC INSULATION PER SHEET NOTE NO.10.

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BUILDING SHEET LEGEND

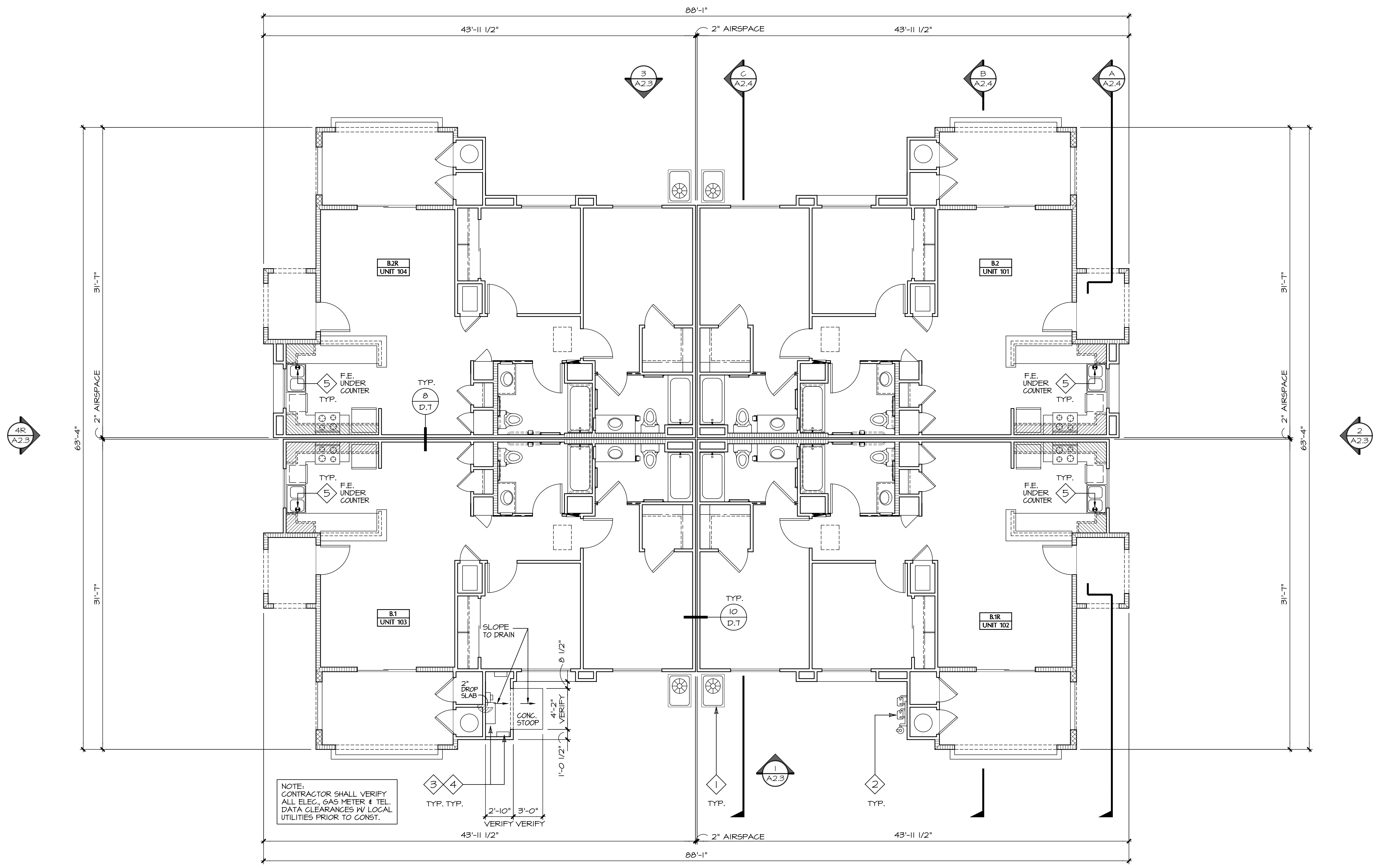
	2X4 STUD WALL
	2X6 STUD WALL
	2X8 STUD WALL
	MASONRY WALL
	1 - HOUR DWELLING SEPARATION WALL
	INDICATES FURRED CEILING AREA. TO +1'-0" U.N.O.

BUILDING SHEET NOTES

- WALLS AND FLOOR SEPARATING DWELLING UNITS IN THE SAME BLDG. SHALL NOT BE OF LESS THAN 1-HR. FIRE RESISTIVE CONST. (610 D7)
- PENETRATIONS OF AREA SEPARATION WALLS SHALL BE PROTECTED W/ THROUGH-PENETRATION FIRE STOPS & MEMBRANE-PENETRATION FIRE STOPS, PER U.B.C. SEC. 704.
- PENETRATIONS OF FIRE RESISTIVE WALLS, FLOOR-CEILINGS, AND ROOF-CEILINGS SHALL BE PROTECTED AS REQUIRED IN U.B.C.
- PLUMBING PENETRATIONS OF CORRIDOR WALLS, DWELLING UNIT SEPARATION WALLS & AREA SEPARATION WALLS SHALL BE PER PLUMB. PLANS. ALL PENETRATIONS SHALL BE FIRE-STOPPED.
- ALL FIRST FLOOR UNITS SHALL MEET HANDICAP ADAPTABLE REQ'TS. FOR LOCATION OF HANDICAP ACCESSIBLE DWELLING UNITS REFER TO ARCHITECTURAL SITE PLAN.

BUILDING SHEET KEYNOTES

- AIR CONDITIONING CONDENSER LOCATIONS, REFER TO MECH. PLANS.
- GAS METER LOCATIONS, REFER TO PLUMBING PLANS.
- ELECTRICAL METER ALCOVE LOCATION, REFER TO ELECTRICAL PLANS.
- TEL. - DATA ALCOVE LOCATION, REFER TO ELECTRICAL PLANS.
- UNIT FIRE EXTINGUISHER LOCATION. VERIFY LOCATION AND NO. W/ LOCAL FIRE MARSHALL PRIOR TO CONSTRUCTION.



NOTE: CONTRACTOR SHALL VERIFY ALL ELEC., GAS METER & TEL. DATA CLEARANCES W/ LOCAL UTILITIES PRIOR TO CONST.

FLOOR PLAN

BUILDING II

ALL UNITS ARE HANDICAP ADAPTABLE AND ACCESSIBLE UNITS

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

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BLDG. II - FLOOR PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE

DATE FEB. 12, 2007 SHEET A2.1

BUILDING DATA		CONSTRUCTION NOTES AND DETAILS	
OCCUPANCY	R-2	DWELLING UNIT SEPARATION WALLS (PARTY WALLS) SHALL BE 1-HR. RATED FIRE-RESISTIVE CONST. (8 D7) (10 D7)	FOR FIRE STOPPING AT DWELLING SEPARATION WALLS REFER TO SHEET GN.5.
CONSTRUCTION	VB	FOR INTERSECTING WALLS AT ONE-HOUR DWELLING SEPARATION WALL, REFER TO DETAIL. (6 D7)	AT ALL LOCATIONS WHERE FINISH PATIO OR HARDSCAPE CONCRETE ELEVATION IS LESS THAN 4" BELOW FINISH FLOOR SHALL BE CONSTRUCTED PER DETAIL. (2 D4)
HEIGHT	1-STORY	ELEC. OUTLETS IN DWELLING UNIT SEPARATION WALLS SHALL BE PER DETAIL. (16 D6) (13 D6)	
FIRE SPRINKLERS	N/A	FURRED CEILING ABOVE CABINETS SHALL BE PER DETAIL. (3 D6)	FOR STUCCO SCREED AT CONCRETE CURB REFER TO DETAILS. (2 D4) (5 D4) (6 D4)
TOTAL DWELLING UNITS	4	TYPICAL INTERIOR CASED OPENINGS SHALL BE CONSTRUCTED PER REFERENCED DETAIL. (4 D6) (5 D6)	

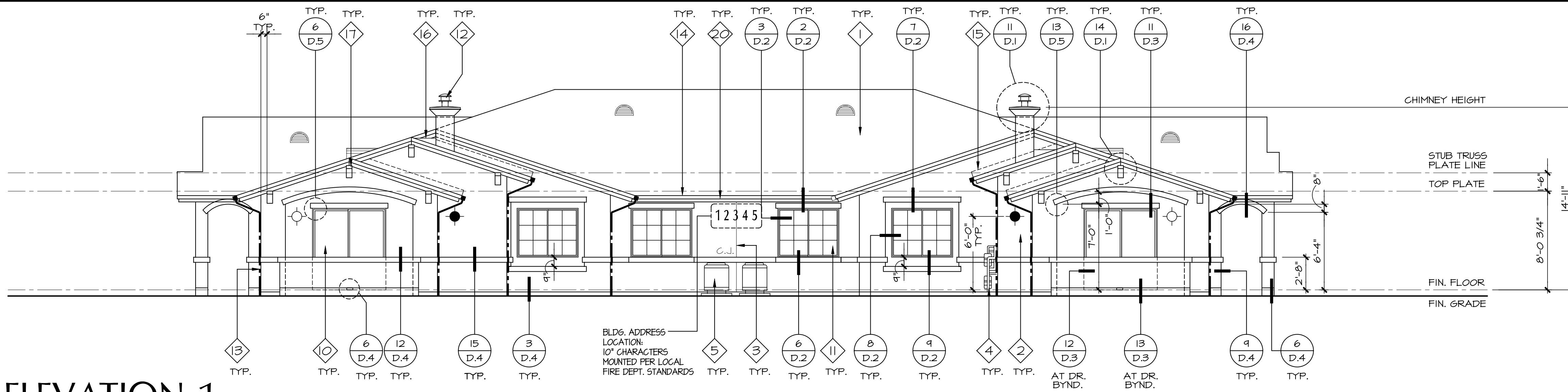
BUILDING AREA - BUILDING II

SPACE	SQ. FOOTAGE
LIVING AREA	3,788 S.F.
SUBTOTAL	3,788 S.F.
GEN. STORAGE	36 S.F.
COVERED PATIO	456 S.F.
COVERED PORCH	156 S.F.
WH CLOSET	40 S.F.
ARCH. POP-OUT	64 S.F.
UTILITY ALCOVE	20 S.F.
TOTAL BLDG. AREA	4,560 S.F.

COVERAGE

TOTAL COVERAGE 4,630 S.F.

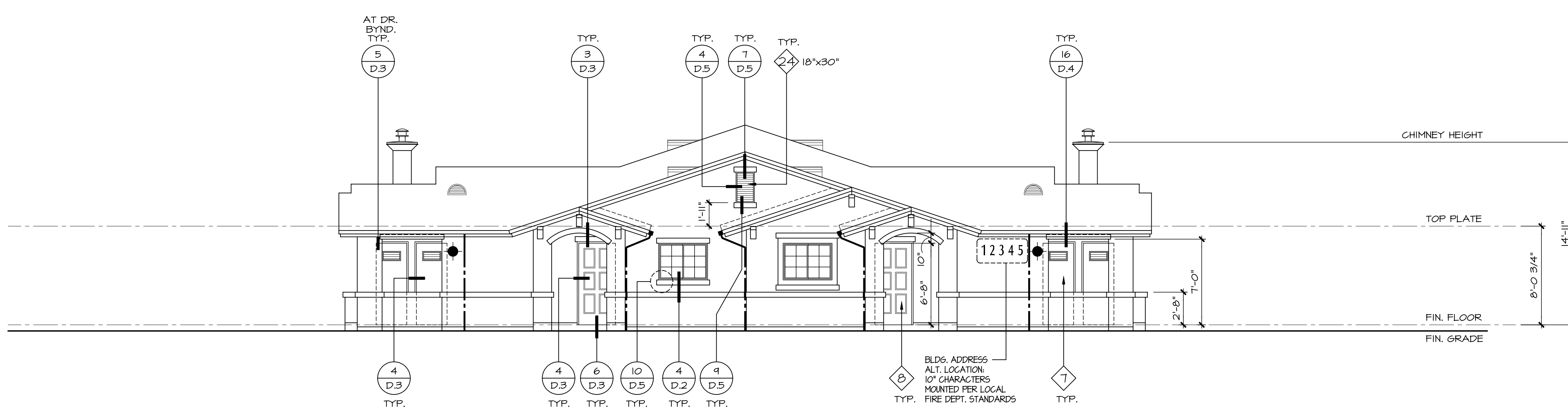
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ELEVATION 1

BUILDING II

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

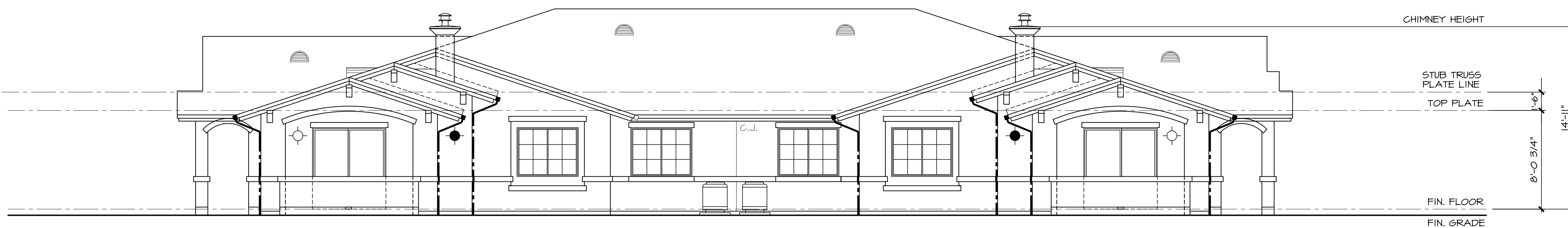


ELEVATION 2 & 4 [ELEVATION 4 IS IDENTICAL & REVERSED TO ELEVATION 2]

BUILDING II

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

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



ELEVATION 3

BUILDING II

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

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

ELEVATION SHEET LEGEND

- INDICATES LOCATION OF UNIT EXT. LIGHT, REFER TO ELEC. PLANS.
- INDICATES BUILDING LIGHT LOCATION WIRED TO HOUSE ELECTRICAL METER, REFER TO ELECTRICAL PLANS.
- ⊙ INDICATES LOCATION OF DECORATIVE BUILDING LIGHT FIXTURE, REFER TO ELECTRICAL PLANS.

ELEVATION SHEET NOTES

1. FOR TYPICAL FLASHING AT EXTERIOR OPENINGS REFER TO DETAIL: (D.1)
2. DOOR AND WINDOW HEADER HEIGHTS SHALL BE 6'-8" NOMINAL, U.N.O. ON THE EXTERIOR ELEVATIONS, TYPICAL.
3. INSTALL STUCCO CONTROL JOINTS AT LOCATIONS INDICATED. IF NOT INDICATED INSTALL AT LOCATIONS COMPLYING W/ FOLLOWING CRITERIA & APPROVED BY ARCH. (D.4)
 - A. WALL AREAS; NOT MORE THAN 144 SQ. FT. IN AREA.
 - B. HORIZONTAL SURFACES; NOT MORE THAN 100 SQ. FT. IN AREA.
4. FOR PENETRATION AT EXTERIOR WALLS REFER TO DETAIL: (D.2)
5. REFER TO ROOF PLAN FOR TYP. ARCHITECTURAL ROOF DETAILS. (D.4)

ELEVATION SHEET KEYNOTES

1	30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING AS SELECTED BY ARCHITECT. INSTALL PER MFR.'S SPECS.	13	MTL. DOWNSPOUT PRIMED & PAINTED PER ARCH. COLOR SCHEME. CONNECT TO SUB DRAIN OR CONC. SPLASH BLK., AS INDICATED ON CIVIL PLANS.
2	EXTERIOR STUCCO WALL FINISH, PER SPECIFICATIONS.	14	INDICATES LOCATION OF PRE-FORMED MTL. ROOF GUTTER, FIN. PER ARCH. COLOR SCHEME. (D.1)
3	LINE OF STUCCO CONTROL JOINT. (D.4)	15	LINE OF METAL FLASHING AT ROOF TO WALL CONDITION.
4	GAS METER LOCATION CONTRACTOR TO VERIFY CLEARANCES W/ LOCAL UTILITY.	16	METAL ROOF SADDLE, REFER TO ROOF PLAN.
5	AC CONDENSER UNIT	17	RESAWN WOOD CORBEL
6	GALV. MTL. FRENCH DR., PAINTED PER ARCH. COLOR SCHEME.	18	INSTALL 14" X 6" GALV. MTL. LOVERED WALL VENTS, 4" BELOW CLG. CENTERED ABV. WATER HEATER CLOSET DR. PAINTED TO MATCH EXT. FINISH.
7	GALV. MTL. LOVERED DR., PAINTED PER ARCH. COLOR SCHEME.	19	METAL STOREFRONT DOOR & WINDOW ASSEMBLY, PAINTED PER ARCHITECTURAL COLOR SCHEME.
8	RAISED PANEL GALV. METAL GLAD ENTRY DOOR, PAINTED PER ARCHITECTURAL COLOR SCHEME.	20	RESAWN WOOD FASCIA PER ARCH. COLOR SCHEME.
9	GALV. MTL. FLUSH DR., PAINTED PER ARCH. COLOR SCHEME.	21	EXP. RES. WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
10	VINYL FRAMED SL. GL. DR. W/ NOMINAL HEADER HT. AT 6'-8" U.N.O.	22	CMU BLOCK BUFF COLOR SLIMP BLOCK AS SELECTED BY ARCH.
11	VINYL FRAMED WINDOWS WITH NOMINAL HEADER HT. AT 6'-8" U.N.O. FRAME COLOR AS SELECTED BY ARCH.	23	MTL. SECTIONAL OVERHEAD DR. WOPNER PAINT PER ARCH. COLOR SCHEME.
12	METAL 'B' VENT TERMINATION GAP, PER MECHANICAL PLANS, PAINT PER ARCHITECTURAL COLOR SCHEME.	24	GALV. MTL. WALL VENT. PAINT PER ARCH. COLOR SCHEME.
		25	DRINKING FOUNTAINS.

EDCOUCH APARTMENTS

RUFINO CONTRERAS AFFORDABLE HOUSING CORP. HOUSING & COMMUNITY DEV.

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BLDG. II - EXT. ELEVATIONS

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DATE FEB. 12, 2007

SHEET

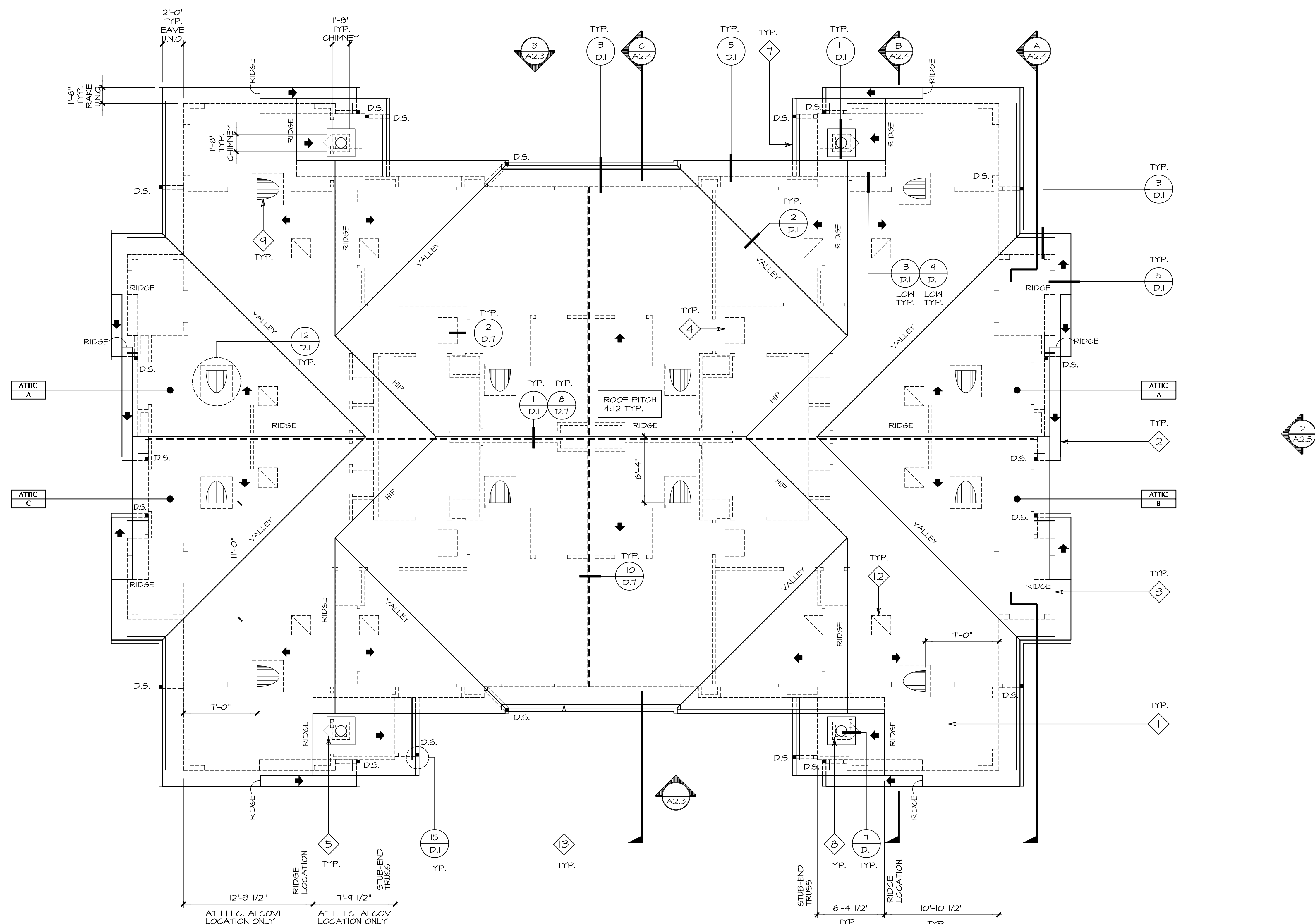
JOB NO.

A2.3

DRAWN

CHECKED

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ROOF PLAN
 BUILDING II

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

ROOF SHEET LEGEND

	INDICATES DIRECTION OF ROOF SLOPE.
D.S.	INDICATES MTL. DOWNSPOUT, FIN. PER ARCH. CLR. SCHEME. CONNECT BLDG. PERIMETER DOWNSPOUTS TO SUB-DRAIN SYS. OR CONC. SPLASH BLK. PER CIVIL.
	INDICATES LOCATION OF ROOF ACCENT LIGHTING
	INDICATES ATTIC DRAFTSTOP LOCATIONS.
	1 - HOUR DWELLING SEPARATION WALL

- ROOF SHEET NOTES**
- TYP. VENT FLASHING AT SLOPED ROOF REFER TO DETAIL.
 - CONTRACTOR SHALL COORDINATE W/ ROOF TRUSS MFR. TO PROVIDE A CLEAR INSTALLATION SPACE FOR ALL WALL & ROOF ATTIC VENTS, AS SHOWN ON PLANS.
 - CONTRACTOR SHALL VERIFY VENTILATION AREA OF ALL ATTIC VENTS WITH MANUFACTURER.
 - ROOF VENTILATORS SHALL BE LOCATED AND ALIGNED THE SAME DISTANCE UP FROM THE ROOF EAVE LINE.
 - ALL ROOF VENTS SHALL BE LOCATED A MINIMUM OF 2'-0" FROM ANY ROOF FLASHING CONDITION.
 - ALL ROOF SHTG. EDGES SHALL BE BLOCKED & NAILED PER STRUC. CONTRACTOR SHALL ALSO PROVIDE MIN. BLKS/NAILING AS REQD. BY ROOF MFR.
 - GALVANIZED METAL ROOF DIVERTERS SHALL BE INSTALLED AT ALL ROOF EAVE TO WALL CONDITION.
 - ATTIC MOUNTED MECHANICAL EQUIPMENT. CONTRACTOR SHALL VERIFY REQMTS. W/ MANUFACTURER FOR EXT. VENTILATION & PROVIDE ADDITIONAL ROOF VENTS.
 - INSTALL A VAPOR RETARDER HAVING A TRANSMISSION RATE NOT EXCEEDING 1 PERM IN ACCORDANCE WITH ASTM E 96 IS INSTALLED ON THE WARM SIDE OF THE ATTIC INSULATION.
 - INSTALL HARDI PLANK EAVE ENCLOSURE.
 - ROOF TRUSS MFR. SHALL VERIFY CLEARANCES FOR ROOF ATTIC PATH OF TRAVEL AS SHOWN ON PLANS.

- ROOF SHEET KEYNOTES**
- 30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING. INSTALL PER MFR.'S SPEC'S. COLOR & STYLE PER ARCHITECT.
 - LINE OF ROOF EAVE/RAKE.
 - INDICATES LINE OF BUILDING, BELOW.
 - INDICATES 22" X 30" ATTIC ACCESS LOCATION WITHOUT ACCESS TO MECH. EQUIP. INDICATES 30" X 30" ATTIC ACCESS LOCATION WITH ACCESS TO MECH. EQUIP.
 - METAL ROOF SADDLE.
 - EXPOSED RESAWN WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
 - INDICATES LOCATION OF METAL ROOF GUTTER, FINISH PER ARCH. COLOR SCHEME.
 - METAL 'B' VENT TERMINATION CAP. PER MECHANICAL PLANS. PAINT PER ARCHITECTURAL COLOR SCHEME.
 - GALV. ROOF DORMER VENT PAINT TO MATCH ROOFING.
 - INDICATES RAKE GUTTER TO CONNECT UPPER & LOWER ROOF GUTTER.
 - FORCE AIR UNIT (F.A.U.) W/ R.A.G. PER MECH. PLANS.
 - 22" X 22" ROOF SHEATHING OPENING AT ROOF FILL AREA FOR VENTILATION. BLOCK OPENING AS REQD. BY STRUC.
 - INDICATES 3" WIDE EAVE VENT.
 - INDICATES ROOF ATTIC PATH OF TRAVEL. SEE NOTE #12

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BLDG. II - ROOF PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
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DATE: FEB. 12, 2007 SHEET: A2.2

JOB NO. _____
 DRAWN _____
 CHECKED _____

BUILDING ATTIC VENTILATION CALCULATION

- METHOD OF CALC. PROVIDE VENT AREA - 1/300 S.F. OF ATTIC AREA.
- METHOD OF CALC. PROVIDE VENT AREA - 1/150 S.F. OF ATTIC AREA.
- ATTIC VENTILATION SHALL BE PROVIDED PER THE INTERNATIONAL BUILDING CODE.
- PROVIDE CLEAR VENTILATION AREA FOR EA. ATTIC AREA PER THE FOLLOWING CRITERIA: (AREAS INCLUDE DECKS & EXIT BALCONIES)
- ATTIC DRAFT STOPS OCCUR AT DWELLING SEPARATION WALLS, REQUIRING INDIVIDUAL UNIT ATTIC VENTILATION.
- EAVE VENTS SHALL BE 3" WIDE GALV. MTL. W/ 0.5 SQ. INCH NET FREE VENT AREA PER L.F. BY TRY REGLET OR EQ.
- DORMER VENTS SHALL BE 24" X 12" LOW PROFILE GALV. METAL WITH .70 S.F. NET FREE VENT AREA EACH.

ZONE	METHOD OF CALC.	ATTIC AREA	REQUIRED VENTILATION	PROPOSED EAVE VENTILATION	PROPOSED DORMER VENTS	PROPOSED WALL VENTS	TOTAL VENT. PROVIDED
A	NOTE 1	1,147 S.F.	3.82 S.F.	34.2" X 85" = 291.46 SQ.IN. 291.46 SQ.IN./44 = 2.02 SF	3 X .70 = 2.34 S.F.	N/A	4.36 S.F.
B	NOTE 1	1,137 S.F.	3.74 S.F.	34.2" X 85" = 291.46 SQ.IN. 291.46 SQ.IN./44 = 2.02 SF	3 X .70 = 2.34 S.F.	N/A	4.36 S.F.
C	NOTE 1	1,154 S.F.	3.85 S.F.	34.2" X 85" = 291.46 SQ.IN. 291.46 SQ.IN./44 = 2.02 SF	3 X .70 = 2.34 S.F.	N/A	4.36 S.F.

NOTE: PROVIDE VAPOR RETARDER ON THE ATTIC INSULATION PER SHEET NOTE NO.10.

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BUILDING SHEET LEGEND

	2X4 STUD WALL
	2X6 STUD WALL
	2X8 STUD WALL
	MASONRY WALL
	1 - HOUR DWELLING SEPARATION WALL
	INDICATES FURRED CEILING AREA. TO +1'-0" U.N.O.

BUILDING SHEET NOTES

- WALLS AND FLOOR SEPARATING DWELLING UNITS IN THE SAME BLDG. SHALL NOT BE OF LESS THAN 1-HR. FIRE RESISTIVE CONST. (610 D7)
- PENETRATIONS OF AREA SEPARATION WALLS SHALL BE PROTECTED W/ THROUGH-PENETRATION FIRE STOPS & MEMBRANE-PENETRATION FIRE STOPS, PER U.B.C. SEC. 704.
- PENETRATIONS OF FIRE RESISTIVE WALLS, FLOOR-CEILINGS, AND ROOF-CEILINGS SHALL BE PROTECTED AS REQUIRED IN U.B.C.
- PLUMBING PENETRATIONS OF CORRIDOR WALLS, DWELLING UNIT SEPARATION WALLS & AREA SEPARATION WALLS SHALL BE PER PLUMB. PLANS. ALL PENETRATIONS SHALL BE FIRE-STOPPED
- ALL FIRST FLOOR UNITS SHALL MEET HANDICAP ADAPTABLE RIGHTS. FOR LOCATION OF HANDICAP ACCESSIBLE DWELLING UNITS REFER TO ARCHITECTURAL SITE PLAN.

BUILDING SHEET KEYNOTES

- AIR CONDITIONING CONDENSER LOCATIONS, REFER TO MECH. PLANS.
- GAS METER LOCATIONS, REFER TO PLUMBING PLANS.
- ELECTRICAL METER ALCOVE LOCATION, REFER TO ELECTRICAL PLANS.
- TEL. - DATA ALCOVE LOCATION, REFER TO ELECTRICAL PLANS.
- UNIT FIRE EXTINGUISHER LOCATION. VERIFY LOCATION AND NO. W/ LOCAL FIRE MARSHALL PRIOR TO CONSTRUCTION.

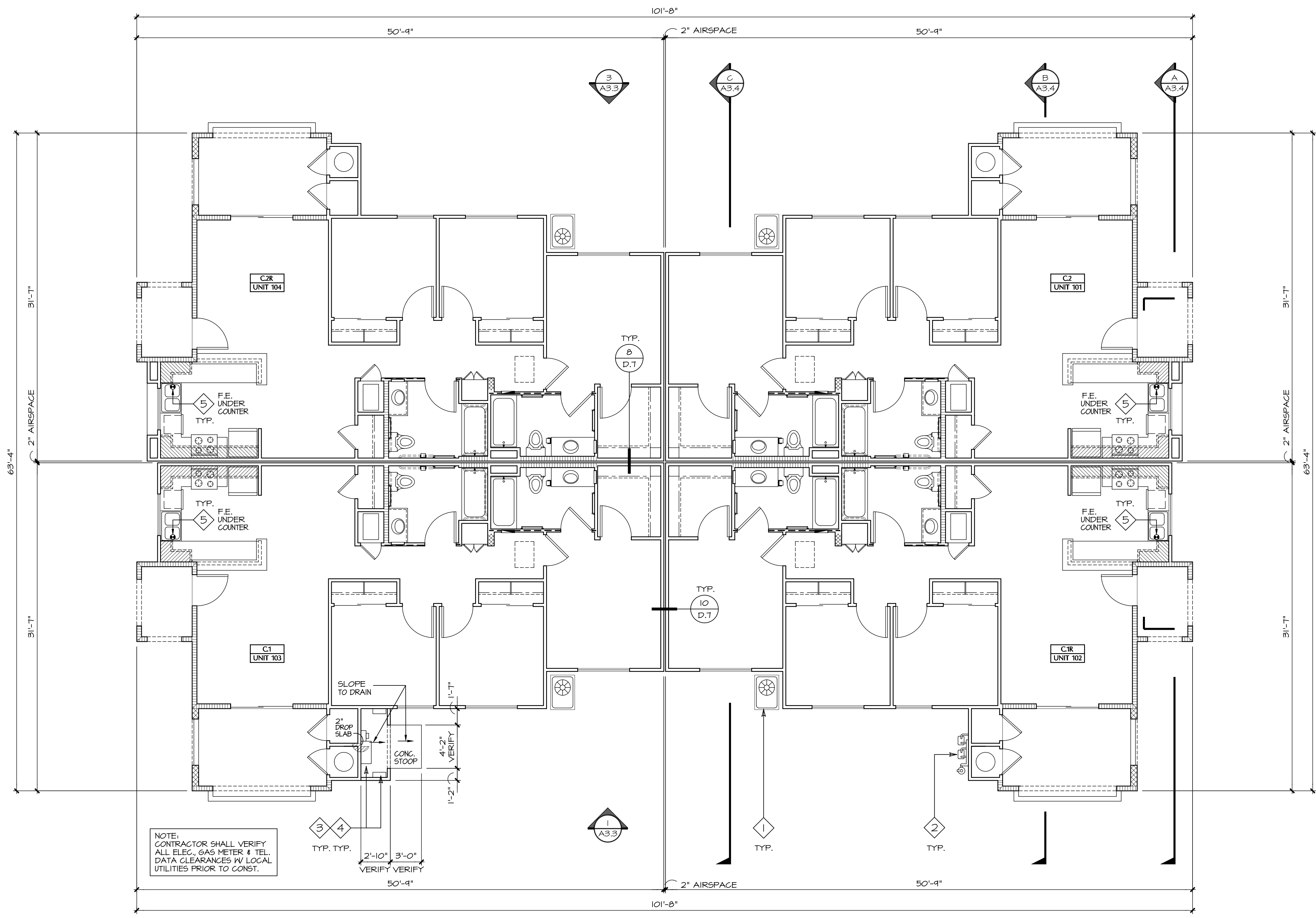
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BLDG. III - FLOOR PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE

DATE FEB. 12, 2007 SHEET A3.1



NOTE: CONTRACTOR SHALL VERIFY ALL ELEC., GAS METER & TEL. DATA CLEARANCES W/ LOCAL UTILITIES PRIOR TO CONST.

FLOOR PLAN

BUILDING III
 ALL UNITS ARE HANDICAP ADAPTABLE AND ACCESSIBLE UNITS

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

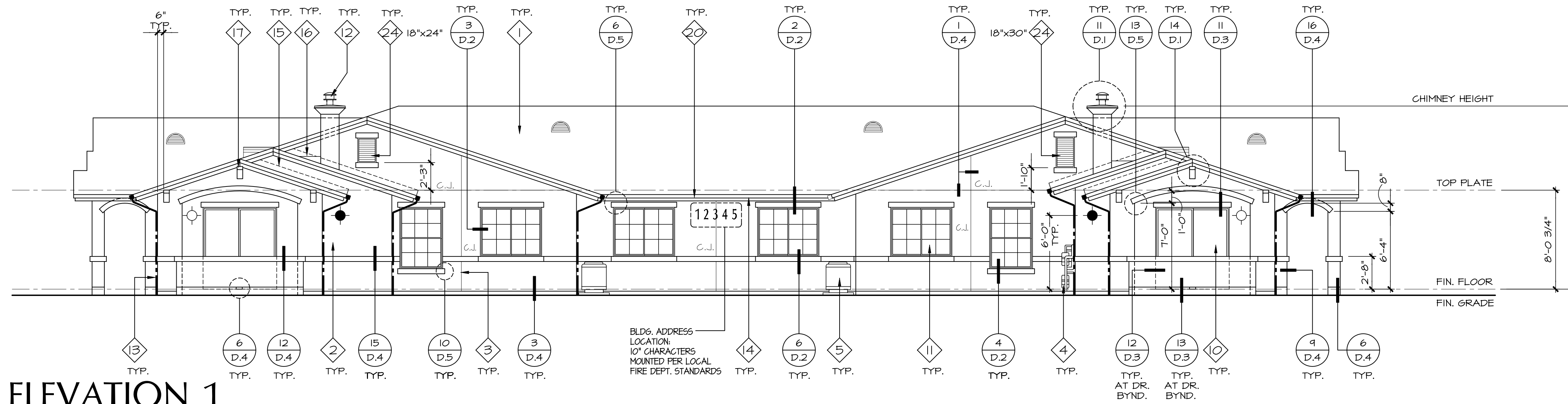
BUILDING DATA		CONSTRUCTION NOTES AND DETAILS	
OCCUPANCY	R-2	DWELLING UNIT SEPARATION WALLS (PARTY WALLS) SHALL BE 1-HR. RATED FIRE-RESISTIVE CONST. (8 D.7) (10 D.7)	FOR FIRE STOPPING AT DWELLING SEPARATION WALLS REFER TO SHEET GN.5.
CONSTRUCTION	VB	FOR INTERSECTING WALLS AT ONE-HOUR DWELLING SEPARATION WALL, REFER TO DETAIL. (6 D.7)	AT ALL LOCATIONS WHERE FINISH PATIO OR HARDSCAPE CONCRETE ELEVATION IS LESS THAN 4" BELOW FINISH FLOOR SHALL BE CONSTRUCTED PER DETAIL. (2 D.4)
HEIGHT	1-STORY	ELEC. OUTLETS IN DWELLING UNIT SEPARATION WALLS SHALL BE PER DETAIL. (16 D.6) (13 D.6)	
FIRE SPRINKLERS	N/A	FURRED CEILING ABOVE CABINETS SHALL BE PER DETAIL. (3 D.6)	FOR STUCCO SCREED AT CONCRETE CURB REFER TO DETAILS. (2 D.4) (5 D.4) (6 D.4)
TOTAL DWELLING UNITS	4	TYPICAL INTERIOR CASED OPENINGS SHALL BE CONSTRUCTED PER REFERENCED DETAIL. (4 D.6) (5 D.6)	

BUILDING AREA - BUILDING III

SPACE	SQ. FOOTAGE
LIVING AREA	4,272 S.F.
SUBTOTAL	4,272 S.F.
GEN. STORAGE	36 S.F.
COVERED PATIO	424 S.F.
COVERED PORCH	156 S.F.
WH CLOSET	40 S.F.
ARCH. POP-OUT	20 S.F.
UTILITY ALCOVE	19 S.F.
TOTAL BLDG. AREA	4,967 S.F.

COVERAGE

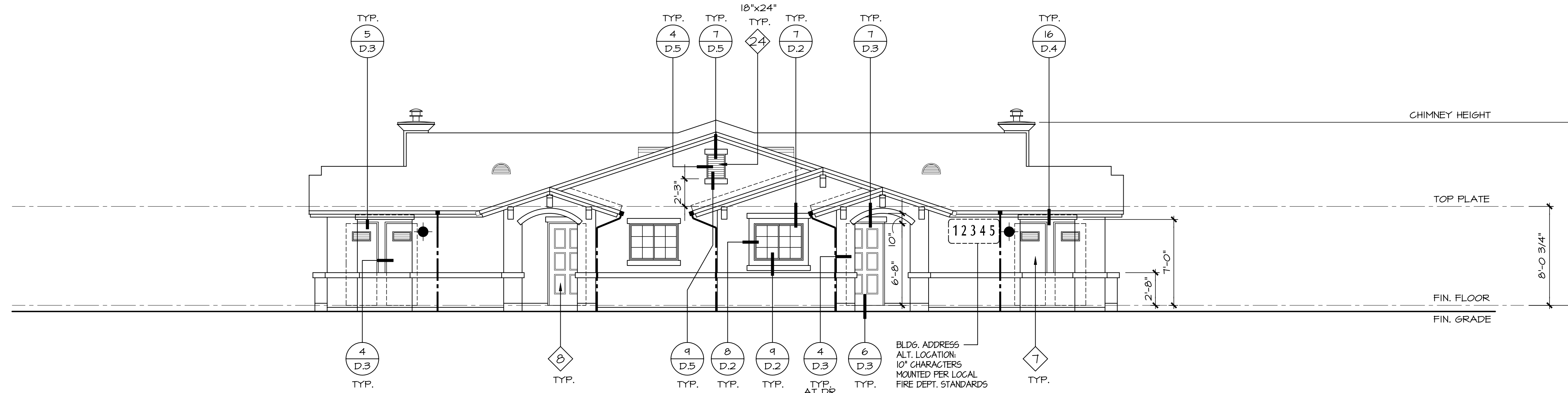
TOTAL COVERAGE	5,034 S.F.
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ELEVATION 1

BUILDING III

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

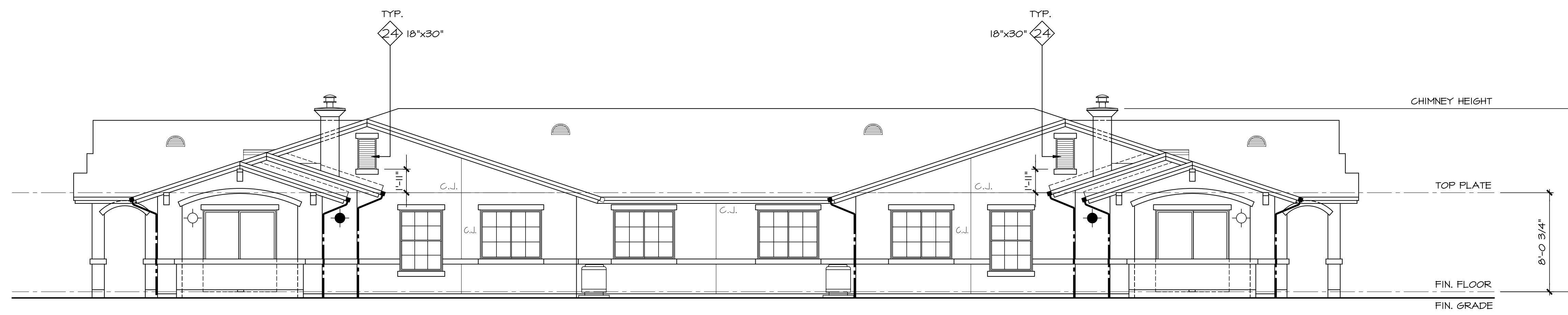


ELEVATION 2 & 4 [ELEVATION 4 IS IDENTICAL & REVERSED TO ELEVATION 2]

BUILDING III

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

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



ELEVATION 3

BUILDING III

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

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

ELEVATION SHEET LEGEND

- INDICATES LOCATION OF UNIT EXT. LIGHT, REFER TO ELEC. PLANS.
- INDICATES BUILDING LIGHT LOCATION WIRED TO HOUSE ELECTRICAL METER, REFER TO ELECTRICAL PLANS.
- ◊ INDICATES LOCATION OF DECORATIVE BUILDING LIGHT FIXTURE, REFER TO ELECTRICAL PLANS.

ELEVATION SHEET NOTES

1. FOR TYPICAL FLASHING AT EXTERIOR OPENINGS REFER TO DETAIL: (1 D2)
2. DOOR AND WINDOW HEADER HEIGHTS SHALL BE 6'-8" NOMINAL, U.N.O. ON THE EXTERIOR ELEVATIONS, TYPICAL.
3. INSTALL STUCCO CONTROL JOINTS AT LOCATIONS INDICATED. IF NOT INDICATED INSTALL AT LOCATIONS COMPLYING W/ FOLLOWING CRITERIA & APPROVED BY ARCH. (1 D4)
 - A. WALL AREAS; NOT MORE THAN 144 SQ. FT. IN AREA.
 - B. HORIZONTAL SURFACES; NOT MORE THAN 100 SQ. FT. IN AREA.
4. FOR PENETRATION AT EXTERIOR WALLS REFER TO DETAIL: (2 D4)
5. REFER TO ROOF PLAN FOR TYP. ARCHITECTURAL ROOF DETAILS.

ELEVATION SHEET KEYNOTES

1	30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING AS SELECTED BY ARCHITECT. INSTALL PER MFR.'S SPEC'S.	13	MTL. DOWNSPOUT PRIMED & PAINTED PER ARCH. COLOR SCHEME. CONNECT TO SUB DRAIN OR CONC. SPLASH BLK., AS INDICATED ON CIVIL PLANS.
2	EXTERIOR STUCCO WALL FINISH, PER SPECIFICATIONS.	14	INDICATES LOCATION OF PRE-FORMED MTL. ROOF GUTTER, FIN. PER ARCH. COLOR SCHEME. (15 D1)
3	LINE OF STUCCO CONTROL JOINT. (1 D4)	15	LINE OF METAL FLASHING AT ROOF TO WALL CONDITION.
4	GAS METER LOCATION, CONTRACTOR TO VERIFY CLEARANCES W/ LOCAL UTILITY.	16	METAL ROOF SADDLE, REFER TO ROOF PLAN.
5	AC CONDENSER UNIT	17	RESAWN WOOD CORBEL
6	GALV. MTL. FRENCH DR., PAINTED PER ARCH. COLOR SCHEME.	18	INSTALL 14" X 6" GALV. MTL. LOVERED WALL VENTS, 4" BELOW CL6. CENTERED ABV. WATER HEATER CLOSET DR. PAINTED TO MATCH EXT. FINISH.
7	GALV. MTL. LOVERED DR., PAINTED PER ARCH. COLOR SCHEME.	19	METAL STOREFRONT DOOR & WINDOW ASSEMBLY, PAINTED PER ARCHITECTURAL COLOR SCHEME.
8	RAISED PANEL GALV. METAL GLAD ENTRY DOOR, PAINTED PER ARCHITECTURAL COLOR SCHEME.	20	RESAWN WOOD FASCIA PER ARCH. COLOR SCHEME.
9	GALV. MTL. FLUSH DR., PAINTED PER ARCH. COLOR SCHEME.	21	EXP. RES. WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
10	VINYL FRAMED SL. GL. DR. W/ NOMINAL HEADER HT. AT 6'-8" U.N.O.	22	CMU BLOCK BUFF COLOR SLIMP BLOCK AS SELECTED BY ARCH.
11	VINYL FRAMED WINDOWS WITH NOMINAL HEADER HT. AT 6'-8" U.N.O. FRAME COLOR AS SELECTED BY ARCH.	23	MTL. SECTIONAL OVERHEAD DR. WOPNER, PAINT PER ARCH. COLOR SCHEME.
12	METAL 'B' VENT TERMINATION GAP, PER MECHANICAL PLANS, PAINT PER ARCHITECTURAL COLOR SCHEME.	24	GALV. MTL. WALL VENT. PAINT PER ARCH. COLOR SCHEME.
		25	DRINKING FOUNTAINS.

EDCOUCH APARTMENTS

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BLDG. III - EXT. ELEVATIONS

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DATE: FEB. 12, 2007

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A3.3

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ROOF SHEET LEGEND

	INDICATES DIRECTION OF ROOF SLOPE.
D.S.	INDICATES MTL. DOWNSPOUT, FIN. PER ARCH. CLR. SCHEME. CONNECT BLDG. PERIMETER DOWNSPOUTS TO SUB-DRAIN SYS. OR CONC. SPLASH BLK. PER CIVIL.
	INDICATES LOCATION OF ROOF ACCENT LIGHTING
	INDICATES ATTIC DRAFTSTOP LOCATIONS.
	1 - HOUR DWELLING SEPARATION WALL

ROOF SHEET NOTES

- TYP. VENT FLASHING AT SLOPED ROOF REFER TO DETAIL.
- CONTRACTOR SHALL COORDINATE W/ ROOF TRUSS MFR. TO PROVIDE A CLEAR INSTALLATION SPACE FOR ALL WALL & ROOF ATTIC VENTS, AS SHOWN ON PLANS.
- CONTRACTOR SHALL VERIFY VENTILATION AREA OF ALL ATTIC VENTS WITH MANUFACTURER.
- ROOF VENTILATORS SHALL BE LOCATED AND ALIGNED THE SAME DISTANCE UP FROM THE ROOF EAVE LINE.
- ALL ROOF VENTS SHALL BE LOCATED A MINIMUM OF 2'-0" FROM ANY ROOF FLASHING CONDITION.
- ALL ROOF SHTG. EDGES SHALL BE BLOCKED & NAILED PER STRUC. CONTRACTOR SHALL ALSO PROVIDE MIN. BLKS/NAILING AS REQD. BY ROOF MFR.
- GALVANIZED METAL ROOF DIVERTERS SHALL BE INSTALLED AT ALL ROOF EAVE TO WALL CONDITION.
- ATTIC MOUNTED MECHANICAL EQUIPMENT. CONTRACTOR SHALL VERIFY REQMTS. W/ MANUFACTURER FOR EXT. VENTILATION & PROVIDE ADDITIONAL VENTS.
- INSTALL A VAPOR RETARDER HAVING A TRANSMISSION RATE NOT EXCEEDING 1 PERM IN ACCORDANCE WITH ASTM E 96 IS INSTALLED ON THE WARM SIDE OF THE ATTIC INSULATION.
- INSTALL HARDI PLANK EAVE ENCLOSURE.
- ROOF TRUSS MFR. SHALL VERIFY CLEARANCES FOR ROOF ATTIC PATH OF TRAVEL AS SHOWN ON PLANS.

ROOF SHEET KEYNOTES

- 30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING. INSTALL PER MFR.'S SPEC'S. COLOR & STYLE PER ARCHITECT.
- LINE OF ROOF EAVE/RAKE.
- INDICATES LINE OF BUILDING, BELOW.
- INDICATES 22" X 30" ATTIC ACCESS LOCATION WITHOUT ACCESS TO MECH. EQUIP. INDICATES 30" X 30" ATTIC ACCESS LOCATION WITH ACCESS TO MECH. EQUIP.
- METAL ROOF SADDLE.
- EXPOSED RESAWN WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
- INDICATES LOCATION OF METAL ROOF GUTTER, FINISH PER ARCH. COLOR SCHEME.
- METAL 'B' VENT TERMINATION CAP. PER MECHANICAL PLANS. PAINT PER ARCHITECTURAL COLOR SCHEME.
- GALV. ROOF DORMER VENT PAINT TO MATCH ROOFING.
- INDICATES RAKE GUTTER TO CONNECT UPPER & LOWER ROOF GUTTER.
- FORCE AIR UNIT (F.A.U.) W/ R.A.G. PER MECH. PLANS.
- 22" X 22" ROOF SHEATHING OPENING AT ROOF FILL AREA FOR VENTILATION. BLOCK OPENING AS REQD. BY STRUC.
- INDICATES 3" WIDE EAVE VENT.
- INDICATES ROOF ATTIC PATH OF TRAVEL. SEE NOTE #12

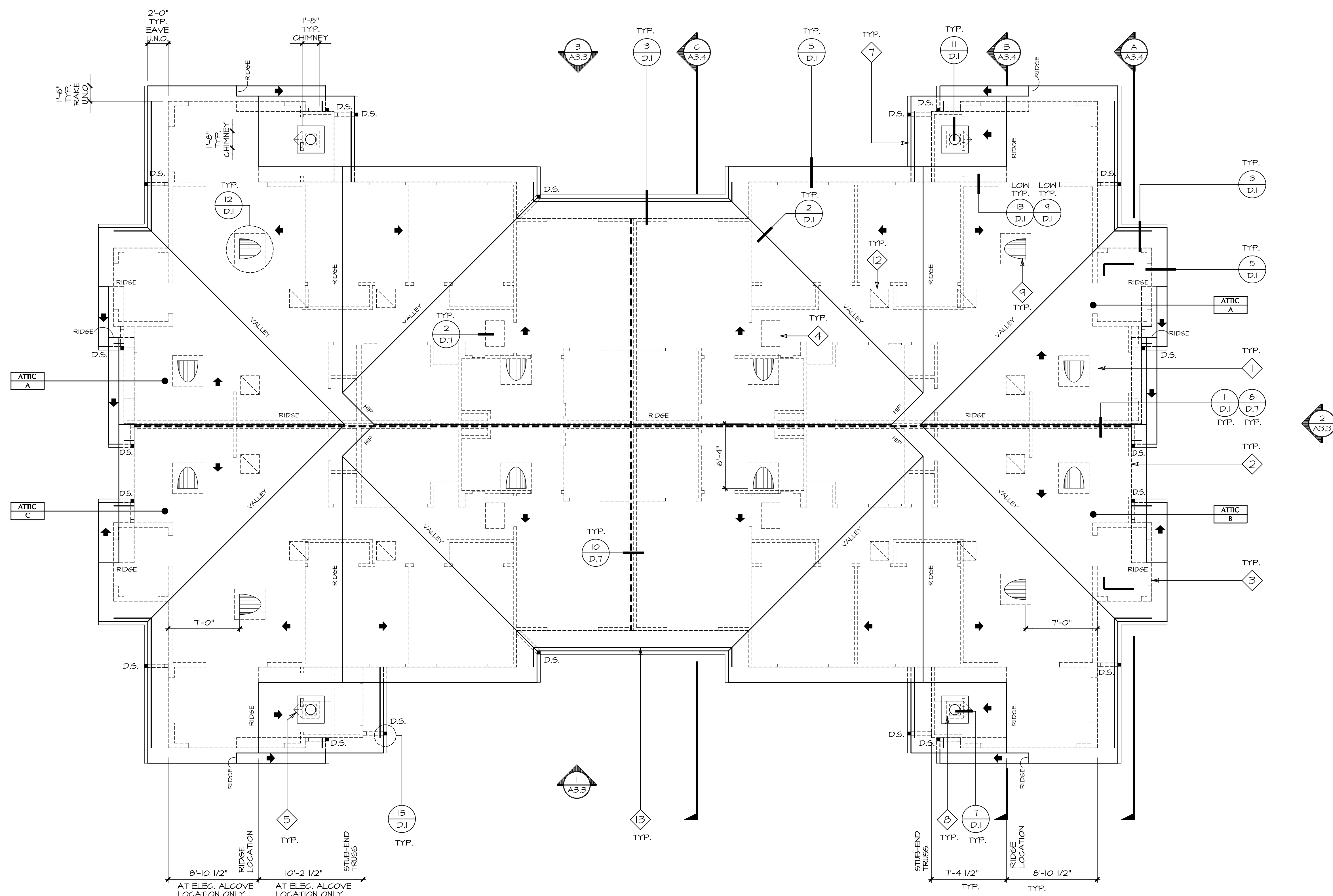
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BLDG. III - ROOF PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE
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DATE	FEB. 12, 2007		SHEET		
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ROOF PLAN

BUILDING III

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

BUILDING ATTIC VENTILATION CALCULATION

ZONE	METHOD OF CALC.	ATTIC AREA	REQUIRED VENTILATION	PROPOSED EAVE VENTILATION	PROPOSED DORMER VENTS	PROPOSED WALL VENTS	TOTAL VENT. PROVIDED
A	NOTE 1	1,248 S.F.	4.16 S.F.	3142 X 85 = 32232 SQ.IN. 32232 SQ.IN./44 = 224 SF	3 X .78 = 2.34 S.F.	N/A	4.58 S.F.
B	NOTE 1	1,238 S.F.	4.13 S.F.	3142 X 85 = 32232 SQ.IN. 32232 SQ.IN./44 = 224 SF	3 X .78 = 2.34 S.F.	N/A	4.58 S.F.
C	NOTE 1	1,258 S.F.	4.19 S.F.	3142 X 85 = 32232 SQ.IN. 32232 SQ.IN./44 = 224 SF	3 X .78 = 2.34 S.F.	N/A	4.58 S.F.

NOTE: PROVIDE VAPOR RETARDER ON THE ATTIC INSULATION PER SHEET NOTE NO.10.

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PLAN SHEET LEGEND

[Symbol]	2X4 STUD WALL	[Symbol]	INDICATES FURRED CLG. AREA TO 7'-0" CLR. UNO.	(1)
[Symbol]	2X6 STUD WALL	[Symbol]	WALL W/ UNFACED R-II BATT SOUND INSUL.	(2)
[Symbol]	2X8 STUD WALL	[Symbol]	1 - HOUR DWELLING SEPARATION WALL	(3)
[Symbol]	MASONRY WALL	[Symbol]	NOTES CEILING HT.	(4)

PLAN FINISH SCHEDULE LEGEND

ROOM NAME	ROOM	CEILING HEIGHT	N	NONE
FLOOR MATERIAL		CEILING MATERIAL	GB	6YP. BD. TAPED/PAINTED. 1 COAT PAINT, PER SPEC'S
BASE MATERIAL		WALL FINISH	F	6YP. BD. LIGHT ORANGE PEEL TEXTURE & FLAT LATEX PAINT PER SPEC'S
CT CERAMIC TILE, PER SPEC.S	SC SMOOTH TROWELLED CONC. FINISH	V VAULTED CEILING	S	6YP. BD. LIGHT ORANGE PEEL TEXTURE & SEMI-GLOSS ENAMEL PAINT PER SPEC.S
CP CARPET W/ PAD, PER SPEC.S	VB VINYL BASE	WB WOOD BASE PRIMED & PAINTED PER SPEC.S.	G	6YP. BD. LIGHT ORANGE PEEL TEXTURE & GLOSS ENAMEL PAINT PER SPEC.S
SV SHEET VINYL, PER SPEC.S				
VCT VINYL COMPOSITION TILE, PER SPEC.S.				

PLAN SHEET NOTES

- FOR ABBREVS, SYMBOLS & GEN. NOTES REFER TO SHIT, GN.I.
- FOR ADD. DISABLED ACCESS REQMT.S & BATHROOM GRAB BAR CONDITION AND WALL BLOCKING REFER TO SHEETS GN.2, GN.3 & GN.4.
- FOR DOOR AND WINDOW SCHEDULE, REFER TO SHEET SC.1.
- SWITCHES & ELEC. TEL. & TV RECEPTACLES SHALL BE INSTALLED AT ACCESSIBLE HEIGHT AS REQ. BY ICC/ANSI A117.1-1988 & TEXAS ACCESSIBILITY STANDARDS.
- INSTALL SMOKE DETECTORS AS REQ'D. REFER TO ELEC. PLANS.

PLAN SHEET KEYNOTES

[1]	WATER HEATER LOCATION INSTALL PER DETAIL. INSTALL 6"x4" GALV. WALL VENT 4" BELOW CEILING.	[16]	LINE OF HANDICAP GRAB BARS, AS REQUIRED.
[2]	RECESS. MEDICINE CABT. W/ USABLE SHELF AT 44" A.F.F.	[17]	22" X 30" MIN. CLR. ATIC ACCESS PANEL. VERIFY SIZE W/ MECH. ENG.
[3]	32"x60" (UNO.) I-PIECE PREFAB. TUB/SHOWER. W/ 12" MAINSCOT	[18]	SLOPE TO DRAIN.
[4]	WATER CLOSET	[19]	AIR CONDITIONING CONDENSERS. REFER TO MECH. PLANS.
[5]	48"x66" W.C. CLEARANCE 30"x48" LAV. CLEARANCE. 30"x60" TUB CLEARANCE.	[20]	PROVIDE STUCCO CONTROL JOINT AT CLG. SOFFIT TO MATCH DECK/PATIO C.J.
[6]	INDICATES 5'-0" HANDICAP ACCESSIBLE TURNING RADIUS.	[21]	RECESS. STAINLESS STL. TOWEL DISP. & TRASH RECEPTACLE.
[7]	24" TOWEL BAR. INSTALL AT +40" A.F.F.	[22]	ELEC. METER/ELEC. METER ALCOVE LOCATION. REFER TO ELEC. PLANS.
[8]	TOILET PAPER DISPENSER	[23]	TELEPHONE, DATA & CABLE TV. ALCOVE LOCATION.
[9]	33"x12" REFRIG. SPACE. VERIFY W/ OWNER & VENDOR PRIOR TO CONST.	[24]	GAS METER LOCATIONS, REFER TO PLUMBING PLANS.
[10]	LINE OF GYP. BD. CASED OPENING, SOFFIT OR CLG. ABV.	[25]	RECESS. FIRE EXTINGUISHER IN 2X6 STUDS MIN. VERIFY.
[11]	CONC. CONTROL JOINT.	[26]	EXPOSED RESAWN WD. TRELLIS. FIN. PER ARCH. COLOR SCHEME.
[12]	FORCED AIR UNIT (F.A.U.) W/ R.A.S. PER MECH. PLANS.	[27]	DRINKING FOUNTAINS
[13]	UNIT ELECTRICAL PANEL, PER ELEC. PLANS.	[28]	RECESS. STAINLESS STL. COMBO. OF TOILET PAPER & SEAT COVER DISP.
[14]	PATIO OR BALCONY DRAINAGE CRICKET.	[29]	PROPOSED FIRE DEPT. KEY BOX LOCATION. VERIFY W/ LOCAL FIRE DEPT.
[15]	CONT. 1-HR. FLR./CLG. ASSEMBLY AT VOID SPACES, TYPICAL.	[30]	FLOOR DRAIN. REFER TO PLUMBING PLANS.
		[31]	COMMERCIAL ACCESS. CLR. SPACE, 5'-0" DIAMETER TYP.

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COMM. BLDG. - FLOOR PLAN

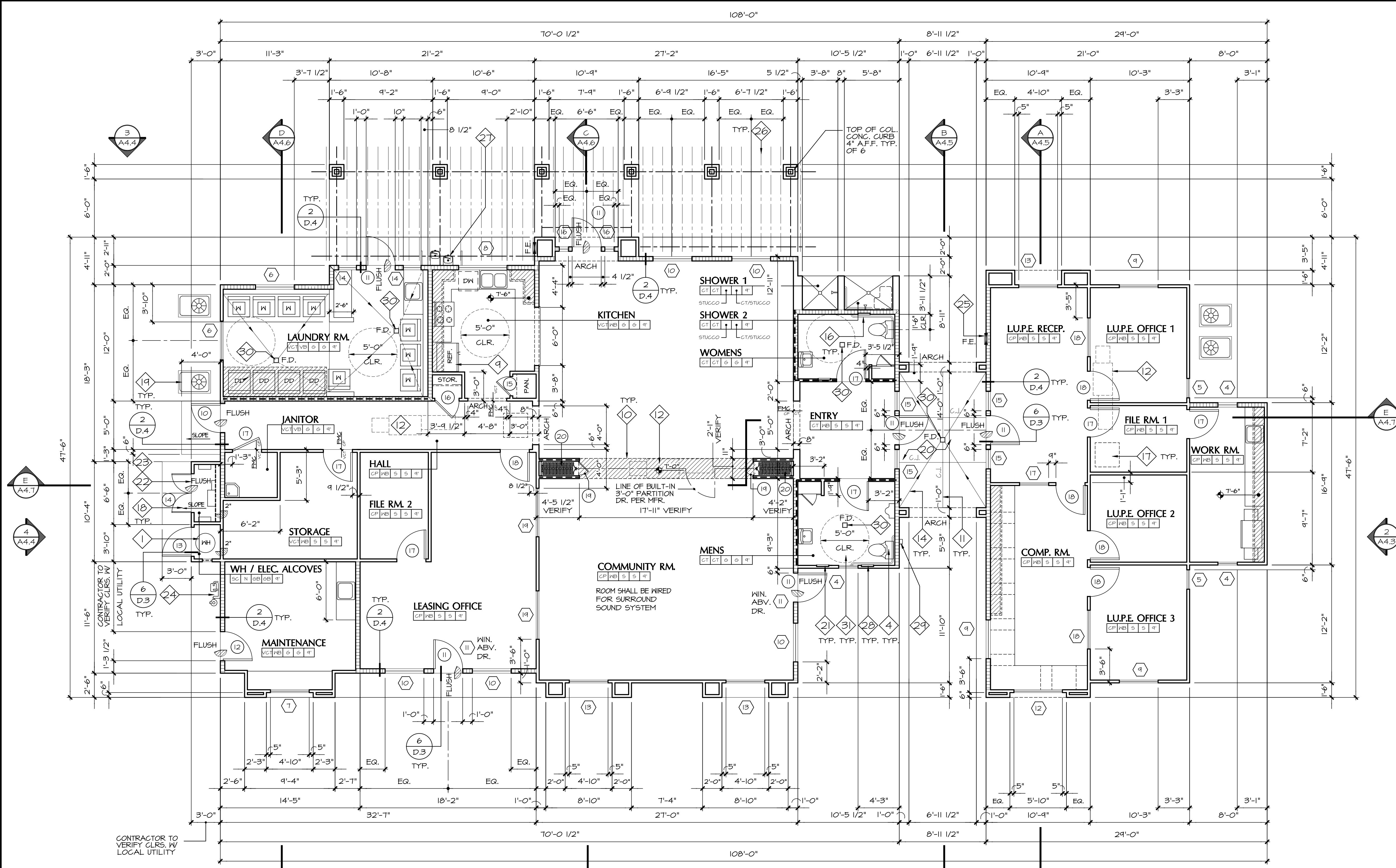
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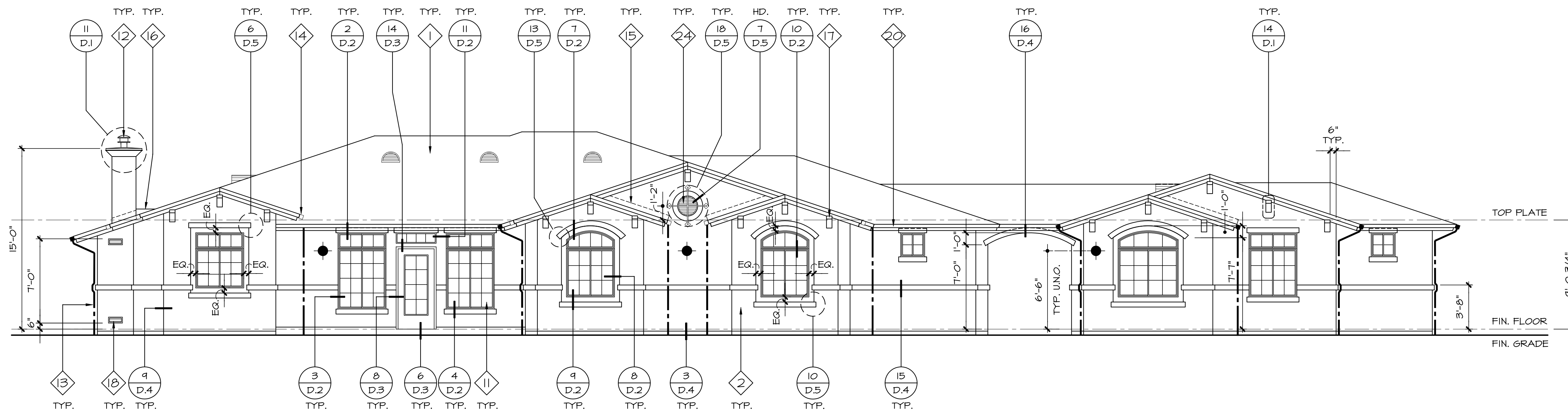
FLOOR PLAN
COMMUNITY BUILDING
BUILDING SHALL BE HANDICAP ACCESSIBLE

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

INTERIOR ELEVATION KEY

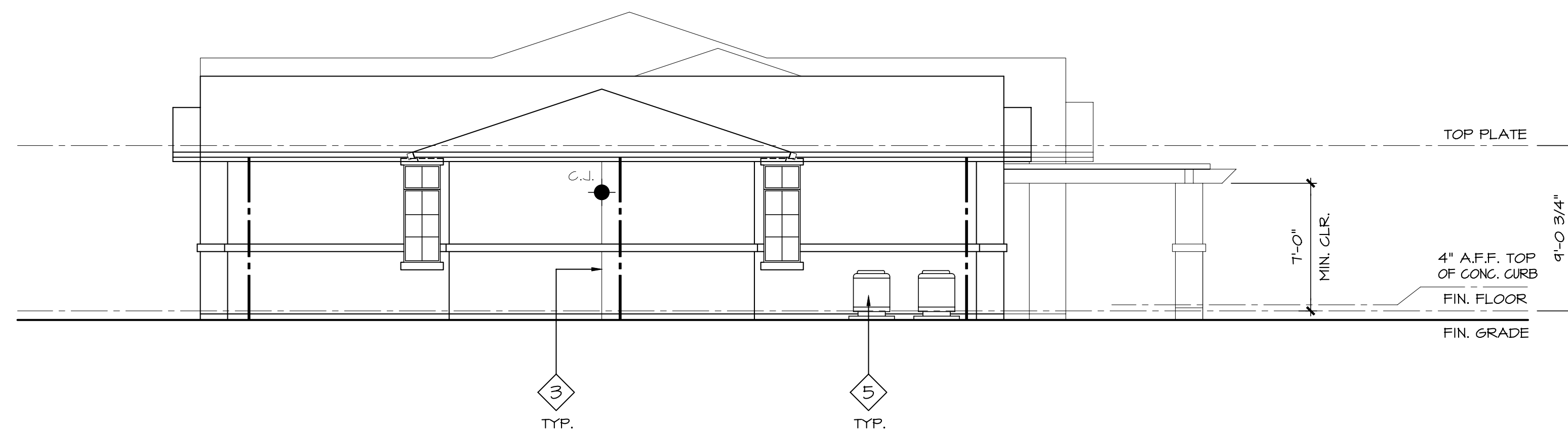
BUILDING DATA		CONSTRUCTION NOTES AND DETAILS	
OCCUPANCY	A-3	DWELLING UNIT SEPARATION WALLS (PARTY WALLS) SHALL BE 1-HR. RATED FIRE-RESISTIVE CONST. (8) (D.7) (10) (D.7)	FOR FIRE STOPPING AT DWELLING SEPARATION WALLS REFER TO SHEET GN.5.
CONSTRUCTION	VB	FOR INTERSECTING WALLS AT ONE-HOUR DWELLING SEPARATION WALL, REFER TO DETAIL. (6) (D.1)	AT ALL LOCATIONS WHERE FINISH PATIO OR HARDSCAPE CONCRETE ELEVATION IS LESS THAN 4" BELOW FINISH FLOOR SHALL BE CONSTRUCTED PER DETAIL. (16) (D.6) (18) (D.6)
HEIGHT	1-STORY	ELEC. OUTLETS IN DWELLING UNIT SEPARATION WALLS SHALL BE PER DETAIL. (16) (D.6) (18) (D.6)	
FIRE SPRINKLERS	N/A	FURRED CEILING ABOVE CABINETS SHALL BE PER DETAIL. (9) (D.6)	FOR STUCCO SCREED AT CONCRETE CURB REFER TO DETAILS. (2) (D.4) (5) (D.4) (6) (D.4)
TOTAL DWELLING UNITS	N/A	TYPICAL INTERIOR CASED OPENINGS SHALL BE CONSTRUCTED PER REFERENCED DETAIL. (4) (D.6) (5) (D.6)	

BUILDING AREA		OCCUPANCY LOAD CALCS	
COMM. BUILDING		POST A SIGN IN THE ASSEMBLY AREAS STATING THE MAX. OCCUPANT CAPACITY IN A LOCATION APPROVED BY THE FIRE DEPT.	
SPACE	SQ. FOOTAGE	SPACE	
EAST WING (OFFICES)	1,007 SQ. FT.	ENTRY	
WEST WING (COMMUNITY SP)	2,878 SQ. FT.	LUPE RECP.	
BREEZEWAY	143 SQ. FT.	LUPE OFF. 1	
WH & ELEC. ALCOVE	29 SQ. FT.	COMP. ROOM	
ARCH. POP-OUT	67 SQ. FT.	LUPE OFF. 2	
TOTAL	4,124 SQ. FT.	LUPE OFF. 3	
		FILE RM. 1	
		FILE RM. 2	
		WORK RM.	
		COMM. RM.	
		LEASING OFFICE	
		KITCHEN	
		JANITOR	
		STORAGE	
		MAINTENANCE	
		LAUNDRY RM.	



ELEVATION 1
COMMUNITY BUILDING

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



ELEVATION 2
COMMUNITY BUILDING

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

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1 ABOVE.

ELEVATION SHEET LEGEND

- INDICATES LOCATION OF UNIT EXT. LIGHT, REFER TO ELEC. PLANS.
- INDICATES BUILDING LIGHT LOCATION WIRED TO HOUSE ELECTRICAL METER, REFER TO ELECTRICAL PLANS.
- ⊙ INDICATES LOCATION OF DECORATIVE BUILDING LIGHT FIXTURE, REFER TO ELECTRICAL PLANS.

ELEVATION SHEET NOTES

1. FOR TYPICAL FLASHING AT EXTERIOR OPENINGS REFER TO DETAIL: (1 D.2)
2. DOOR AND WINDOW HEADER HEIGHTS SHALL BE 6'-8" NOMINAL, U.N.O. ON THE EXTERIOR ELEVATIONS, TYPICAL.
3. INSTALL STUCCO CONTROL JOINTS AT LOCATIONS INDICATED. IF NOT INDICATED INSTALL AT LOCATIONS COMPLYING W/ FOLLOWING CRITERIA & APPROVED BY ARCH. (1 D.4)
 - A. WALL AREAS; NOT MORE THAN 144 SQ. FT. IN AREA.
 - B. HORIZONTAL SURFACES; NOT MORE THAN 100 SQ. FT. IN AREA.
4. FOR PENETRATION AT EXTERIOR WALLS REFER TO DETAIL: (2 D.4)
5. REFER TO ROOF PLAN FOR TYP. ARCHITECTURAL ROOF DETAILS.

ELEVATION SHEET KEYNOTES

1	30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING AS SELECTED BY ARCHITECT. INSTALL PER MFR.'S SPEC'S.	13	MTL. DOWNSPOUT PRIMED & PAINTED PER ARCH. COLOR SCHEME. CONNECT TO SUB DRAIN OR CONC. SPLASH BLK., AS INDICATED ON CIVIL PLANS.
2	EXTERIOR STUCCO WALL FINISH, PER SPECIFICATIONS.	14	INDICATES LOCATION OF PRE-FORMED MTL. ROOF GUTTER, FIN. PER ARCH. COLOR SCHEME. (15 D.1)
3	LINE OF STUCCO CONTROL JOINT. (1 D.4)	15	LINE OF METAL FLASHING AT ROOF TO WALL CONDITION.
4	GAS METER LOCATION, CONTRACTOR TO VERIFY CLEARANCES W/ LOCAL UTILITY.	16	METAL ROOF SADDLE, REFER TO ROOF PLAN.
5	AC CONDENSER UNIT	17	RESAWN WOOD CORBEL
6	GALV. MTL. FRENCH DR., PAINTED PER ARCH. COLOR SCHEME.	18	INSTALL 14" X 6" GALV. MTL. LOVERED WALL VENTS, 4" BELOW CLG. CENTERED ABV. WATER HEATER CLOSET DR. PAINTED TO MATCH EXT. FINISH.
7	GALV. MTL. LOVERED DR., PAINTED PER ARCH. COLOR SCHEME.	19	METAL STOREFRONT DOOR & WINDOW ASSEMBLY, PAINTED PER ARCHITECTURAL COLOR SCHEME.
8	RAISED PANEL GALV. METAL GLAD ENTRY DOOR, PAINTED PER ARCHITECTURAL COLOR SCHEME.	20	RESAWN WOOD FASCIA PER ARCH. COLOR SCHEME.
9	GALV. MTL. FLUSH DR., PAINTED PER ARCH. COLOR SCHEME.	21	EXP. RES. WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
10	VINYL FRAMED SL. GL. DR. W/ NOMINAL HEADER HT. AT 6'-8" U.N.O.	22	CMU BLOCK BUFF COLOR SLUMP BLOCK AS SELECTED BY ARCH.
11	VINYL FRAMED WINDOWS WITH NOMINAL HEADER HT. AT 6'-8" U.N.O. FRAME COLOR AS SELECTED BY ARCH.	23	MTL. SECTIONAL OVERHEAD DR. WOPNER, PAINT PER ARCH. COLOR SCHEME.
12	METAL B' VENT TERMINATION GAP, PER MECHANICAL PLANS, PAINT PER ARCHITECTURAL COLOR SCHEME.	24	GALV. MTL. WALL VENT. PAINT PER ARCH. COLOR SCHEME.
		25	DRINKING FOUNTAINS.

EDCOUCH APARTMENTS

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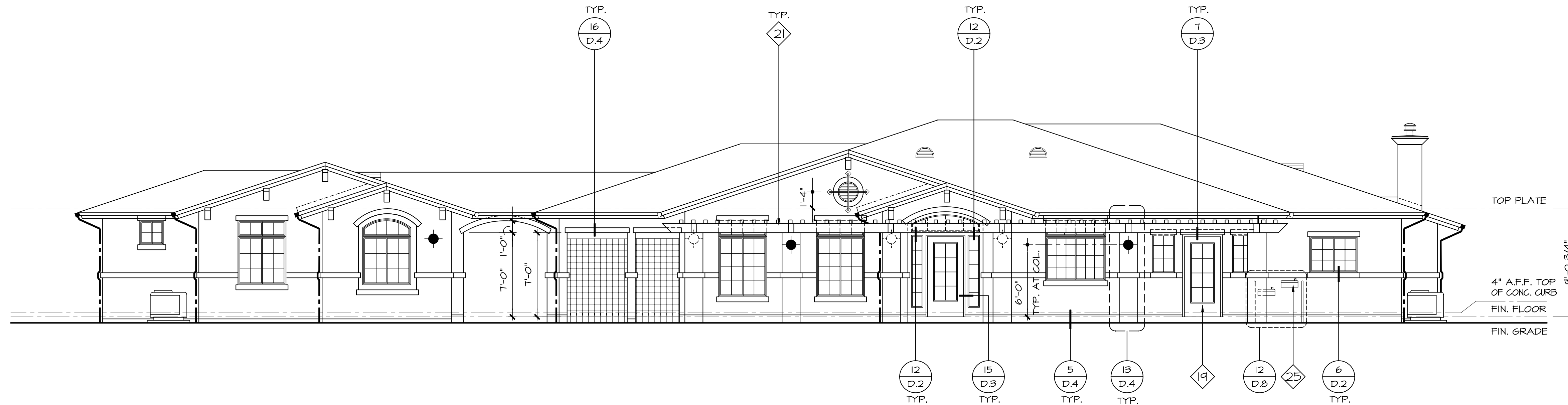
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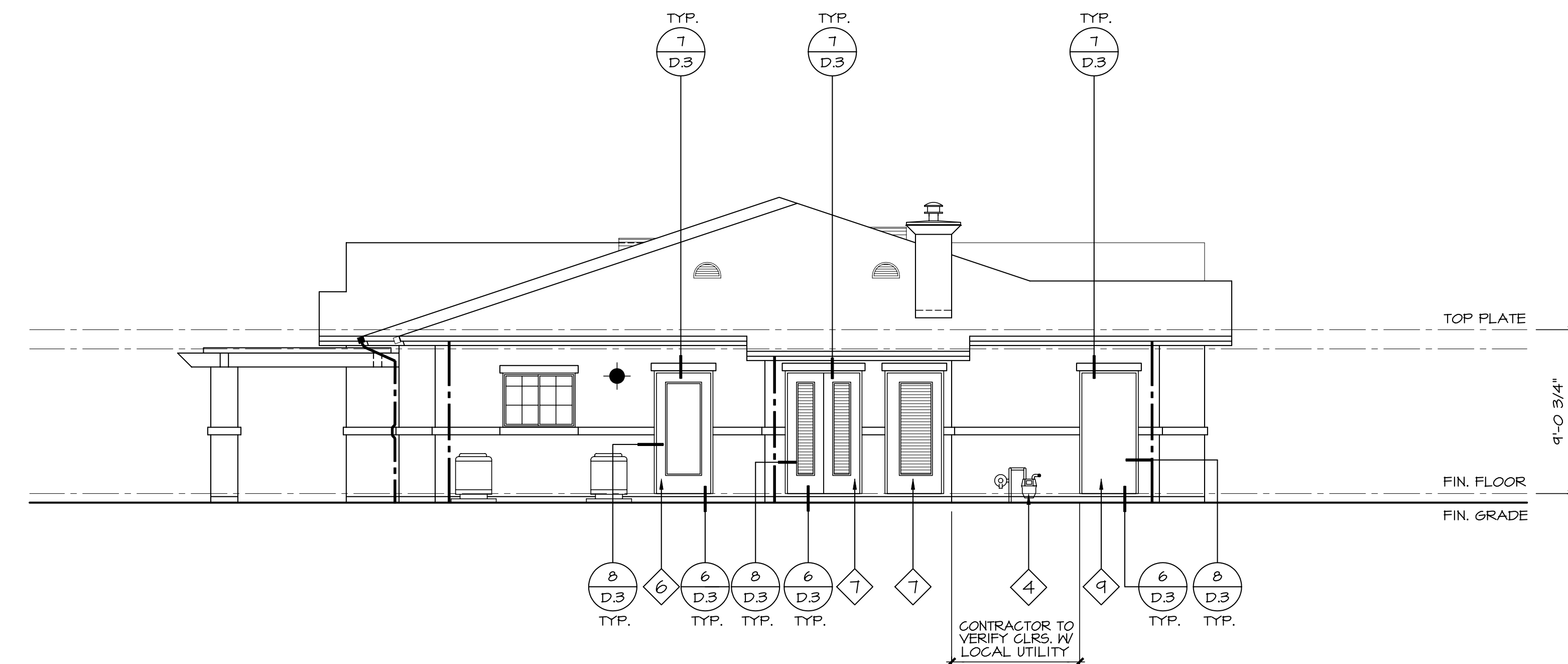


ELEVATION 3

COMMUNITY BUILDING

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1

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



ELEVATION 4

COMMUNITY BUILDING

NOTE: FOR TYPICAL INFORMATION AND DETAILS REFER TO ELEVATION 1

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

ELEVATION SHEET LEGEND

- INDICATES LOCATION OF UNIT EXT. LIGHT, REFER TO ELEC. PLANS.
- INDICATES BUILDING LIGHT LOCATION WIRED TO HOUSE ELECTRICAL METER, REFER TO ELECTRICAL PLANS.
- ⊙ INDICATES LOCATION OF DECORATIVE BUILDING LIGHT FIXTURE, REFER TO ELECTRICAL PLANS.

ELEVATION SHEET NOTES

1. FOR TYPICAL FLASHING AT EXTERIOR OPENINGS REFER TO DETAIL: (1 D.2)
2. DOOR AND WINDOW HEADER HEIGHTS SHALL BE 6'-8" NOMINAL, U.N.O. ON THE EXTERIOR ELEVATIONS, TYPICAL.
3. INSTALL STUCCO CONTROL JOINTS AT LOCATIONS INDICATED. IF NOT INDICATED INSTALL AT LOCATIONS COMPLYING W/ FOLLOWING CRITERIA & APPROVED BY ARCH. (1 D.4)
 - A. WALL AREAS; NOT MORE THAN 144 SQ. FT. IN AREA.
 - B. HORIZONTAL SURFACES; NOT MORE THAN 100 SQ. FT. IN AREA.
4. FOR PENETRATION AT EXTERIOR WALLS REFER TO DETAIL: (2 D.4)
5. REFER TO ROOF PLAN FOR TYP. ARCHITECTURAL ROOF DETAILS.

ELEVATION SHEET KEYNOTES

13	30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING AS SELECTED BY ARCHITECT. INSTALL PER MFR.'S SPEC'S.	13	MTL. DOWNSPOUT PRIMED & PAINTED PER ARCH. COLOR SCHEME. CONNECT TO SUB DRAIN OR CONC. SPLASH BLK., AS INDICATED ON CIVIL PLANS.
2	EXTERIOR STUCCO WALL FINISH, PER SPECIFICATIONS.	14	INDICATES LOCATION OF PRE-FORMED MTL. ROOF GUTTER, FIN. PER ARCH. COLOR SCHEME. (15 D.1)
3	LINE OF STUCCO CONTROL JOINT. (1 D.4)	15	LINE OF METAL FLASHING AT ROOF TO WALL CONDITION.
4	GAS METER LOCATION, CONTRACTOR TO VERIFY CLEARANCES W/ LOCAL UTILITY.	16	METAL ROOF SADDLE, REFER TO ROOF PLAN.
5	AC CONDENSER UNIT	17	RESAWN WOOD CORBEL
6	GALV. MTL. FRENCH DR., PAINTED PER ARCH. COLOR SCHEME.	18	INSTALL 14" X 6" GALV. MTL. LOVERED WALL VENTS, 4" BELOW CL6, CENTERED ABV. WATER HEATER CLOSET DR. PAINTED TO MATCH EXT. FINISH.
7	GALV. MTL. LOVERED DR., PAINTED PER ARCH. COLOR SCHEME.	19	METAL STOREFRONT DOOR & WINDOW ASSEMBLY, PAINTED PER ARCHITECTURAL COLOR SCHEME.
8	RAISED PANEL GALV. METAL GLAD ENTRY DOOR, PAINTED PER ARCHITECTURAL COLOR SCHEME.	20	RESAWN WOOD FASCIA PER ARCH. COLOR SCHEME.
9	GALV. MTL. FLUSH DR., PAINTED PER ARCH. COLOR SCHEME.	21	EXP. RES. WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
10	VINYL FRAMED SL. GL. DR. W/ NOMINAL HEADER HT. AT 6'-8" U.N.O.	22	CMU BLOCK BUFF COLOR SLIMP BLOCK AS SELECTED BY ARCH.
11	VINYL FRAMED WINDOWS WITH NOMINAL HEADER HT. AT 6'-8" U.N.O. FRAME COLOR AS SELECTED BY ARCH.	23	MTL. SECTIONAL OVERHEAD DR. WOPNER, PAINT PER ARCH. COLOR SCHEME.
12	METAL B' VENT TERMINATION GAP, PER MECHANICAL PLANS, PAINT PER ARCHITECTURAL COLOR SCHEME.	24	GALV. MTL. WALL VENT. PAINT PER ARCH. COLOR SCHEME.
		25	DRINKING FOUNTAINS.

EDCOUCH APARTMENTS



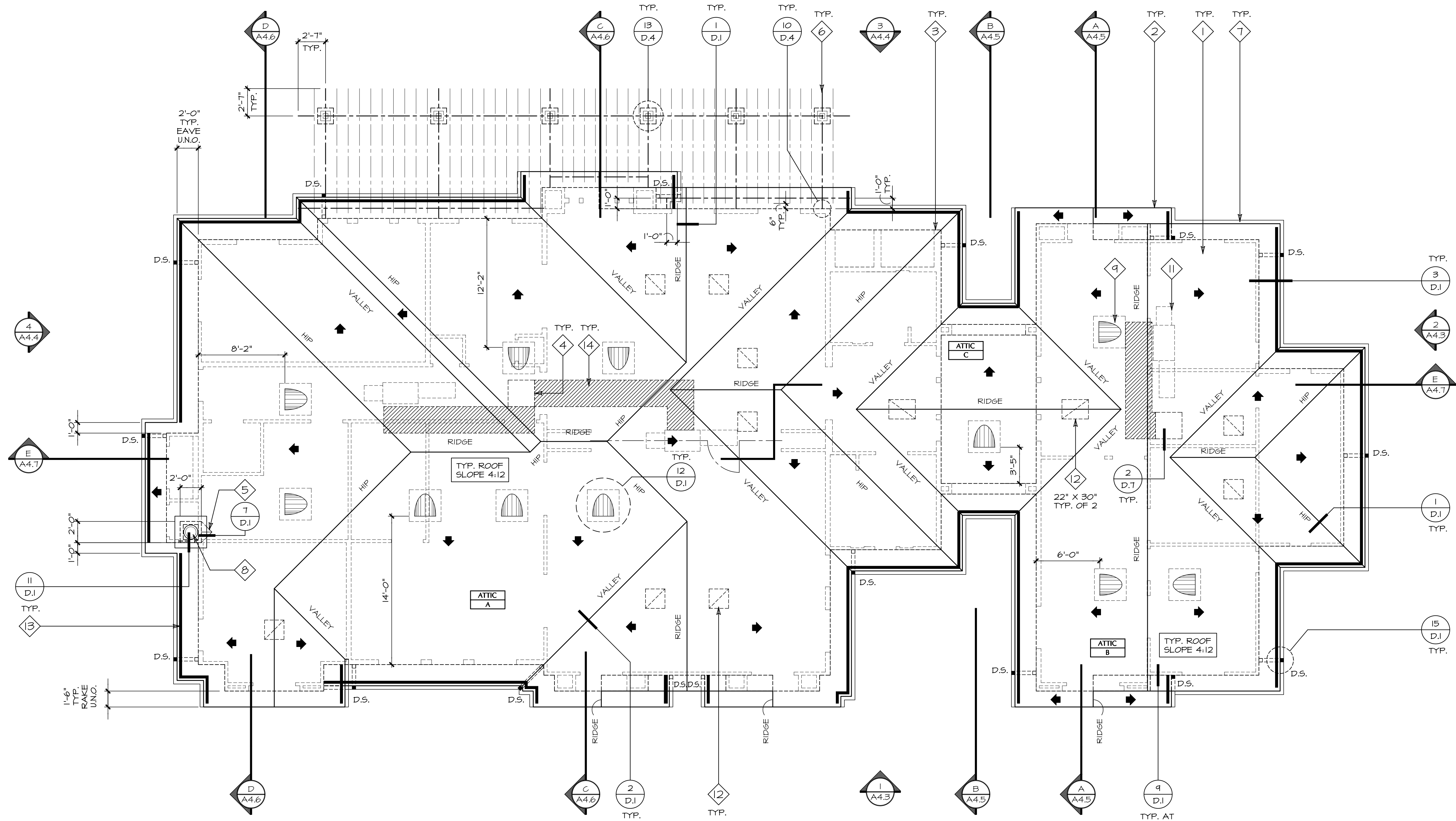
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ROOF SHEET LEGEND

	INDICATES DIRECTION OF ROOF SLOPE.
D.S.	INDICATES MTL. DOWNSPOUT, FIN. PER ARCH. CLR. SCHEME. CONNECT BLDG. PERIMETER DOWNSPOUTS TO SUB-DRAIN SYS. OR CONC. SPLASH BLK. PER CIVIL.
	INDICATES LOCATION OF ROOF ACCENT LIGHTING
	INDICATES ATTIC DRAFTSTOP LOCATIONS.
	1 - HOUR DWELLING SEPARATION WALL

- ROOF SHEET NOTES**
- TYP. VENT FLASHING AT SLOPED ROOF REFER TO DETAIL.
 - CONTRACTOR SHALL COORDINATE W/ ROOF TRUSS MFR. TO PROVIDE A CLEAR INSTALLATION SPACE FOR ALL WALL & ROOF ATTIC VENTS, AS SHOWN ON PLANS.
 - CONTRACTOR SHALL VERIFY VENTILATION AREA OF ALL ATTIC VENTS WITH MANUFACTURER.
 - ROOF VENTILATORS SHALL BE LOCATED AND ALIGNED THE SAME DISTANCE UP FROM THE ROOF EAVE LINE.
 - ALL ROOF VENTS SHALL BE LOCATED A MINIMUM OF 2'-0" FROM ANY ROOF FLASHING CONDITION.
 - ALL ROOF SHTG. EDGES SHALL BE BLOCKED & NAILED PER STRUC. CONTRACTOR CONTRACTOR SHALL ALSO PROVIDE MIN. BLKS/NAILING AS REQ'D. BY ROOF MFR.
 - GALVANIZED METAL ROOF DIVERTERS SHALL BE INSTALLED AT ALL ROOF EAVE TO WALL CONDITION.
 - ATTIC MOUNTED MECHANICAL EQUIPMENT. CONTRACTOR SHALL VERIFY REQ'MTS. W/ MANUFACTURER FOR EXT. VENTILATION & PROVIDE ADDITIONAL ROOF VENTS.
 - INSTALL A VAPOR RETARDER HAVING A TRANSMISSION RATE NOT EXCEEDING 1 PERM IN ACCORDANCE WITH ASTM E 96 IS INSTALLED ON THE WARM SIDE OF THE ATTIC INSULATION.
 - INSTALL HARDI PLANK EAVE ENCLOSURE.
 - ROOF TRUSS MFR. SHALL VERIFY CLEARANCES FOR ROOF ATTIC PATH OF TRAVEL AS SHOWN ON PLANS.

- ROOF SHEET KEYNOTES**
- 30 YEAR ARCHITECTURAL COMPOSITION SHINGLE ROOFING. INSTALL PER MFR.'S SPEC'S. COLOR & STYLE PER ARCHITECT.
 - LINE OF ROOF EAVE/RAKE.
 - INDICATES LINE OF BUILDING, BELOW.
 - INDICATES 22" X 30" ATTIC ACCESS LOCATION WITHOUT ACCESS TO MECH. EQUIP. INDICATES 30" X 30" ATTIC ACCESS LOCATION WITH ACCESS TO MECH. EQUIP.
 - METAL ROOF SADDLE.
 - EXPOSED RESAWN WOOD TRELLIS, FINISH PER ARCH. COLOR SCHEME.
 - INDICATES LOCATION OF METAL ROOF GUTTER, FINISH PER ARCH. COLOR SCHEME.
 - METAL 'B' VENT TERMINATION CAP. PER MECHANICAL PLANS. PAINT PER ARCHITECTURAL COLOR SCHEME.
 - GALV. ROOF DORMER VENT PAINT TO MATCH ROOFING.
 - INDICATES RAKE GUTTER TO CONNECT UPPER & LOWER ROOF GUTTER.
 - FORCE AIR UNIT (F.A.U.) W/ R.A.G. PER MECH. PLANS.
 - 22" X 22" ROOF SHEATHING OPENING AT ROOF FILL AREA FOR VENTILATION. BLOCK OPENING AS REQ'D. BY STRUC.
 - INDICATES 3" WIDE EAVE VENT.
 - INDICATES ROOF ATTIC PATH OF TRAVEL. SEE NOTE #12

ROOF PLAN
COMMUNITY BUILDING

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

BUILDING ATTIC VENTILATION CALCULATION

1. METHOD OF CALC. PROVIDE VENT AREA - 1/300 S.F. OF ATTIC AREA.
 2. METHOD OF CALC. PROVIDE VENT AREA - 1/50 S.F. OF ATTIC AREA.
 3. ATTIC VENTILATION SHALL BE PROVIDED PER THE UNIFORM BLDG. CODE.

4. PROVIDE CLEAR VENTILATION AREA FOR EA. ATTIC AREA PER THE FOLLOWING CRITERIA (AREAS INCLUDE DECKS & EXIT BALCONIES)
 5. ATTIC DRAFT STOPS OCCUR AT DWELLING SEPARATION WALLS, REQUIRING INDIVIDUAL UNIT ATTIC VENTILATION.

6. EAVE VENTS SHALL BE 3" WIDE GALV. MTL. W/ 0.5 SQ. INCH NET FREE VENT AREA PER L.F. BY TRY REGLET OR EQ.
 7. GABLE HALL VENTS SHALL BE 14" X 36" LOW PROFILE GALV. MTL. W/ 175 S.F. NET FREE AREA EACH.

8. DORMER VENT SHALL BE 24"X12" LOW PROFILE GALV. MTL. W/ 70 S.F. NET FREE AREA EACH.

ZONE	METHOD OF CALC.	ATTIC AREA	REQUIRED VENTILATION	PROPOSED EAVE VENTS	PROPOSED WALL VENTS	PROPOSED TILE VENTS	TOTAL VENT. PROVIDED
A	NOTE 1	2,952 S.F.	9.84 S.F.	167.75' X 8.5' = 1,425.88 SQ.IN. 1,425.88 SQ.IN./144 = 9.9 S.F.	N/A	7 X .70 = 5.46 S.F.	15.36 S.F.
B	NOTE 1	1,029 S.F.	3.43 S.F.	103' X 9.5' = 975.5 SQ.IN. 975.5 SQ.IN./144 = 6.77 S.F.	N/A	3 X .70 = 2.34 S.F.	9.11 S.F.
C	NOTE 2	143 S.F.	0.45 S.F.	11' X 8.5' = 93.5 SQ.IN. 93.5 SQ.IN./144 = 0.65 S.F.	N/A	1 X .70 = .70 S.F.	1.35 S.F.

EDCOUCH APARTMENTS
RUFINO CONTRERAS
AFFORDABLE HOUSING CORP.
HOUSING & COMMUNITY DEV.
 908 E. FIFTH ST., SUITE 201 AUSTIN, TEXAS 78702
 (512) 474-5003 PHONE (510) 474-5010 FAX

COMM. BLDG. - ROOF PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE

DATE FEB. 12, 2007 SHEET A4.2

JOB NO. _____
 DRAWN _____
 CHECKED _____

ALL RIGHTS RESERVED. ARCHITECTURAL DRAWINGS OR REPRESENTED BY THESE DRAWINGS ARE THE PROPERTY OF RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC. ANY REUSE OR REPRODUCTION OF THESE DRAWINGS WITHOUT THE WRITTEN PERMISSION OF RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC. IS PROHIBITED. CONTRACTOR SHALL VERIFY & BE RESPONSIBLE FOR ALL DIMENSIONS & CONDITIONS ON THE JOB. THIS OFFICE MUST BE NOTIFIED OF ALL VARIATIONS FROM THE DIMENSIONS & CONDITIONS SHOWN BY THESE DRAWINGS.

NOTICE TO PUBLIC PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Edcouch Housing Development, L.P. has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the development of a proposed multifamily residential rental community Casa Messina to be located 7766 Mile 16 Road North, Edcouch, Hidalgo County, Texas 78538. This development community will be comprised of 76 units on 8.324 acres.

There will be a public hearing to receive public comment on the proposed development.

Date: Tuesday, April 14, 2009 **Time:** 6:00pm

Location: Harlingen Public Library Auditorium
470 '76 Drive, Harlingen, TX 78550

For information on the proposed application including how to qualify or leasing information, please contact Jean Latsha with Edcouch Housing Development, L.P. located at 908 East 5th Street, Suite 201, Austin TX 78702 and telephone number is 512-474-5003

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us.

09319

Executive
Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 1, 2009

Ms. Jean Latsha
Edcouch Housing Development, LP
P.O. Box 684162
Austin, Texas 78768
Telephone: (512) 470-7312
Facsimile: (512) 474-5010

Re: Application #09319, Casa Messina

Dear Ms. Latsha,

Appeal Review

The Texas Department of Housing and Community Affairs (the "Department") received your application for the above mentioned development on February 27, 2009. On May 8, 2009, the Department sent you a letter notifying you that the application was terminated, due to the significance of the omissions in the application, and listed twenty-three deficiencies.

You have responded to the termination by submitting an appeal of staff's action and providing supplemental information to address many of the deficient items. Although you continued to submit information to resolve the deficiencies after the May 15, 2009 deadline for the appeal, staff carefully reviewed all the information submitted for the appeal and still identified deficient items.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your responses, we identified following items that remain deficient:

- Volume 1, Tab 4 Financing: Clear and consistent information regarding the syndication and deferred developer fees has not been provided.
- Volume 1, Tab 5, Part A.2. Applicant Unique Identifier: Board member Juanita Valdez-Cox was not included on the form.
- Volume 1, Tab 7, Part E. Part I. Applicant Credit Limit Documentation: Aguila Village Housing GP LLC was not included on the form.
- Volume 1, Tab 7, Part E, Part II. Credit Limit Certification: Forms for Eva Vasquez Camacho and Roberto De La Rosa were not dated.
- Financials: An untitled balance sheet was provided. It is not clear who this financial statement is for.

After careful consideration of the documentation submitted in your appeal and to be consistent with the other appeal determinations throughout this application cycle, I must conclude that the application is still deficient and has violated §49.5(a)(10) of the 2009 QAP.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on June 18, 2009 to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

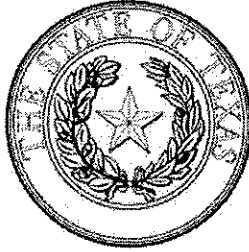
Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written over a horizontal line.

Michael Gerber
Executive Director

09319

Board Appeal
Documents



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Development Name:	Casa Messina
Development Address:	7706 Mile 16 Rd N, Edcouch TX 78538
Signer's Name	Jean Latsha
Signer's Title:	Project manager
Date:	05-08-09

Signed:

A handwritten signature in cursive script, reading "Jean Latsha", written over a horizontal line.

09107

Mexia
Gardens

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Mexia Gardens.

Background and Recommendations

Mexia Gardens - 09107

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”), an Application is ineligible if:

“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a “thorough review cannot reasonably be performed”.

The Applicant’s appeal of the termination included a submission of many but not all of the deficient items. Staff’s review of the appeal and the subsequent submission identified the following items to remain deficient:

- For Volume 1, Tab 7 Part B 9% HTC Confirmation of Set-Aside and Allocation Eligibility, the Applicant submitted only the first page of the originally omitted form.
- Evidence of installation of the public notification sign indicates that even though the public hearing information was published on the Department’s website on January 27,

2009, the public hearing information was not included on the sign prior to the date of Application submission, as required by §49.9(h)(8)(B) of the QAP. Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Mexia Housing LLC, a Texas limited liability company
Site Location:	NEC N. Bailey Street and E. Sumpter
City/County:	Mexia/Limestone
Regional Allocation Category:	Rural
Population Served:	General
Region:	8
Set Aside:	None
Type of Development:	New Construction
Units:	80
Credits Requested:	\$766,818

Staff Recommendation: This termination is based upon the Applicant’s failure to meet the public notification requirements of §49.9(h)(8)(B) of the QAP. The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09107

Termination
Letter



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerher
EXECUTIVE DIRECTOR

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Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 8, 2009

Mr. Richard Brown
Mexia Housing, LLC
4901 Coles Avenue
Dallas, Texas 75205

Re: Application #09107, Mexia Gardens

Dear Mr. Brown,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold requirements, the Department identified the following omissions, clarifications, or corrections:

1. Volume 1, Tab 2, Rent Schedule. The gross rents exceed program rents.
2. Volume 1, Tab 3, Development Cost Schedule. The form is not signed and dated by contractor and does not state "to be determined".
3. Volume 1, Tab 4: Letter of intent to provide \$225,000 does not state funds will be provided at or below AFR.
4. Volume 3, Tab 5, Organization Chart. The Development Owner's name is not included in the chart for the development owner.
5. Volume 3, Tab 5, Part D, Certification of Principal. The certifications for all principals (i.e. both natural persons and organizations) were not provided.
6. Part A.2, Applicant Unique Identifier. Revise the form to bear the social security number of all natural persons and name and tax ID of all organizations.
7. Volume 1, Tab 7, Part A, Set-Aside Election form and Confirmation of Set-Aside form. Both forms are missing (i.e. form that includes the 40/60 vs 20/50 selection and form selecting nonprofit set-aside, at-risk set-aside, etc.).
8. Volume 1, Tab 7, Credit Limit Certification, Part II. A separate form for each organization and natural person in the owner and developer with each form bearing the applicable owner/developer's name was not provided.
9. Volume 2, Tab 5, Photographs. A ground-level photograph of the site was not submitted.
10. Volume 3, Tab 1, Architectural Plans. Elevations do not state percentages of exterior siding on each building (i.e. 50% brick veneer, 50% hardiplank).
11. Volume 3, Tab 1, Architectural Plans. Site plan does not show building type for each building.

12. Volume 3, Tab 1, Architectural Plans. Unit labels on Type 1 building plan do not match Part F Building/Unit Type form and C1 unit plan.
13. Volume 3, Tab 1, Architectural Plans. Unit plans do not show outside dimensions of all unit types.
14. Volume 3, Tab 2, Part B, Specifications and Amenities form. Form does not indicate units per acre, number of residential buildings, non-residential buildings and maximum number of floors.
15. Volume 3, Tab 2, Site Information. The form does not to include the 11 digit census tract number.
16. Volume 3, Tab 2, Purchase Contract. The escrow receipt from title company was not provided.
17. Volume 3, Tab 2, Title Commitment. The exhibit is absent.
18. Volume 3, Tab 2, Zoning. The letter submitted does not meet the requirements set in the ASPM and QAP regarding requirements of letter without zoning and consolidated plans or other planning documents and statement from jurisdiction that there is a need for affordable housing.
19. Volume 3, Tab 3, Certification of Notifications. Section D is not completed.
20. Volume 3, Tab 3, Part B, Signage on Property. The sign does not meet the requirements set forth in the ASPM and QAP
21. Volume 3, Tab 3, Part B, Signage. The photograph of the sign must be a photograph that includes the surrounding site.
22. Volume 3, Tab 5, Financials. Submit Authorization to Release Financial Information for RLB Affordable Housing, LLC and Mexia Housing, LLC.
23. Volume 3, Tab 5, Financials. Submit financial statement for both organizations named above or a statement that each is recently formed and has not accounts (as applicable).

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules (“QAP”) states that an application is ineligible for an allocation of Housing Tax Credits if:

“A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.”

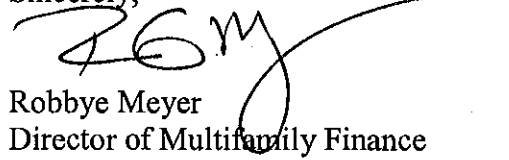
The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 QAP, the Department has determined the application to be ineligible for consideration because a “thorough review can not reasonably be performed”. Therefore, the application is terminated.

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an

appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

A handwritten signature in black ink, appearing to read 'RGM', with a long horizontal flourish extending to the right.

Robbye Meyer
Director of Multifamily Finance

09107

Appeal
Documents

May 15, 2009

Ms. Robbye Meyer
Director Multifamily Finance
TDHCA
221 E. 11th
Austin, TX 78711-3941

Re: Appeal of termination of TDHCA File 09107, Mexia Gardens

Dear Ms. Meyer,

We thank you for the opportunity to appeal. We have attached documentation to support this appeal and respectfully request re-consideration of this termination.

We believe all the items noted in the termination letter reflect bonafide errors, both by the applicant and by the agency, that can easily be corrected as administrative deficiencies. We have enclosed responses to each issue that should address any outstanding concerns.

Additionally ours was the only rural application from this region. We believe there was also no rural application from this region last year. The city of Mexia has never had a new tax credit property. If we are terminated due to correctable mistakes on the application then we will let down all the people who are counting on us to bring affordable new housing to the area. We believe the agency and our principals can work together to get this application reconsidered, with corrections, so we do not have another year pass without housing for these people.

Respectfully,

Richard L. Brown
Frank Pollacia
Harry Hunsicker, Sr.

Item 1.

Volume 1, Tab 2, Rent Schedule - gross rents exceed the program rents.

Response: Below is the rent schedule taken from the 2008 rural rent limits as published on the TDHCA website for areas eligible for higher rents under the 2008 Housing Recovery Act followed by the rents used in our application. Our rents appear to be exactly the same as those on the TDHCA website. The confusion may lie in the higher rent limits for the city of Mexia, which qualifies for the higher rents under the 2008 Housing Recovery Act, versus the Limestone county rents which are lower. Our rents appear to be correct as originally submitted.

Income limits based on household size:

	1	2	3	4	5	6	7	8
30%	\$10,350	\$11,820	\$13,320	\$14,790	\$15,960	\$17,160	\$18,330	\$19,530
40%	\$13,800	\$15,760	\$17,760	\$19,720	\$21,280	\$22,880	\$24,440	\$26,040
50%	\$17,250	\$19,700	\$22,200	\$24,650	\$26,600	\$28,600	\$30,550	\$32,550
60%	\$20,700	\$23,640	\$26,640	\$29,580	\$31,920	\$34,320	\$36,660	\$39,060

Rent limits based on number of bedrooms:

	Efficiency	1	2	3	4	5
30%	\$258	\$277	\$333	\$384	\$429	\$473
40%	\$345	\$369	\$444	\$512	\$572	\$631
50%	\$431	\$461	\$555	\$640	\$715	\$788
60%	\$517	\$554	\$666	\$768	\$858	\$946

These new income and rent limits do not apply to any rural Housing Tax Credit property that also received an allocation of tax exempt bonds. Those properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

The HOME program income and rent limits are not changed by the Housing and Recovery Act of 2008. HOME rental properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

Development Name: Mexia Gardens		City: Mexia										
HTC Unit Designation	HOME Unit Designation	HTF Unit Designation	MRB Unit Designation	Other-Designation/Subsidy	# of Units (A)	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit (E)
TC30%					8	1	1.00	750	6,000	277	65	212
TC50%					4	1	1.00	750	3,000	461	65	396
TC60%					12	1	1.00	750	9,000	554	65	489
TC60%					44	2	2.00	1,040	45,760	666	85	581
TC60%					12	3	2.00	1,181	14,172	768	105	663
									0			

Item 2.

Volume 1, Tab 3, Development Cost Schedule: - no contractor signature.

Response: On the page following is a new form that includes the contractor's signature.

TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN) ¹ (and % of cost if item involves multiple payees)
Total Cost	Eligible Basis (If Applicable)		
	Acquisition	New/Rehab.	

The following calculations are for HTC Applications only.

Deduct From Basis:

- Fed. grant proceeds used to finance costs in eligible basis
- Fed. B.M.R. loans used to finance costs in eligible basis
- Non-qualified non-recourse financing
- Non-qualified portion of higher quality units (42 (d)(5))
- Historic Credits (residential portion only)

	\$0	\$6,554,000	
			130%
	\$0	\$8,520,200	
			9%
\$766,818	\$0	\$766,818	
			100.00%
\$766,818	\$0	\$766,818	

Total Eligible Basis

**High Cost Area Adjustment (100% or 130%)

Total Adjusted Basis

Applicable Fraction*

Total Qualified Basis

Applicable Percentage*

Owner's Requested Credits

Applicant and contractor certify that, to the best of their knowledge, the provided costs and supporting information represent an accurate, uninflated estimate of the costs associated with this development. They also certify that no fees, other than for activities identified in this form, will be paid to the contractor.

Rusk Housing LLC
Development Owner Name

ROGER ZAIS
Contractor Name

By: [Signature]
Signature

By: [Signature]
Signature


Its: Member
Date 5-11-09

Its:
Date 5-11-09

Item 3.

Volume 1, Tab 4: Letter of Intent - Letter does not include language regarding AFR rates.

Response: this item was previously addressed in a deficiency notice. The previous email is below and the letter with the AFR language is on the pages following.

From: Rick Brown [rlb@hunsicker.org]
To: 'Ben Sheppard'
Cc:
Subject: RE: 09107 Supplemental Deficiency Notice is attached - TIME SENSITIVE
Attachments:  PRHFC Letter March 29 - AFR Revised.pdf (765 KB)

Please see attached revised letter from the PRHFC that includes language regarding the AFR and also is directly from the agency and not their bond counsel.

I hope this addresses the previous concerns.

Richard L. (Rick) Brown
Hunsicker Appraisal Company
4901 Cole Avenue
Dallas, TX 75205-3401
Voice 214-521-0300 ext 7
FAX 214-521-8722
rlb@hunsicker.org

From: Ben Sheppard [mailto:ben.sheppard@tdhca.state.tx.us]
Sent: Friday, March 27, 2009 9:34 AM
To: 'rlb@hunsicker.org'; 'Frank Pollacia AIA NCARB'
Subject: 09107 Supplemental Deficiency Notice is attached - TIME SENSITIVE
Importance: High

Please respond to acknowledge receipt.

Ben Sheppard
Texas Department of Housing & Community Affairs
Telephone: (512) 475-2122
Facsimile: (512) 475-1895





**PANHANDLE REGIONAL
HOUSING FINANCE CORPORATION**

P.O. Box 1430 • Hereford, Texas 79045 • Telephone: (806) 360-2060 • Fax: (806) 364-1145

March 29, 2009

Mr. Richard L. Brown
Hunsicker Appraisal Company
4901 Cole Avenue
Dallas, TX 75205-3401

Re: Mexia Gardens, Mexia, Texas, Loan Application;
TDHCA #09-107

Dear Mr. Brown:

Please be advised that the Panhandle Regional Housing Finance Corporation (the "Corporation") intends to loan \$225,000.00 to Mexia Housing LLC, a Texas limited liability company, subject to the completion of due diligence and subject to repayment and security items acceptable to the Corporation, to be used for costs related to the development of the Mexia Gardens, Mexia, Texas. The term of the loan will be for the later of 12 months after initial funding or until the development is placed in service and the funds will be provided at or below AFR. This is an intent to fund only. The Corporation understands that funds to make the loan may not have been, nor can be, first provided to the Corporation from the applicant, developer, consultant, related party or any individual or entity acting on behalf of the proposed applicant.

The Corporation was asked to assist with this project after the Heart of Texas Housing Finance Corporation declined. The Corporation welcomes the opportunity to assist with this new project in Mexia, Texas.

The Corporation is organized as a housing finance corporation under section 394 of the Texas Local Government Code. As a regional entity, it is responsible for affordable housing activities within the counties it serves.

Please let me know if you have any questions or require additional information.

Very truly yours,

PANHANDLE REGIONAL HOUSING FINANCE
CORPORATION

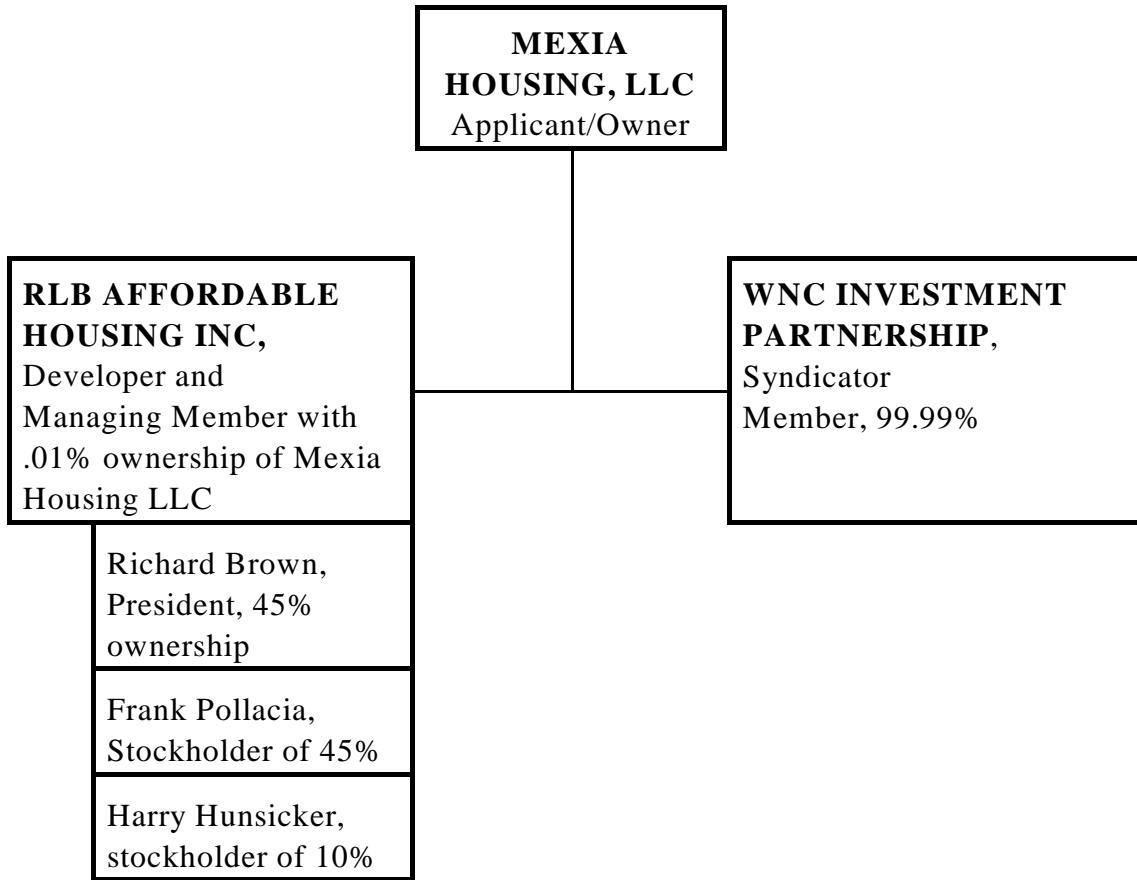
By: *Michael Carr*
Michael Carr, Treasurer

Item 4.

Volume 3, Tab 5, Organization Chart: “The Development Owner’s name is not included in the chart for the development owner”.

Response: We believe you are referencing Volume 1, Tab 5, Part A.1. The original chart as submitted seems to indicate all parties. However we have added some additional language to the chart to better identify each party. A revised chart is attached on the page following.

VOLUME 1, TAB 5, PART A.1 APPLICANT AND DEVELOPER OWNERSHIP CHART



Item 5.

Volume 3, Tab 5, Part D, Certification of Principal were not provided for each natural person and entity.

Response: Certifications are included on the pages following for all natural persons and all entities.

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien, the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
- 11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
- a) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.),
 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Richard L. Brown - Principal
Entity/Person Represented by this form

By: [Signature] 5-12-08 Its: Individual
Signature of Applicant/Owner/Authorized Person Date

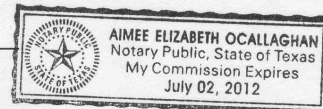
STATE OF: Texas
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Richard L. Brown, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 12 day of May, 09. (seal)

[Signature]
Notary Public Signature

7/2/12
Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: Mexia Housing LLC - HTC

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that either directly or through ownership of an intermediary organization is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "Participants in the Application Information" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

- 1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.
- 2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- 3) I have not been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline.
- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
- 5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.
- 6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.
- 7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.
- 8) For the period beginning ten years prior to the date of this certification:
 - a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
 - b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.
- 9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
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The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Mexia Housing LLC
Entity/Person Represented by this form

By: Richard L. Brown 5-12-09 Its: Member
Signature of Applicant/Owner/Authorized Person Date

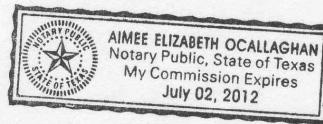
STATE OF: Texas
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Richard L. Brown, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 12 day of May, 09. (seal)

Aimee Elizabeth O'Callaghan
Notary Public Signature

7/2/12
Commission Expires



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: Mexia Housing LLC - HTC

Volume 1, Tab 5

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- 4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.
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 - a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
 - b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

Volume 1, Tab 5

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- c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
 - d) A suspension or termination of payments under any state or federal assistance contract.
- 10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).
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 - b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.);
 - c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and
 - d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Frank Pollacia - Individual
 Entity/Person Represented by this form

By: [Signature] Date: 5-12-09 Title: _____
 Signature of Applicant/Owner/Authorized Person

STATE OF: Texas
 COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that FRANK W. POLLACIA, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 12 day of MAY, 2009 (local)

Cynthia Diane Millaway Commission Expires 11/4/2011
 Notary Public Signature



List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: Mexia Housing LLC - HTC

Item 6.

Part A.2 Applicant Unique Identifier.

Response: Additional SS and EIN numbers have been obtained and for privacy reasons will be sent separately by fax. or hand delivery

Item 7.

Volume 1, Tab 7, Part A, Set Aside Election Form and Confirmation of Set Aside Form was not provided.

Response: The forms are attached on the pages following.

**Volume 1, Tab 7
PART A. HTC APPLICATION SUPPLEMENT (9% & 4% HTC ONLY)**

1. SET-ASIDE ELECTION

Pursuant to §42(g)(1)(A) & (B), the term "qualified low income housing development" means any project or residential rental property, if the development meets one of the requirements below, whichever is elected by the taxpayer. **Once an election is made, it is irrevocable.** Select only one:

- At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.
- At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income, adjusted for family size.

2. SUPPORTIVE SERVICES

Will supportive services be provided to tenants? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Services will be: <input type="checkbox"/> Mandatory <input type="checkbox"/> Optional	
Cost of the services included in rent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If "No", the estimated monthly tenant expense is: \$ _____	
Description of services: <u>notary on site</u>			
Name of Service Provider: <u>Property Management Company - site manager</u>			
Contact Name: <u>Alison Hunsicker</u>		Phone: 214-521-0300	
Address: <u>4901 Cole Ave</u>		City: <u>Dallas</u>	State: TX ZIP: 75205

Volume 1, Tab 7
PART B. 9% HTC CONFIRMATION OF SET-ASIDE AND ALLOCATION ELIGIBILITY
(9% HTC ONLY)

Select all **Set-Asides** below for which the Application is qualified to apply. If documentation is required for the Set-Aside, the documentation must be provided behind this tab (1), unless already required within the Application.

Nonprofit Set-Aside

Qualification: Must meet the definition of a Qualified Nonprofit Development at §49.3(83) and the requirements of §49.7(b)(1) of the QAP.

Documentation: Eligibility will be confirmed based on completion of all documentation required for Volume 3, Tab 7.

At-Risk Set-Aside

Qualification: Must meet the definition of an At-Risk Development at §49.3(14) and the requirements of §49.7(b)(3) of the QAP.

Documentation: Documentation must be submitted behind this tab showing that the Development meets Parts A through D of the definition for an At-Risk Development.

PART A: Documentation for Part A must show that the subsidy or benefit is from one of the following approved programs (check ALL applicable programs tied to the Development):

- Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 17151)
- Section 236, National Housing Act (12 U.S.C. Section 1715z-1)
- Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q)
- Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s)
- The Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of Housing and Urban Development.
- The Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the United States Department of Housing and Urban Development.
- Sections 514, 515, and 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485 and 1486)
- Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. Section 42)

PART B: Check one of the following:

- The stipulation to maintain affordability in the contract granting the subsidy or subsidies will expire no later than July 31, 2011 (provided such benefit constitutes a subsidy).
- The federally insured mortgage is eligible for prepayment or will end no later than July 31, 2011.

PART C: An Application for a Development that includes the demolition of the existing Units which have received the financial benefits described in Part A will not qualify as an At-Risk Development unless the redevelopment will include the same site.

PART D: I certify that I:

- am not eligible to renew, retain or preserve any portion of the financial benefit described in §49.3(14)(A) of the QAP,
- will renew, retain or preserve the financial benefit described in §49.3(14)(A) of the QAP.

Pursuant to §49.7(b)(3) of the 2009 Qualified Allocation Plan, I understand that I must have submitted a 2009 INTENT TO REQUEST HOUSING TAX CREDITS in order to apply for the At-Risk Set-Aside. That form must have been submitted to the Department by January 5, 2009 at 5:00 p.m. in order to be considered under either of those set-asides for tax credits in the 2009 Application Round.

Item 8.

Volume 1, Tab 7, Credit Limit Certification Part II - separate forms for each person and entity were not provided.

Response: Certifications for each entity and natural person are on the pages following.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Harry B. Hunsicker

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Mexia Gardens</u>	<u>Mexia</u>	<u>0</u>	<u>10%</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: Harry B. Hunsicker 5-12-09 Its: Individual
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

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Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Mexia Housing, LLC

- which is:
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Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Mexia Gardens</u>	<u>Mexia</u>	<u>100%</u>	<u>0</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] 5-12-09 Its: President Member
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Richard L. Brown

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Mexia Gardens</u>	<u>Mexia</u>	<u>0</u>	<u>45%</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

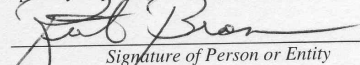
In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By:  5-12-09 Its: Individual
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Frank Pollack

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 609 W. 16th #140 City: Plano State: TX ZIP: 75075

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Mexia Gardens</u>	<u>Mexia</u>	<u>0</u>	<u>45%</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding \$2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed \$2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Its: Individual
Signature of Person or Entity Dan

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: RLB Affordable Housing Inc

- which is:
- the Applicant for a tax credit allocation.
 - a Developer for the Applicant for this specific Application
 - a Related Party to the Applicant.
 - a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than \$2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture:	
		% Ownership:	% of Dev Fee:
<u>Mexia Gardens</u>	<u>Mexia</u>	<u>.09</u>	<u>0</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: Yes No

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of \$2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

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Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: [Signature] Its: President
Signature of Person or Entity Date

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Item 9.

Volume 2 Tab 5 Photographs. "A ground level photograph was not provided".

Response: There are ground level photos in the appraisal, ESA and market study. We have attached some on the pages following.



DSC_0004.JPG, 3008 x 2000,20090212 12:13:51, FI 1, 1/500s, Flash Off, 24.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View northeast from the southwest corner of the property



DSC_0005.JPG, 3008 x 2000,20090212 12:14:20, FI 1, 1/500s, Flash Off, 24.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View north from E. Sumpter St.



ISC_0016.JPG, 3008 x 2000,20090212 12:15:17, f0.0, 1/400s, flash Off, 1.8.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View northwest from the southeast corner of the property



ISC_0017.JPG, 3008 x 2000,20090212 12:16:02, f0.0, 1/400s, flash Off, 1.8.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View west along E. Sumpter St. showing rear of shopping center
(Tractor Supply, Brookshire's and others)

Item 10.

Volume 3, Tab 1, Architectural Plans. Elevations do not state percentages of exterior siding on each building.

Response: Item changed to clarify percentage of Brick and Siding. Refer to Elevation attachments and drawings on the pages following.

Mexia Gardens Apartments

Building Type I

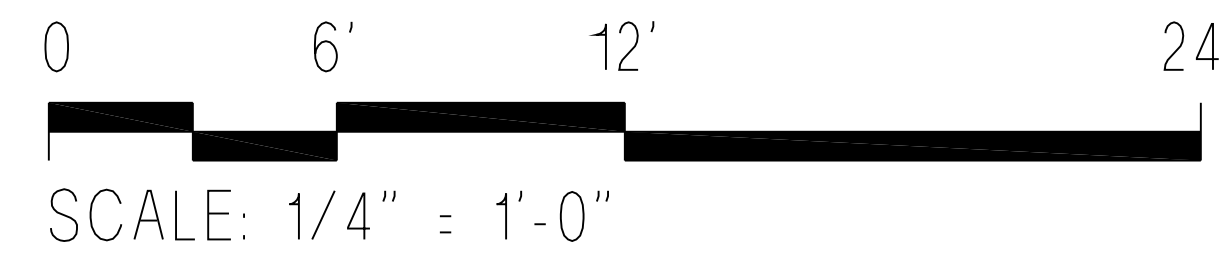


100% Masonry Products
 50% Brick and 50% Hardi Siding

05 **Front Elevation Bldg. Type I**
 SCALE: 1/4" = 1'-0" F:\JOBS\2009\06223\ACAD\BUILDING\05.dwg



01 **Side Elevation Bldg. Type I**
 SCALE: 1/4" = 1'-0" F:\JOBS\2009\06223\ACAD\BUILDING\01.dwg



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 architettura inc.
 609 west 15th street suite 140
 plano, texas 75075
 t. 972.509.0088 f. 972.509.0022
 pollacia@architettura-inc.com
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Mexia Gardens Apartments

Building Type II



05 Front Elevation Bldg. Type II
SCALE: 1/4" = 1'-0"

100% Masonry Products
50% Brick and 50% Hardi Siding



01 Side Elevation Bldg. Type II
SCALE: 1/4" = 1'-0"

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0 6' 12' 24'
SCALE: 1/4" = 1'-0"

F:\JOBS\2009\080223\ACAD\BUILDING\BL-02

F:\JOBS\2009\080223\ACAD\BUILDING\BL-02

Mexia Gardens Apartments

Building Type III



100% Masonry Products
 50% Brick and 50% Hardi Siding



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0 6' 12' 24'
 SCALE: 1/4" = 1'-0"

Item 11.

Volume 3, Tab 1, Architectural Plans. Site plan does not show building type for each unit.

Response: Site plan has been revised to show the building type for each unit. Attached on page following.

Mexia Gardens Apartments

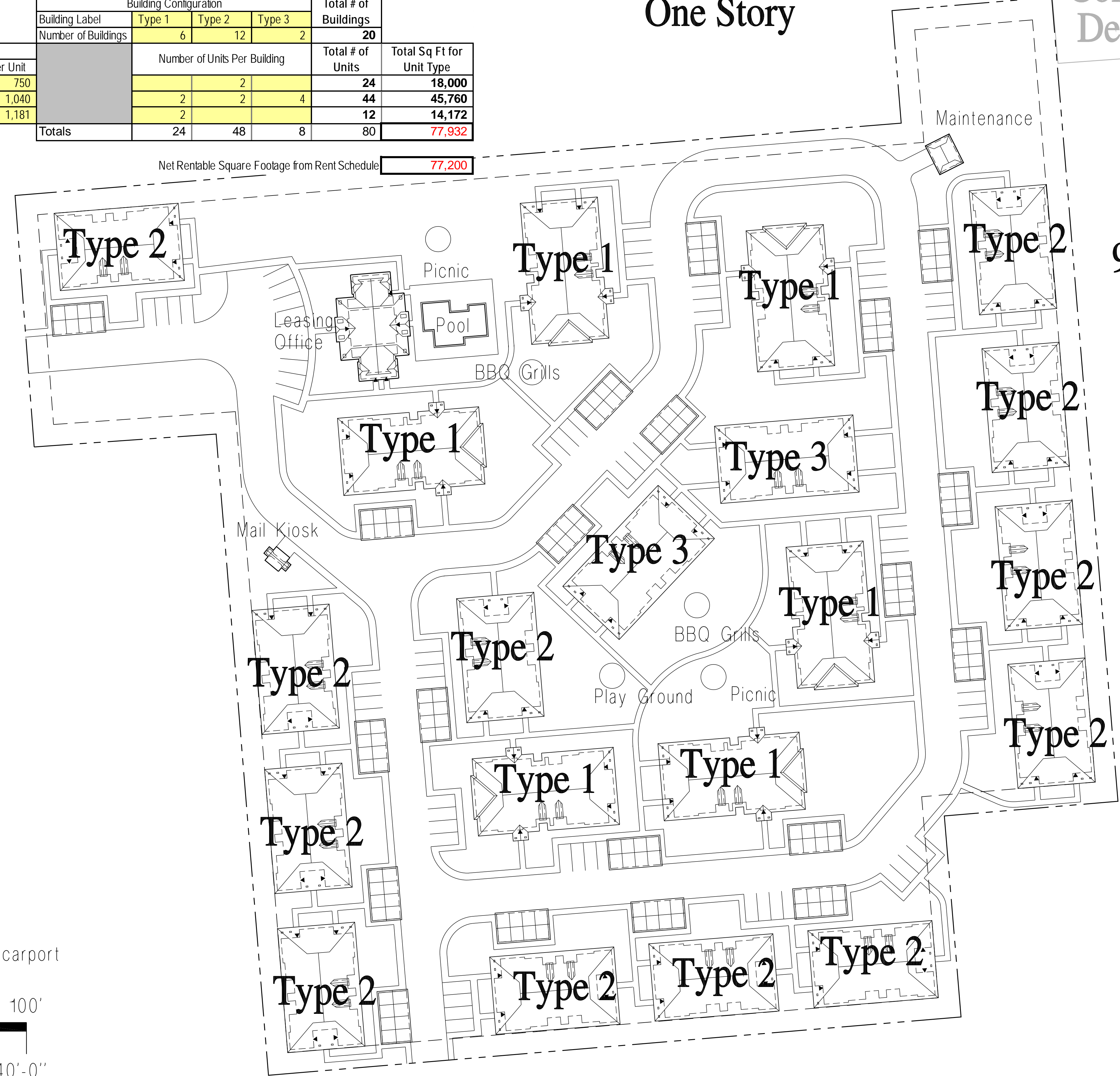
Rec'd TDHCA 5/15/09

Development Name: Mexia Gardens Apartments				Mexia		
Building Configuration					Total # of Buildings	
Building Label	Type 1	Type 2	Type 3			
Number of Buildings	6	12	2		20	
Unit Type					Total # of Units	Total Sq Ft for Unit Type
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building		
A1	1	1	750	2	24	18,000
B2	2	2	1,040	4	44	45,760
C1	3	2	1,181	3	12	14,172
Totals					80	77,932

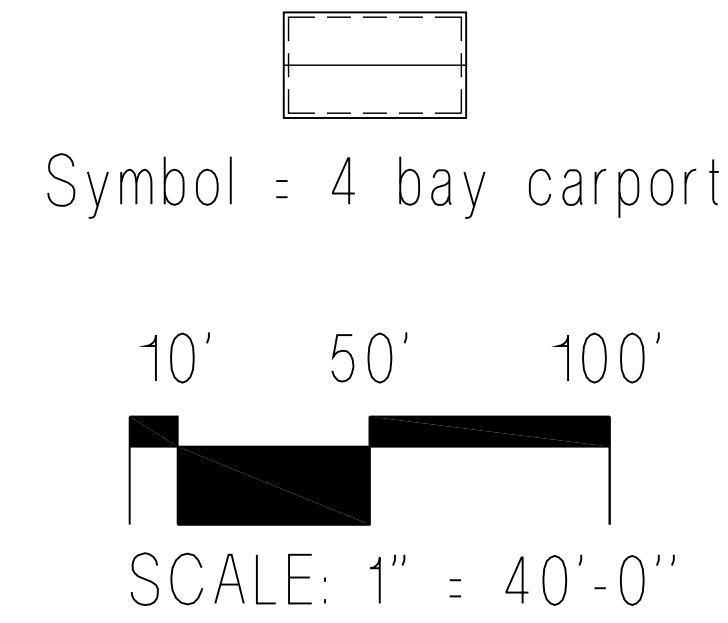
**80 Units
One Story**

Collective
Detention

Net Rentable Square Footage from Rent Schedule **77,200**



9.45 ACRES



**Mexia Gardens
Apartments
Mexia, Texas**

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609 W. 15th St. Suite 140
Plano, Texas 75075
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Project No. **080223**
Issue Drawing Log

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plano, texas 75075
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pollacia@architettura-inc.com
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01 Site Plan
SCALE: 1" = 40'-0"

Sheet Title:
Cover
Drawing No.
A0.00

Copyright: Architettura Inc. 2009
Directory: F:\Jobs\2008\080223\ACAD\1 - File: A0.01.dwg Date: March 26, 2009 10:08 am SCALE: 1" = 40'-0" By: GDF - Xref's: (07/10) *743515* (MEXIA.T)

F:\080223\080223\ACAD\01\SITE\MEXIA.1

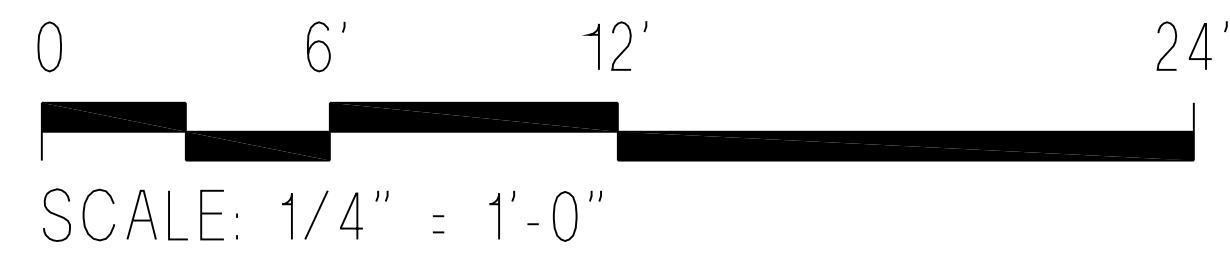
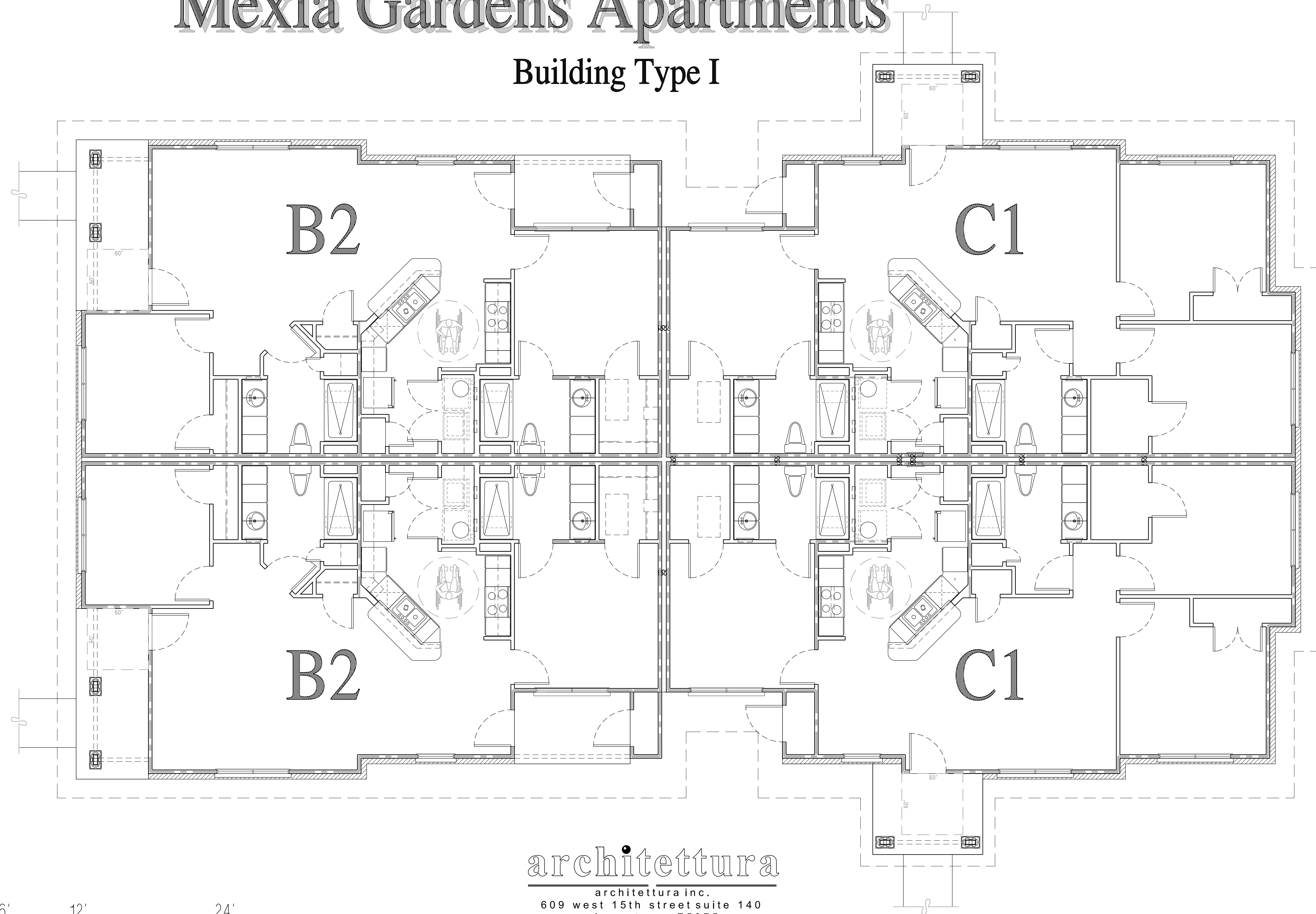
Item 12.

Volume 3, Tab 1, Architectural Plans. Unit labels on Type 1 building do not match Part F and C1 unit plan.

Response: Building Type 1 has been revised to change the listing of unit type C2 to reflect Type C1. Shown on page following.

Mexia Gardens Apartments

Building Type I



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 609 west 15th street suite 140
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 pollacia@architettura-inc.com
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Item 13.

Volume 3, Tab 1, Architectural Plans. Unit plans do not show the outside dimensions of all unit types.

Response: Unit plans have been re-printed with dimension layer on. Shown on pages following.

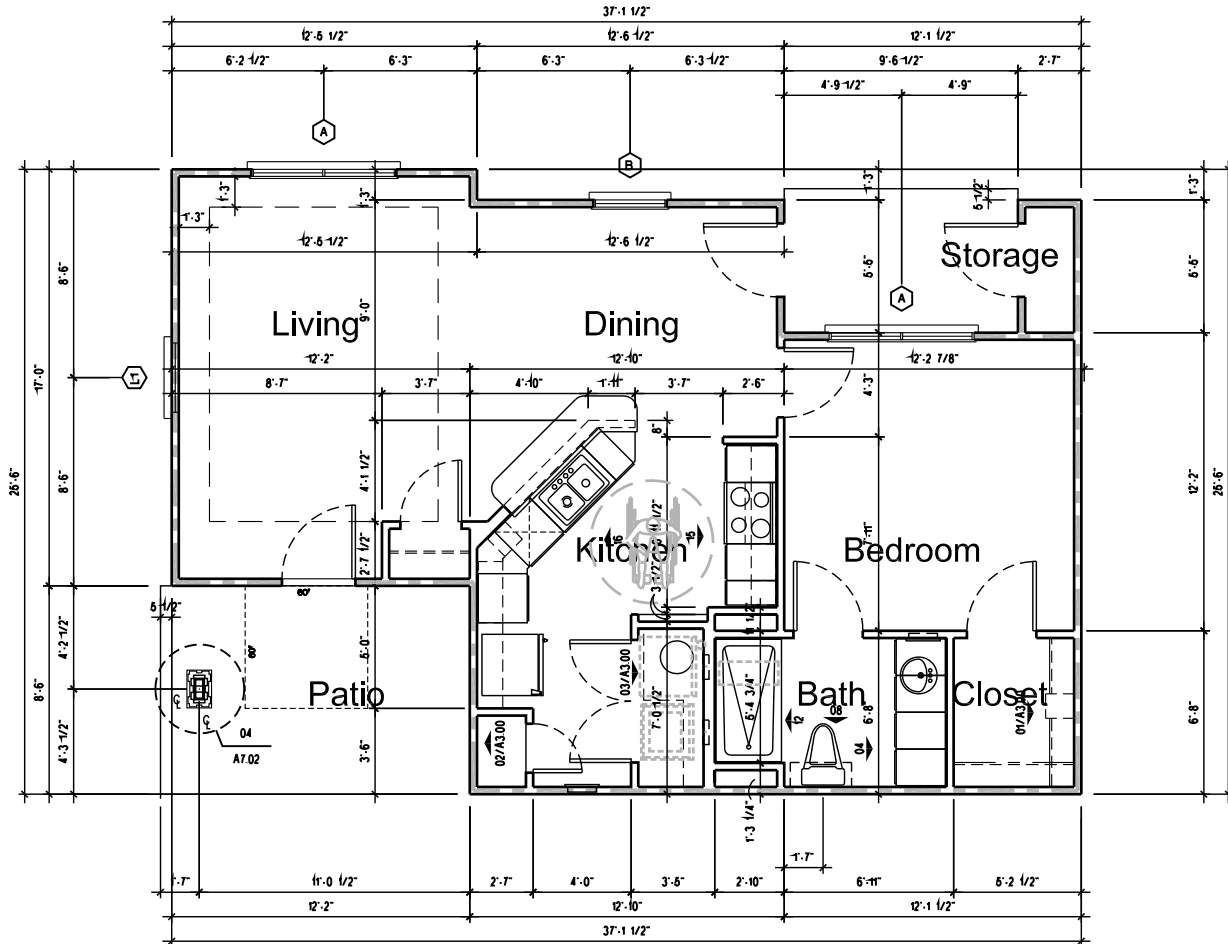
Mexia Gardens Apartments

Unit A1

One Bedroom - One Bath

Net Area = 750

Gross Area = 916



architettura

A1

architettura inc.
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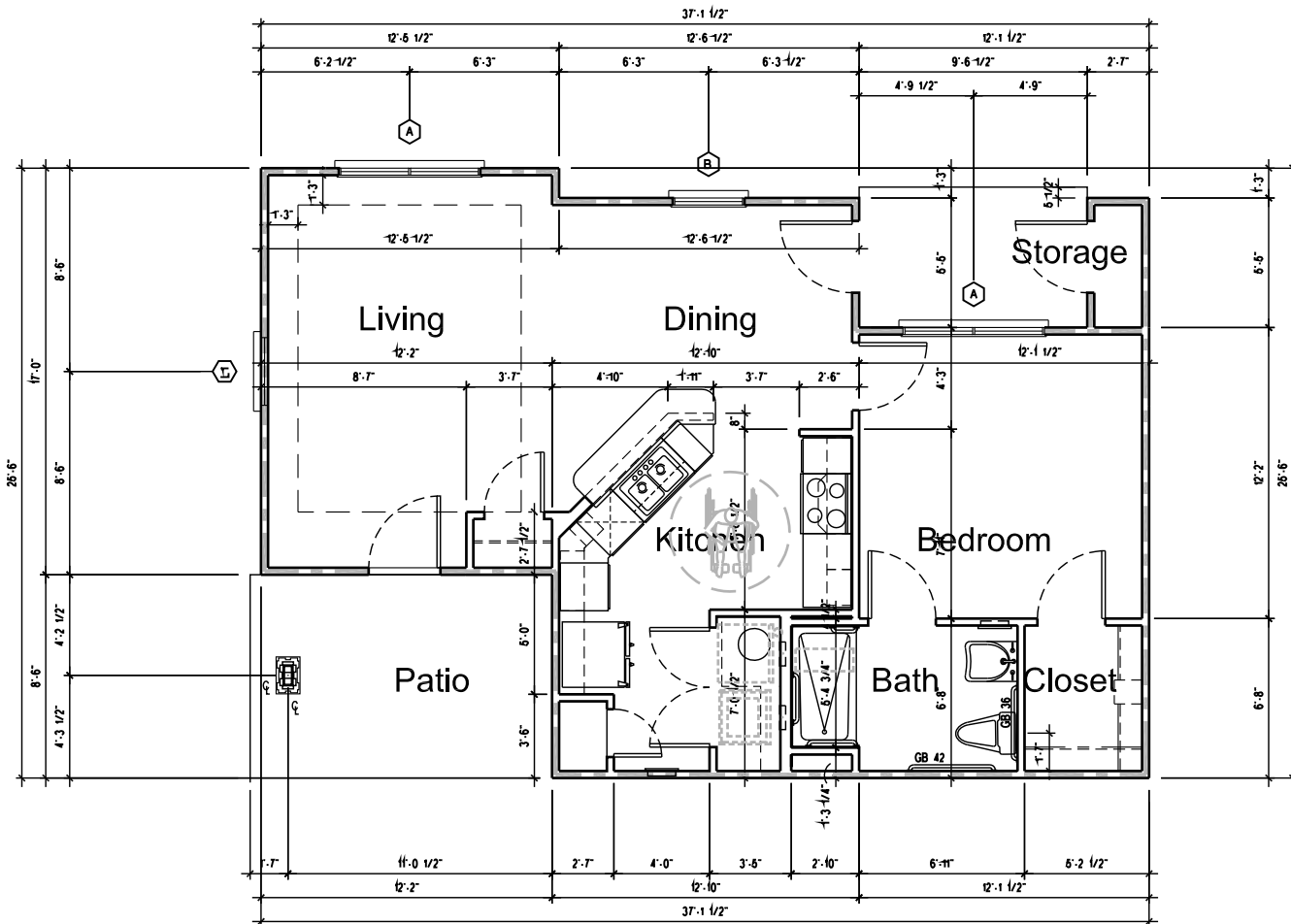
Mexia Gardens Apartments

Unit A1-HC

One Bedroom - One Bath

Net Area = 750

Gross Area = 916



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plano, texas 75075
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A1

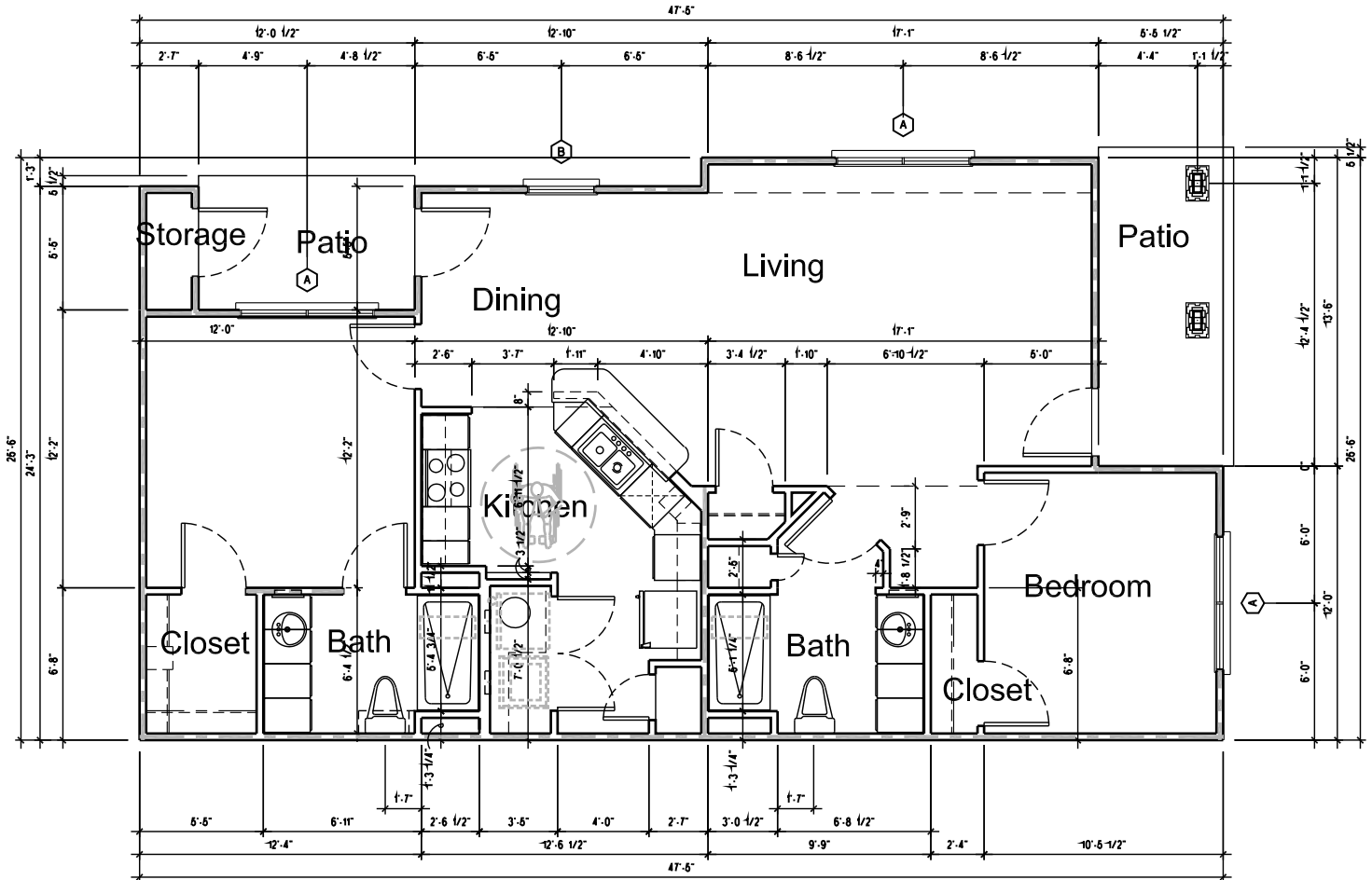
Mexia Gardens Apartments

Unit B2

Two Bedroom - Two Bath

Net Area = 1040

Gross Area = 1178



architettura

B2

architettura inc.
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 plano, texas 75075
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 pollacia@architettura-inc.com
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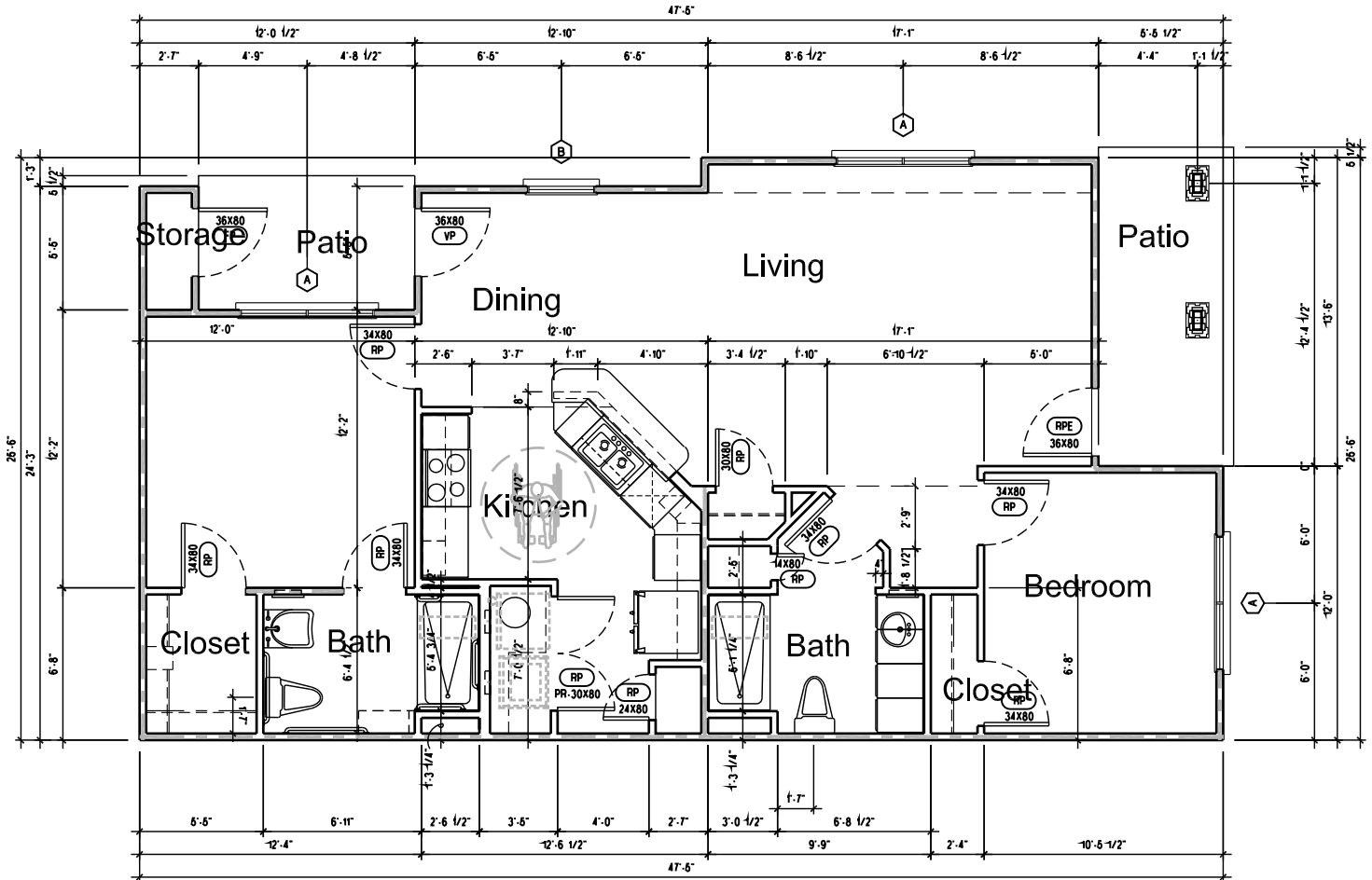
Mexia Gardens Apartments

Unit B2-HC

Two Bedroom - Two Bath

Net Area = 1040

Gross Area = 1178



architettura

B2

architettura inc.
 609 W. 15th St. Suite 140
 plano, texas 75075
 t. 972.509.0088 f. 972.509.0022
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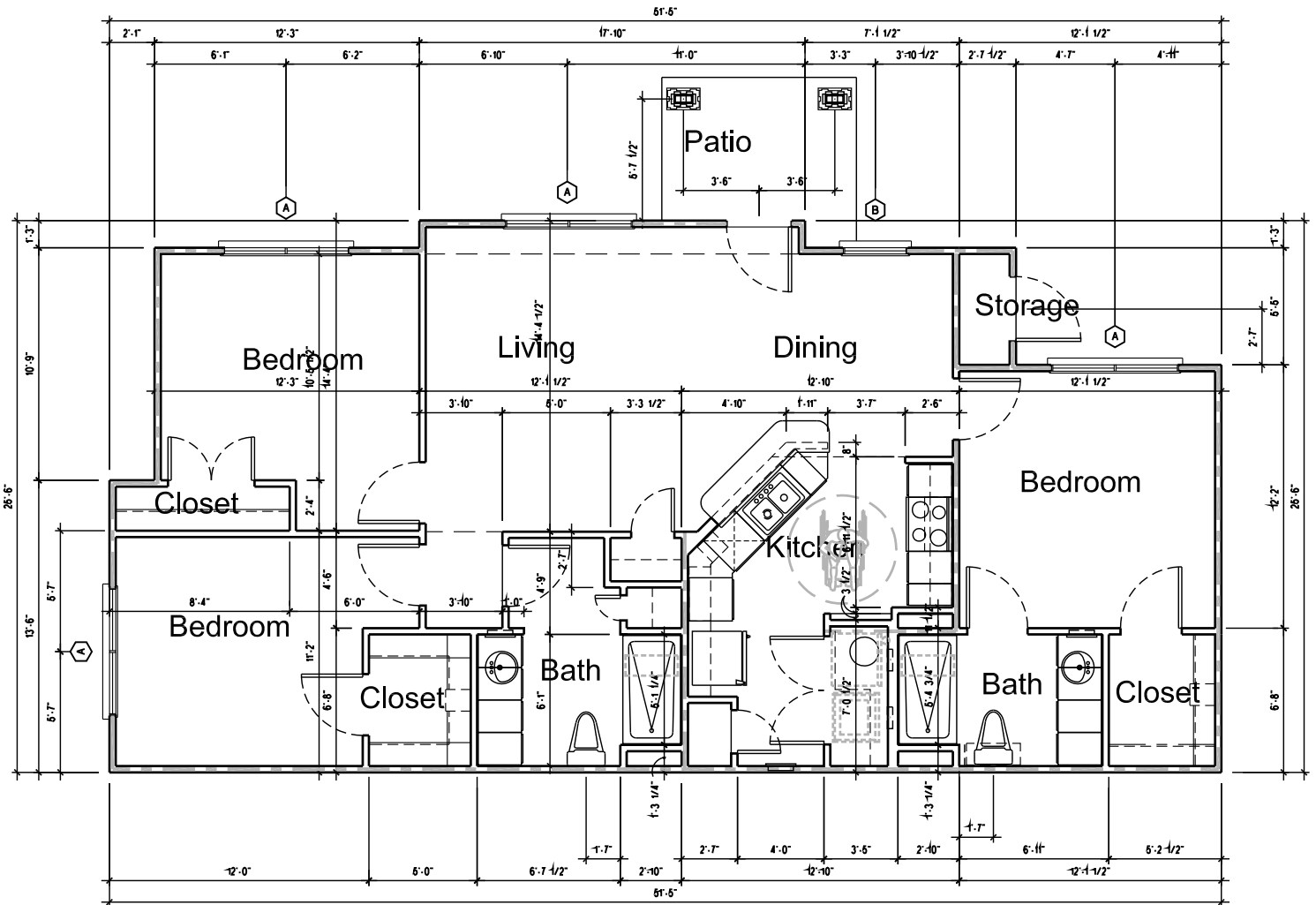
Mexia Gardens Apartments

Unit C1

Three Bedroom - Two Bath

Net Area = 1181

Gross Area = 1295



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C1

4 May 2001

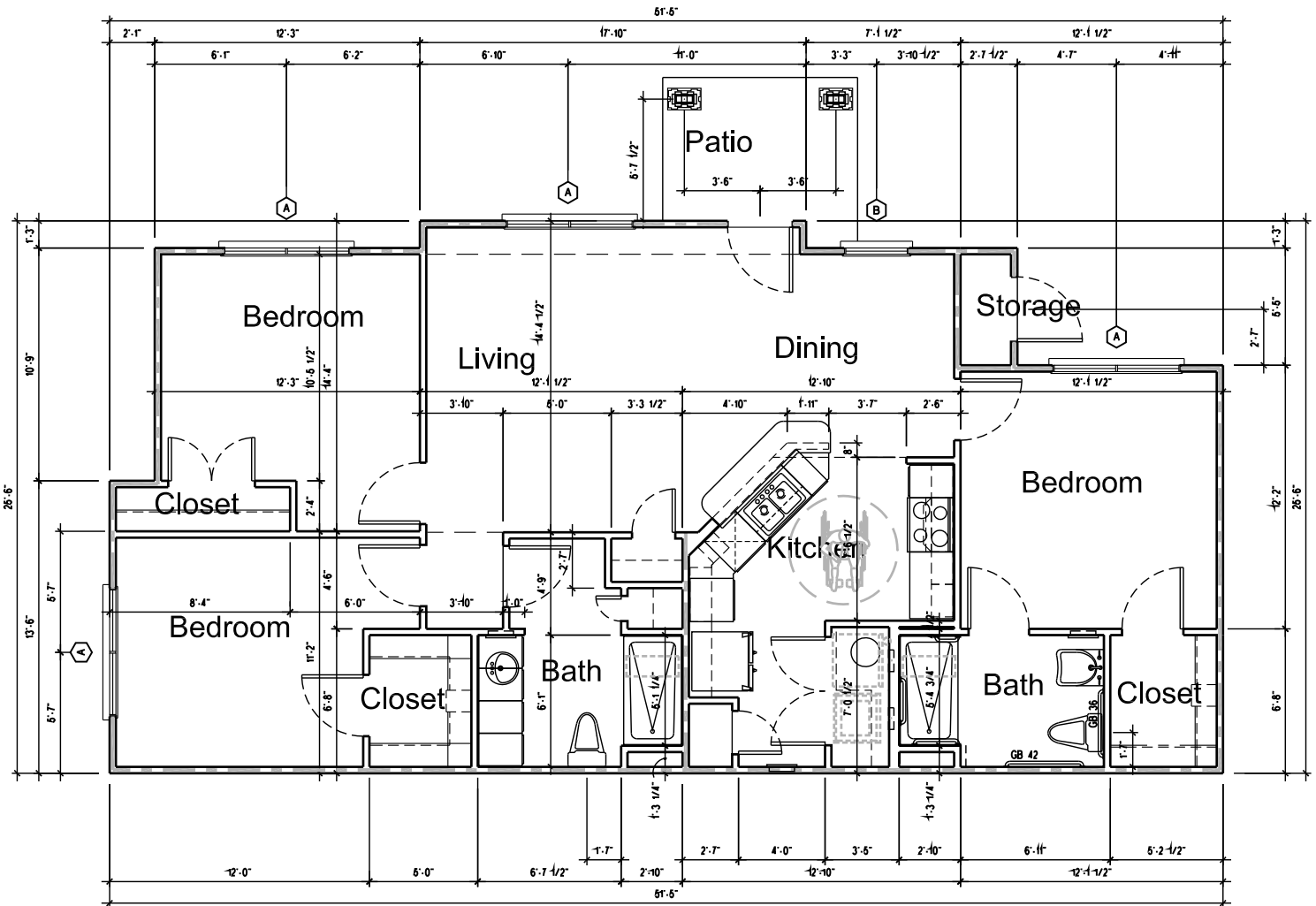
Mexia Gardens Apartments

Unit C1-HC

Three Bedroom - Two Bath

Net Area = 1181

Gross Area = 1295



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C1

Item 14.

Volume 3, Tab 1, Part B. Specifications and amenities form does not show units per acre, number of residential buildings, non-residential buildings and maximum number of floors.

Response:

Density is 8.465 – 80 units at 9.45 acres

Number of Residential Buildings is 20

Number of non residential buildings is 2 – Lease office and Maintenance building.

All building are one level.

Additionally the original form is attached following with this information added.

Volume 3, Tab 1
PART B. SPECIFICATIONS AND AMENITIES

SITE ATTRIBUTES

Total Acquisition Acreage: 23.197 Development Site Acreage: 9.45 # Units per Acre: 8.465
 Single Site Contiguous Multiple Sites (# Sites:) Scattered Sites (# Sites:)**

**** Note: If Scattered Site, submit evidence of scattered site pursuant to ASPM behind this tab.**

DEVELOPMENT ATTRIBUTES *Selections must be consistent with submitted architectural plans*

of Residential Buildings:²⁰ Maximum # of Floors: one # of Non-Residential Buildings: 2

Configuration: Duplex Fourplex Single family construction
 Townhome >4 units per building SRO (per §42(i)(3)(B))
 Transitional (per §42(i)(3)(B))

Fire Sprinkler in all residential areas # of Passenger Elevators: Wt Capacity

EXTERIOR *Selections must be consistent with submitted architectural plans*

Subfloor

Wood
 Concrete Slab
 Other (Describe)

Walls

 % Plywood/Hardboard
 % Vinyl or Aluminum Siding
 % Masonry Veneer
100 % Fiber Cement Siding
 % Stucco
 % Other (Describe)

Parking

80 #Shed or Flat Roof Carport Spaces
8 #Detached Garage Spaces
34 #Uncovered Spaces
 #Parking Garage Spaces

Roofs

Built-Up Tar and Gravel
 Comp. Shingle
 Comp. Roll
 Elastomeric
 Wood Shake
 Other (Describe)

INTERIOR *Selections must be consistent with submitted architectural plans*

Flooring

 % Carpet
100 % Resilient Covering
 % Ceramic Tile
 % Light Concrete
 % Other (Describe)

Air System

Forced Air
 Furnace
 Hot Water
 Warm and Cooled Air
 Heat Pump, packaged
 Wall Units
 Other (Describe)

Walls

Drywall
 Plaster
 9 - Foot Ceilings

Other

Washer and Dryers onsite (# 2 each)
 Fireplace included in all Units
 Fireplace onsite (#)
 Other (Describe)

Item 15.

Volume 3, Tab 2 Site Information: the form does not include the 11 digit census tract number.

Response:

The 11 digit census tract number is 48293970200

Additionally the original form is on the page following

Item 16.

Volume 3, Tab 2 Purchase Contract - escrow receipt was not provided.

Response: Escrow receipt is on page following.

05/13/2009 15:32 2547295655

LIMESTONE CNTY TITLE

PAGE 02/02

Escrow Receipt

1-873

File: 15230

Limestone County Title Company
118 South Ellis
P.O. Box 127
Groesbeck, Texas 76642

Date: 2/12/2009

\$ ****\$5,000.00

The Farmers State Bank
P.O. Box 499
Groesbeck, Texas 76642

Remitted By: Mexia Housing LLC or Assigns
4901 Cole Avenue
Dallas, TX 75205

Type of funds : Personal Check
Funds Bank Name : Inwood National Bank
Funds Bank ABA :
Funds Bank Account : XXXXXXXX
Funds Check Number : 2309
Prepared By : Patricia Mauldin

Item 17.

Volume 3, Tab 2 Title Commitment exhibit was missing.

Response: Attached on the pages following.

Groesbeck Abstract & Title Co., Inc.
dba
LIMESTONE COUNTY TITLE COMPANY

"Where Service Is Our Priority"

Serving Limestone County since 1887

118 South Ellis Street
P.O. Box 127
Groesbeck, Texas 76642

Telephone: 254-729-3806
Facsimile: 254-729-5655
E-Mail: service@limestonetitle.com

March 3, 2009

Mexia Housing LLC or Assigns
4901 Cole Avenue
Dallas, TX 75205

Re: GF# 15230

We would like to take this opportunity to thank you for choosing Limestone County Title Company to aid you in completing your purchase of the property described in the enclosed Title Commitment for Title Insurance. This Commitment is based on the results of our title research. On Schedule B of the Commitment, you will find a list of exceptions that will be part of the policy that will be issued as a result of this transaction. On Schedule C of the Commitment, you will find requirements, if any, that need to be addressed prior to closing.

If you are borrowing funds to complete this transaction, your lender will be forwarded a copy of this Commitment if we have been provided with your lender's contact information. You need to continue to follow your lender's requirements in bringing this transaction toward a closing. Once your lender's requirements have been satisfied, they will set a closing date in our office. If you have not provided us with your lender's contact information, please do so.

If you have any questions concerning this Commitment or any other matter regarding your file, feel free to contact our office. Thank you again for choosing Limestone County Title Company.

Sincerely,

R. Scott Wilson
Escrow Officer

Form Commitment for Title Insurance

GF Number: 15230
Form Prescribed by Texas Department of Insurance (Revised 4/4/02)**SCHEDULE A**

GF No. or File No.: 15230

Effective Date of Commitment: February 28, 2009 at 8:00 a.m.

Issued: March 4, 2009

1. The policy or policies to be issued are:
 - a. OWNER POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: \$150,000.00
PROPOSED INSURED: Mexia Housing LLC or Assigns
 - b. TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE
-ONE-TO-FOUR FAMILY RESIDENCES (Form T-1 R)
Policy Amount:
PROPOSED INSURED:
 - c. MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
 - d. TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
 - e. MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:
 - f. OTHER
Policy Amount:
PROPOSED INSURED:
2. The interest in the land covered by this Commitment is:
Fee Simple
3. Record title to the land on the Effective Date appears to be vested in:
Holloway Martin, Brian Haerisch and the Williams E. and Velma A. Christer Trust
4. Legal description of land:

BEING all that certain tract of land situated in the P. Varela Survey, A-30, Limestone County, Texas and being all of The Green Meadows Addition as recorded in Plat No. 574, Plat Records, Limestone County, Texas, SAVE & EXCEPT Lots 1 thru 5, Block A, Lots 21 thru 22, Block B; Lots 9 thru 16, Block D; Lots 1 thru 9, Block E and Lots 1 thru 2, Block G and being more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes.

Form: Commitment for Title Insurance

Form Prescribed by Texas Department of Insurance (Revised 4/4/02)

Attached to and made a part of: First American Title Insurance Company Commitment for Title Insurance

GF No. 15230

SCHEDULE B EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

Restrictions on Lots in Block E, Green Meadows Addition, as referenced in Vol. 927, page 394, Real Property Records, Limestone County, Texas (said restrictions appear to be in existence but no recording information found)
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs, or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
(Applies to the Owner Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 2009 and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Mortgage Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2009 and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage.
(Applies to Mortgagee (T-2) Policy only.)

Form: Commitment for Title Insurance

Form Prescribed by Texas Department of Insurance (Revised 4/4/02)

Attached to and made a part of: First American Title Insurance Company Commitment for Title Insurance

GF No. 15230

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy of Title Insurance. (T-2R))
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
 - a. Rights of Parties in Possession (OWNER'S POLICY ONLY)
 - b. Mineral reservation to be set out in deed for this transaction pursuant to agreement of the parties.
 - c. All oil, gas and minerals and other interests not constituting part of the surface estate of the property, and all rights, privileges and immunities relating thereto.
 - d. Any visible and apparent easements of rights-of-way over and across the subject property, the existence of which does not appear of record.
 - e. Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.
 - f. Any portion of undeveloped but dedicated streets as shown on the survey Plat prepared by James C. Williford, RPLS 5973, and dated 3-2-09.

FORM: Commitment for Title Insurance

Form Prescribed by Texas Department of Insurance (Revised 1/1/93)

GF No. 15230

SCHEDULE C

Your Policy will not cover loss, costs, attorneys fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
 - there is legal right of access to and from the land,
 - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Note: Procedural Rule P-27 as provided for in Article (9.39 A of the Texas Insurance Code requires that "Good Funds" be received and deposited before a Title Agent may disburse from its Trust Fund Account.
6. We will require a Municipal Utility District Notice to be executed and filed of record in Limestone County, Texas.
7. We will require the joinder of seller's spouse, if any, in the execution of the Deed.
8. We require the review of the William E. and Velma A. Chrisner Trust to determine proper authority and signatories for sale.

FORM: Commitment for Title Insurance

Form Prescribed by Texas Department of Insurance (10/31/92)

GF Number: 15230

SCHEDULE D

The information contained in this Schedule (D) does not affect title to or the lien upon the land described in Schedule A hereof, to be insured in any policy(ies) of title insurance to be issued in accordance with this Commitment.

As to First American Title Insurance Company, a California corporation, the Underwriter herein, the following disclosures are made:

A-1. Shareholders owning, controlling or holding, either personally or beneficially, 10% or more of the shares of First American Title Insurance Company as of the last day of the year preceding the date hereinabove set forth are as follows:

A-2. The members of the Board of Directors of First American Title Insurance Company as of the last day of the year preceding the date hereinabove set forth are as follows: George L. Argyros, Gary J. Beban, Philip B. Branson, J. David Chatham, William G. Davis, James L. Doti, Lewis W. Douglas, Jr., Paul B. Fay, Jr., Donald P. Kennedy, Parker S. Kennedy, Gary L. Kermott, Thomas A. Klemens, John W. Long, Herbert B. Tasker, Frank E. O'Bryan, James M. Orphanides, Rosalyn B. Payne, D. Van Skilling, and Virginia M. Ueberroth.

A-3. The four designated officers of First American Title Insurance Company as of the last day of the year preceding the date hereinabove set forth are as follows: Chairman of the Board: Parker S. Kennedy; Vice Chairman of the Board: Donald P. Kennedy; President: Gary Lewis Kermott; Vice President: Thomas A. Klemens; Vice President, Secretary, Corporate Counsel: Mark R. Amesen; Vice President, General Counsel: Timothy P. Sullivan; Vice President, Chief Financial Officer: Max O. Valdes; Regional Vice President: Tom E. Blackwell.

As to Limestone County Title Company (Title Insurance Agent), the following disclosures are made:

B-1. If Agent is a corporation, the shareholders owning or controlling, directly or indirectly 1% or more of the shares of Agent as of the last day of the year preceding the date hereinabove set forth are as follows (or owning or controlling 10% or more of an entity that owns 1% or more of the Agent): Jackson Bailey Mauldin, Jr., Patricia Mauldin, Jeffrey Michael Melasky, Annie Mauldin Melasky, Richard Scott Wilson and Brandye Mauldin Wilson.

B-2. Individuals, firms, partnerships, associations, corporations, trusts or other entities owning 10% or more of those entities referred to in item no. B-1 hereinabove as of the last day of the year preceding the date hereinabove set forth are as follows:

B-3. If Undersigned Agent is a corporation, the following is a list of the members of the Board of Directors, as of the last day of the year preceding the date hereinabove set forth: Jackson Bailey Mauldin, Jr., Patricia Mauldin, Jeffrey Michael Melasky, Annie Mauldin Melasky, Richard Scott Wilson and Brandye Mauldin Wilson.

B-4. If the Agent is a corporation, the names of any directors, president, executive or senior vice president, secretary and treasurer if any of the Title Insurance Agent are as follows: Jackson Bailey Mauldin, Jr., President; Jeffrey Michael Melasky, Vice-President and Richard Scott Wilson, Secretary.

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated* title premium is:

Owner Policy	\$1,110.00
Mortgage Policy	_____
Endorsement Charges	_____
Other	_____
Total	\$1110.00

Of this total amount \$ _____ or 15 % (complete one only) will be paid to First American Title Insurance Company; \$ _____ or _____ % (complete one only) will be retained by Title Insurance Agent; and any remainder of the estimated premium will be paid to other parties as follows:

Amount	Paid to	Services
\$ _____ or _____ % (complete one only)	_____	_____
\$ _____ or _____ % (complete one only)	_____	_____
\$ _____ or _____ % (complete one only)	_____	_____

*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the State Board of Insurance.

File No. 15230

First American Title Insurance Company

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of **First American Title Insurance Company**.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

- We also may disclose this information about our customers or former customers to nonaffiliated companies that perform services on our behalf.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. Some states give you the right to access and correct nonpublic personal information. You may contact us in writing at our Home Office, if you state law gives you this right.

GF No. 15230

DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$1,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The Arbitration provision in the Policy is as follows:

"Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less SHALL BE arbitrated at the request of either the Company or the Insured, unless the insured is an individual person (as distinguished from a Corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorney's fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request."

I request deletion of the Arbitration provision.

SIGNATURE:

DATE:

Item 18.

Volume 3, Tab 2 Zoning - letter submitted does not meet QAP & ASPM requirements for letter for jurisdiction without zoning.

Response: A revised letter from the city is attached on the page following.



P. O. Box 207
101 S. McKinney
Mexia, Texas 76667

City Manager

Phone
(254) 562-4110
FAX (254) 562-4117

May 13, 2009

Multifamily Division
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78711

Re: Zoning at Site for Mexia Gardens Apartments -TDHCA File 09107

Sir or Ms,

The City of Mexia has jurisdiction over zoning for the site of the proposed project however the City of Mexia does not have a zoning ordinance at this time. Additionally the City of Mexia does not have a local consolidated plan, comprehensive plan or local planning document that addresses affordable housing. Consequently the proposed apartments are not in violation of any ordinance or plan.

The City of Mexia is supportive of the proposed Mexia Gardens apartments and the city council passed a resolution supporting this project earlier this year. The city feels there is a definite need for affordable housing in our city and stated this in the council resolution.

Respectfully,

Carolyn Martin
City Manager

Item 19.

Volume 3, Tab 3 Certification of Notifications - Section D is not completed.

Response: A completed Section D is attached on the page following.

Item 20.

Volume 3, Tab 3 Part B, Signage.

The sign was posted as of the proper date with the stipulated information regarding the number of units, project name, site size, contact information for the developer and TDHCA, etc. However the public hearing information was not noted on the original sign since there were no local public hearings scheduled. On realizing the mistake a replacement sign was made with the TDHCA public hearing information and that sign was posted on the site. Photos of that replacement sign are located on the following page.

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Mexia Housing LLC has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the development of a proposed multifamily residential rental community, Mexia Gardens, to be located at the NEC of N. Bailey and E. Sumpter Street, Mexia, Texas, 76667. This development community will be comprised of 80 units on 9.43 acres plus a clubhouse/office and pool.

There will be a public hearing to receive public comment on the proposed development.

Date: Tuesday April 7

Time: 6:00 pm

Location: J. Erik Johnson Central Library Auditorium, 1515 Young Street, Dallas, TX 75201

For information on the proposed application including how to qualify or leasing information please contact Richard Brown with Mexia Housing LLC at 4901 Cole Ave., Dallas, TX 75205 or by telephone at 214-521-0300 ext 7.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 E. 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view the website at www.tdhca.state.tx.us.

Item 21.

Volume 3, Tab 3 Sign Photo does not include the surrounding site.

Response: On the following page are photos of the sign on the site with the surrounding area clearly visible.



NOTICE TO PUBLIC
PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Mesa Housing LLC has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the development of a proposed multifamily residential rental community, Mesa Gardens, to be located at the intersection of N. Bailey and E. Sunrise Street, Mesa, Texas, 75867. The development community will be comprised of 80 units on 9.43 acres plus a clubhouse/fitness pool.

There will be a public hearing to receive public comment on the proposed development.
Date: Tuesday, April 7, 2009 Time: 6:00 pm
Location: J. Eric Johnson Central Library Auditorium, 1414 Young Street, Dallas, TX 75201

For information on the proposed application including how to qualify or leasing information please contact Robert Brown with Mesa Housing LLC at 4981 Cole Ave., Dallas, TX 75205 or by telephone at 214-624-1030 ext 2.

To submit comments on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 E. 11th Street, Austin, Texas 78701 or by telephone at (512) 475-2342 or visit the website at www.tdhca.state.tx.us

Item 22.

Volume 3, Tab 5 Financials. Authorization to release financial information for Mexia Housing LLC and for RLB Affordable Housing, Inc.

Response: Release forms for both entities are on the pages following

Item 23.

Volume 3, Tab 5 Financials - Submit financial information for Mexia Housing LLC and for RLB Affordable Housing, Inc.

Response: Both entities have no accounts or assets or liabilities. Mexia Housing LLC is newly formed and RLB Affordable Housing Inc is a sub-chapter S corporation with no accounts or assets or liabilities.

09107

Executive
Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 20, 2009

Mr. Richard Brown
Mexia Housing, LLC
4901 Coles Avenue
Dallas, Texas 75205
Telephone: (214) 521-0387
Facsimile: (214) 521-8722

Re: Application #09107, Mexia Gardens

Dear Mr. Brown,

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on May 15, 2009, regarding your request that your application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Threshold Criteria.

This section of the QAP very clearly states that an Application will be terminated, without being processed as an Administrative Deficiency, if the Application has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your response, we noticed that you corrected many of the items listed in your termination, but the following items remain deficient:

- Volume 1, Tab 5 Part D, Certification of Principal: The form was not submitted for Harry Hunsicker
- Volume 1, Tab 7 Part B: Only the first page of each originally omitted form was submitted
- Volume 3, Tab 3 Public Notification Sign: The evidence submitted indicates that even though the public hearing information was published on the Department's website on January 27, 2009, the public hearing information was not included on the sign prior to the date of Application submission, as required by §49.9(h)(8)(B) of the QAP.

My review of the Application confirms staff's determination that this Application has violated §49.5(a)(10) of the 2009 QAP.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on June 18, 2009 to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Gerber', written over a horizontal line.

Michael Gerber
Executive Director

09107

Board Appeal
Documents



P. O. Box 207
101 S. McKinney
Mexia, Texas 76667

City Manager

Phone
(254) 562-4110
FAX (254) 562-4117

June 16, 2009

To: Governing Board
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: Proposed Apartments, TDHCA File # 09107
80 Units, Mexia, Texas

Dear Member of the Board,

We understand that the sign originally posted at the site for this project did not have a required notice of a public meeting to be held in Dallas. The replacement sign is satisfactory but was posted too late to satisfy the 30 day notice rule.

A public hearing for this project was held in the City of Mexia at which time the city council unanimously passed a resolution of support. The council members were reflecting the will of their constituents, the citizens of Mexia, who are also in support of this project. A news article was published in the local paper and the location is on the street that leads to the elementary, junior high and high school so that every person in town with a child passes the location many times a week. For all practical purposes virtually everyone in town is aware of this project and we know of no opposition. The entire community is anxious to get this much needed new multi-family housing, something Mexia has not had in almost thirty years.

We further believe that anyone who might have gone to the Dallas meeting would have gone to voice their support. We respectfully request that you approve the appeal and allow our city to have this new housing.

Sincerely,

Stephen H. Mayor
Laura Rothrock
John [unclear]
John [unclear]
Glenn McQuire
Kelvin Beach

"a good place to live, no matter how you say it"
Since April 7, 1873



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

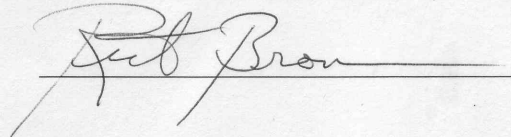
If my appeal is denied by the Executive Director, I: (check one)

Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Development Name:	Mexia Gardens
Development Address:	NEC N. Bailey and E. Sumpter
Signer's Name	Richard L. Brown
Signer's Title:	Member, Mexia Housing LLC
Date:	5/11/2009

Signed:



09159
Appeal
Documentation
3 Day Posting

09274
Appeal
Documentation
3 Day Posting

09288
Appeal
Documentation
3 Day Posting

09112
Appeal
Documentation
3 Day Posting

09236
Appeal
Documentation
3 Day Posting

09238
Appeal
Documentation
3 Day Posting

09316
Appeal
Documentation
3 Day Posting

09138
Appeal
Documentation
3 Day Posting

09201
Appeal
Documentation
3 Day Posting

09311

Deerbrook
Place
Apartments

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of scoring for Deerbrook Place Apartments.

Background and Recommendations

Deerbrook Place Apartments - 09311

On February 27, 2009, an Application was submitted for the above-referenced development. On May 19, 2009, a scoring Notice was issued to the Applicant, including a score of 12 points for §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules (“QAP”), Quantifiable Community Participation, in relation to the letter of support submitted to the Department by the Deerbrook Estates Community Association for the purpose of scoring points for the Application. Pursuant to §49.9(i)(2) of the 2009 QAP, in order to be eligible for the full award of 24 points, the Neighborhood Organization must:

“Certify that the organization meets the definition of "Neighborhood Organization as defined in §49.3(63) of this chapter." For the purposes of this section, a "Neighborhood Organization" is defined as an organization of persons living near one another within the organization's defined boundaries in effect February 27, 2009 that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood.”

Review of documentation submitted by the organization indicates that only a portion of the Development site is included within the organization’s defined boundaries.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	HFI Deerbrook Place Apartments, L.P., a to-be-formed Texas limited partnership
Site Location:	Approximately 19700 Deerbrook Place Blvd
City/County:	Houston/Harris
Regional Allocation Category:	Urban
Population Served:	Elderly
Region:	6
Set Aside:	None
Type of Development:	New Construction
Units:	159
Credits Requested:	\$2,000,000

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. The Quantifiable Community Participation component of the scoring process is particularly based upon information received from Neighborhood Organizations. That the organization offered to revise their boundaries in response to the Department's findings suggests that acceptance of new information from Neighborhood Organizations after the scores have been publicized provides an opportunity for organizations to adjust deliverables after the process has been completed.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09311

Scoring
Notices



MULTIFAMILY FINANCE PRODUCTION DIVISION
 Housing Tax Credit Program - 2009 Application Round
 Final Scoring Notice - Competitive Housing Tax Credit Application

HFI Deerbrook Place Apartment, L.P.
 William D. Henson
 2121 Kirby Dr., Unit 68
 Houston, TX 77019
 Phone #: (713) 334-5808
 Fax #: (713) 334-5614
 Email: Wd_henson@hotmail.com

Date Issued: May 19, 2009

**THIS NOTICE WILL ONLY BE
 TRANSMITTED VIA EMAIL**

Second Email: lily@lbklt.net

**RE: 2009 Competitive Housing Tax Credit (HTC) Application for Deerbrook Place Apts, TDHCA
 Number: 09311**

Attention: William D. Henson

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	129
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	129
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	129
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	0
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	0
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	141



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 09311, Deerbrook Place Apts

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§49.9(i)(2), (6) and (18)):

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, May 29, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the June 25, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Thursday, June 18, 2009. All appeals should be submitted to the attention of Sharon Gamble. Although you have until June 18, 2009 to submit your appeal to the Board, the Department **STRONGLY ENCOURAGES** you to submit your appeal to the Board on or before 12:00 p.m. (CST) June 9, 2009.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09311, Deerbrook Place Apts

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am **STRONGLY ENCOURAGED** to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Sharon Gamble:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:sharon.gamble@tdhca.state.tx.us>



Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2009 Quantifiable Community Participation

May 20, 2009

Primary Contact:

Contact Name: Victor A. Botrie, President

Contact Phone: (281) 558-9697

Contact Fax: (281) 558-9330

Contact E-Mail: appaloo1@sbcglobal.net

Second Contact:

Second Contact: Betty Modad

Second Phone: (281) 558-9697

Second Fax: (281) 558-9330

2nd E-Mail: appalooi@sbcglobal.net

Re: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 09311, Deerbrook Place Apts

Dear Victor A. Botrie:

I am writing regarding the letter you submitted in response to the deficiency letter for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application. Thank you for responding to the request.

The Texas Department of Housing and Community Affairs (the Department) has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the 2009 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

The letter submitted for points under §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") does not qualify because the development site is not located within the boundaries of the Neighborhood Organization.

The organization's letter will not be considered further for scoring. Please be assured that the Department values all public input and while the Department will be unable to assign points to the letter, the Department will still record the input in the Application's file and provide the Board of the Department with a summary of the comment for their information and consideration.

Thank you again for your participation in our application process. If you have any questions, please do not hesitate to contact Sharon Gamble at sharon.gamble@tdhca.state.tx.us or by telephone at (512) 475-4610.

Sincerely,

Robbye Meyer

Robbye Meyer

Director of Multifamily Finance Production

09311

Appeal
Documents

HFI Deerbrook Place Apartments, L.P.

2121 Kirby Drive, Unit 68
Houston, Texas 77019
Tel: (713) 334-5808
Fax: (713) 334-5614

May 28, 2009

Texas Department of Housing and Community Affairs
Housing Tax Credit Department

Austin, Texas 78701

**Re: APPEAL: Final Scoring Notice Issued on 5/19/09
2009 HTC Application for Deerbrook Place Apartments
TDHCA Number: 09311**

Dear Ms. Gamble:

I hereby appeal the decision to award of 12 points under the §49.9(i)(2) of the 2009 Qualified Plan and Rules (Quantifiable Community Participation criteria) for the letter submitted by Deerbrook Estates Community Association in support of the proposed development.

The specific basis for the appeal is that the proposed Deerbrook Place Apartments are located **within** the boundaries of the Deerbrook Estates Community Association as reflected in the boundary map that was submitted along with the support letter prior to April 1, 2009. However per your final scoring notice dated May 19, 2009, additional 12 points for the support letter were not awarded under this section.

I refer you to the letter from Deerbrook Estates Community Association, which I attach for your reference, responding to your concerns as well.

Respectfully,

By: HFI Deerbrook Place Apartments, L.P.

By: HFI Deerbrook Place Development, L.L.C., its General Partner

By: 
William D. Henson, Manager

Enclosures:

DEERBROOK ESTATES
COMMUNITY ASSOCIATION, INC.

Wednesday, May 27, 2009

CERTIFIED MAIL 7008 2810 0001 2622 5954 and E-MAIL

Sharon Gamble
Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
211 East 11th Street
Austin, Texas 78701

RE: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 09311, Deerbrook Place Apartments

Dear Sharon:

Please find attached the following backup documents.

- (1) Owner Occupied Questionnaire completed and returned to your office March 30, 2009.
11.4947 ACRE TRACT LOCATED 100 BLOCK DEERBROOK BLVD.
- (2) Form for Qualified Neighborhood Organization to Submit to TDHC for Quantifiable Community Participation Development Location
APPROXIMATELY 19700 BLOCK OF WESTIDE OF DEERBROOK PARK BLVD ONE BLOCK NORTH OF FM 1960 HUMBLE BYPASS. (See attached Boundary description submitted to your office) Completed and returned to your office March 17, 2009.
- (3) Item 6. Written Boundary (MAP) Description North of FM 1960 South of Jesse Jones Park East of Kenswick, West of Townsend.
Map sent reads as follows. **DEERBROOK COMMUNITY ASSOCIATION BEGINS 1300 FEET NORTH OF FARM TO MARKET ROAD 1960 ON DEERBROOK PARK BLVD. AND CONTINUES FOR A TOTAL DISTANCE OF 5878 FEET TO THE SOUTH LINE OF JESSE JONES PARK AND NATURE CENTER. Key Map 335 S & P..** Completed and returned to your office March 17, 2009.

05-03-09 11:18 RCY

Sharon Gamble
Wednesday, May 27, 2009
Page -2-

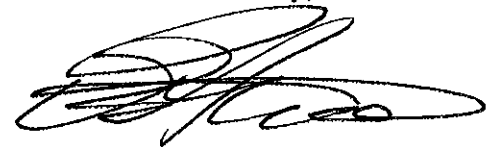
05-05-09 11:18 AM RCV

(4) **WE RECEIVED A LETTER FROM YOUR OFFICE INDICATING
EVERYTHING SUBMITTED WAS CORRECT AND COMPLETE.**

I cannot find any were in my files for the location and description you gave me over the phone.

If you compare what has been sent to your office you will see that the location given definitely falls were this property is located. As a matter of fact our surveyor tells us that the description given on the map locates the property in the center of the Subject Property.

Yours truly,



Victor A. Botrie

VAB/blm

Cc: Nicole Fisher e-mail
Dwayne Hensen e-mail

Owner/Occupant Environmental Questionnaire

Deerbrook Place Apartments
11.4947 Acre Tract
100 Block Deerbrook Park Blvd.
Houston, Harris County, Texas
ESA702-09

The following information was recorded by the preparer of this questionnaire based on responses given by:

- A) The Owner or Owner's Representative of the property; and/or
- B) The Occupant of the property; and/or
- C) The Site Inspector

Method of Communication:

- A) Phone Call
- B) Site Visit
- C) Contact Completed Survey
- D) Other (Specify) E-MAIL: APPAL001@SBCGLOBAL.NET/APPAL001@HOTMAIL.COM

Questionnaire

1. To the best of your knowledge, has the property or any adjoining property been used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility?

Yes No Unknown

2. Are there currently, or to the best of your knowledge have there been previously, any damaged or discarded automotive or industrial batteries, pesticides, paints, or other chemicals in individual containers of >5 gallons in volume or 50 gallons in the aggregate, stored on or used at the property or at the facility?

Yes No Unknown

3. Are there currently, or to the best of your knowledge have there been previously, any industrial drums or sacks of chemicals located on the property or at the facility?

05-03-09 11:19 RCVD

Yes No Unknown

4. Did you observe evidence or do you have prior knowledge that fill dirt has been brought onto the property that originated from a contaminated site or that is of an unknown origin?

Yes No Unknown

5. Are there currently, or to the best of your knowledge have there been previously, any registered or unregistered storage tanks (above or underground) located on the property?

Yes No Unknown

6. Is there currently, or to the best of your knowledge have there been previously, any leaks, spills or staining by substances other than water, or foul odors, associated with any flooring, drains, walls, ceilings, or exposed grounds on the property?

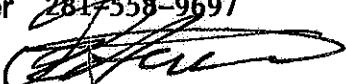
Yes No Unknown

7. Did you observe evidence or do you have any prior knowledge that any hazardous substances or petroleum products, unidentified waste materials, tires, automotive or industrial batteries, or any other waste materials have been dumped above grade, buried and/or burned on the property?

Yes No Unknown

Additional Comments: THE PROPERTY HAS NO ENVIRONMENTAL PROBLEMS

Owner/Occupant Information:

Name VICTOR A. BOTRIE
Title PRESIDENT
Firm APPALOOSA LAND COMPANY
Address 13014 THATCHER DRIVE
Phone Number 281-558-9697 FAX: 281-558-9330
Signature 
(if applicable)
Date MARCH 25, 2009

Preparer Signature Betty Molloy
Date March 25, 2009



**FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO
TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION**
Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. This organization is submitting this form and attachments regarding the following proposed application:
 Development Name: Deerbrook Place Apartments TDHCA #: 09311
 Development Location: Appr. 19700 Block of the west side of Deerbrook Park Blvd. one block north of FM 1960 Humble Bypass
 Development City: Houston Development County: Harris

2. The persons signing this form have the authority to sign on behalf of this organization.
 Organization Name: DEERBROOK ESTATES COMMUNITY ASSOCIATION
 1st Contact Name and Title: VICTOR A. BOTRIE, PRESIDENT
 1st Contact Mailing Address: 13014 THATCHER DRIVE
 1st Contact City: HOUSTON, TX 1st Contact Zip Code: 77077
 1st Contact Day Phone: 281-558-9697 1st Contact Fax: 281-558-9330
 1st Contact Evening Phone: 281-496-5566 1st Contact E-Mail: APPAL001@sbcglobal.net

3. This organization is also providing the following additional contact and information for our organization:
 2nd Contact Name: none
 2nd Contact Day Phone: _____ 2nd Contact Fax: _____
 2nd Contact Evening Phone: _____ 2nd Contact E-Mail: _____

4. This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check on of the following boxes):
 - Homeowners Association
 - Property Owners Association
 - Resident Council and our members occupy the existing development
 - Other (Explain _____)

Initials of Signer

5. **Certification of Record:** Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 selections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

On record, as of February 27, 2009, with the county in which the development is proposed to be located. (Attach boundary map and documentation from the county of registration)

On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. (Attach boundary map and documentation from the Secretary of State of registration)

On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). (Attach boundary map)

6. **Boundary Description and Certification:** Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the Development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave)

Written Boundary Description: _____

PLEASE SEE ATTACHED BOUNDARY DESCRIPTION

This organization certifies that the boundaries of this organization include the proposed Development site in its entirety. This organization acknowledges that annexations after February 27, 2009 are not considered eligible boundaries and a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.


7. **Statement of Support/Opposition:** (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets, as needed.)

This organization certifies that we:

Support the application for Competitive Housing Tax Credits referenced above for the following reasons:

1. This project is located in a census tract with no other senior developments supported by tax credits
2. There is a critical & growing need for quality, safe and affordable housing in this census tract

Oppose the application for Competitive Housing Tax Credits referenced above for the following reasons:


Initials of Signer

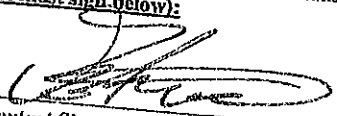
8. Certify the following:

This organization acknowledges that this form and attachments must be submitted no later than February 27, 2009 if the form (and enclosures) is relating to an application which submitted a pre-application or April 1, 2009 if the form (and enclosures) is relating to an application which did not submit a pre-application.

This organization certifies that it was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2009 Competitive Housing Tax Credit Application Round; the organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition; the Applicant, Developer or any employee or agent of any Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance are acceptable forms of assistance); and that the Applicant, Developer or any employee or agent of any Applicant has not provided any "production" assistance for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, delivery of letter or assistance drafting a letter).

This organization acknowledges that this completed form and required attachments must be submitted to Texas Department of Housing and Community Affairs, Attention: Director of Multifamily Finance, Neighborhood Input, P.O. Box 13941 (MC 332-10), Austin TX 78711-3941. For overnight or courier delivery use the following physical address: 221 East 11th Street, Austin TX 78701-2410. Do not use P.O. Box address for overnight or courier delivery. Form and Attachments may also be faxed to (512) 475-1895 or toll free at (800) 733-5120.

This organization certifies that all certifications contained herein are true and accurate. (First and Second Contacts must sign below):

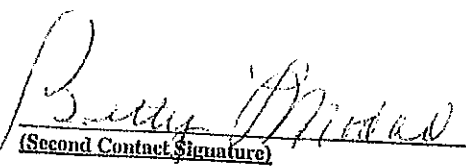


(First Contact Signature)

Victor Botrie
(Printed Name)

3/17/09
(Date)

PRESIDENT
(Title)



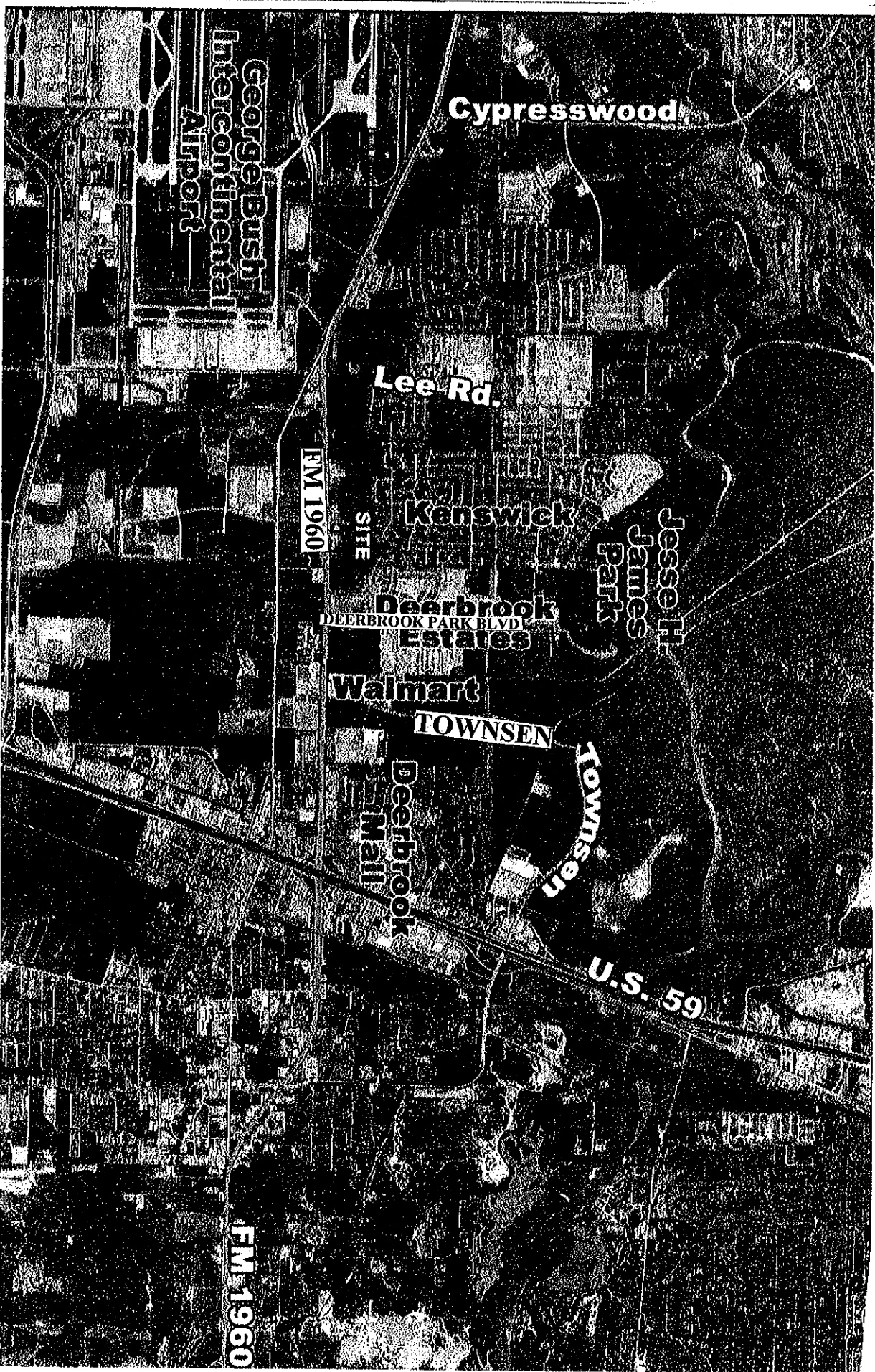
(Second Contact Signature)

Betty L. Meind
(Printed Name)

3/17/2009
(Date)

Secretary
(Title)

Phone: 281-558-9697
FAX: 281-558-9330
E-MAIL: APPAL001@sbcglobal.net



DEARBROOK ESTATES COMMUNITY ASSOCIATION, INC. BEGINS 1,300' NORTH OF FARM TO MARKET ROAD 1960 ON DEARBROOK PARK BOULEVARD AND CONTINUES FOR A TOTAL DISTANCE OF 5,875' TO THE SOUTH LINE OF JESSE H. JONES PARK AND NATURE CENTER EAST BOUNDARY TOWNSEN BOULEVARD WEST BOUNDARY KENSWICK DRIVE.

KEY MAP: 335 S & P

Written Boundary Description:

Deerbrook Estates Community Association, Inc. begins 1,300' North of Farm to Market Road 1960 on Deerbrook Park Boulevard and continues for a total distance of 5,875' to the South line of Jesse H. Jones Park & Nature Center East Boundary Townsend Boulevard,
West Boundary Kenswick Drive.



**FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO
TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION**
Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. This organization is submitting this form and attachments regarding the following proposed application:
 Development Name: Deerbrook Place Apartments TDHCA #: 09311
 Development Location: Appr. 19700 Block of the west side of Deerbrook Park Blvd. one block north of FM 1960 Humble Bypass
 Development City: Houston Development County: Harris

2. The persons signing this form have the authority to sign on behalf of this organization.
 Organization Name: DEERBROOK ESTATES COMMUNITY ASSOCIATION
 1st Contact Name and Title: VICTOR A. BOTRIE, PRESIDENT
 1st Contact Mailing Address: 13014 THATCHER DRIVE
 1st Contact City: HOUSTON, TX 1st Contact Zip Code: 77077
 1st Contact Day Phone: 281-558-9697 1st Contact Fax: 281-558-9330
 1st Contact Evening Phone: 281-496-5566 1st Contact E-Mail: APPAL001@sbcglobal.net

3. This organization is also providing the following additional contact and information for our organization:
 2nd Contact Name: none
 2nd Contact Day Phone: _____ 2nd Contact Fax: _____
 2nd Contact Evening Phone: _____ 2nd Contact E-Mail: _____

4. This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check one of the following boxes):
 - Homeowners Association
 - Property Owners Association
 - Resident Council and our members occupy the existing development
 - Other (Explain _____)

Initials of Signer

5. **Certification of Record:** Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 selections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

On record, as of February 27, 2009, with the county in which the development is proposed to be located. (Attach boundary map and documentation from the county of registration)

On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. (Attach boundary map and documentation from the Secretary of State of registration)

On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). (Attach boundary map)

6. **Boundary Description and Certification:** Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the Development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave)

Written Boundary Description:

NORTH OF FM 1960, SOUTH OF JESSE JONES PARK
E OF KENSWICK, W OF TOWNSEND

This organization certifies that the boundaries of this organization include the proposed Development site in its entirety. This organization acknowledges that annexations after February 27, 2009 are not considered eligible boundaries and a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.

7. **Statement of Support/Opposition:** (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets, as needed.)

This organization certifies that we:

Support the application for Competitive Housing Tax Credits referenced above for the following reasons:

1. This project is located in a census tract with no other senior developments supported by tax credits
2. There is a critical & growing need for quality, safe and affordable housing in this census tract

Oppose the application for Competitive Housing Tax Credits referenced above for the following reasons:

 Initials of Signer

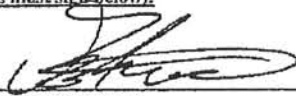
8. Certify the following:

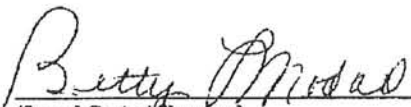
This organization acknowledges that this form and attachments must be submitted no later than February 27, 2009 if the form (and enclosures) is relating to an application which submitted a pre-application or April 1, 2009 if the form (and enclosures) is relating to an application which did not submit a pre-application.

This organization certifies that it was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2009 Competitive Housing Tax Credit Application Round; the organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition; the Applicant, Developer or any employee or agent of any Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance are acceptable forms of assistance); and that the Applicant, Developer or any employee or agent of any Applicant has not provided any "production" assistance for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, delivery of letter or assistance drafting a letter).

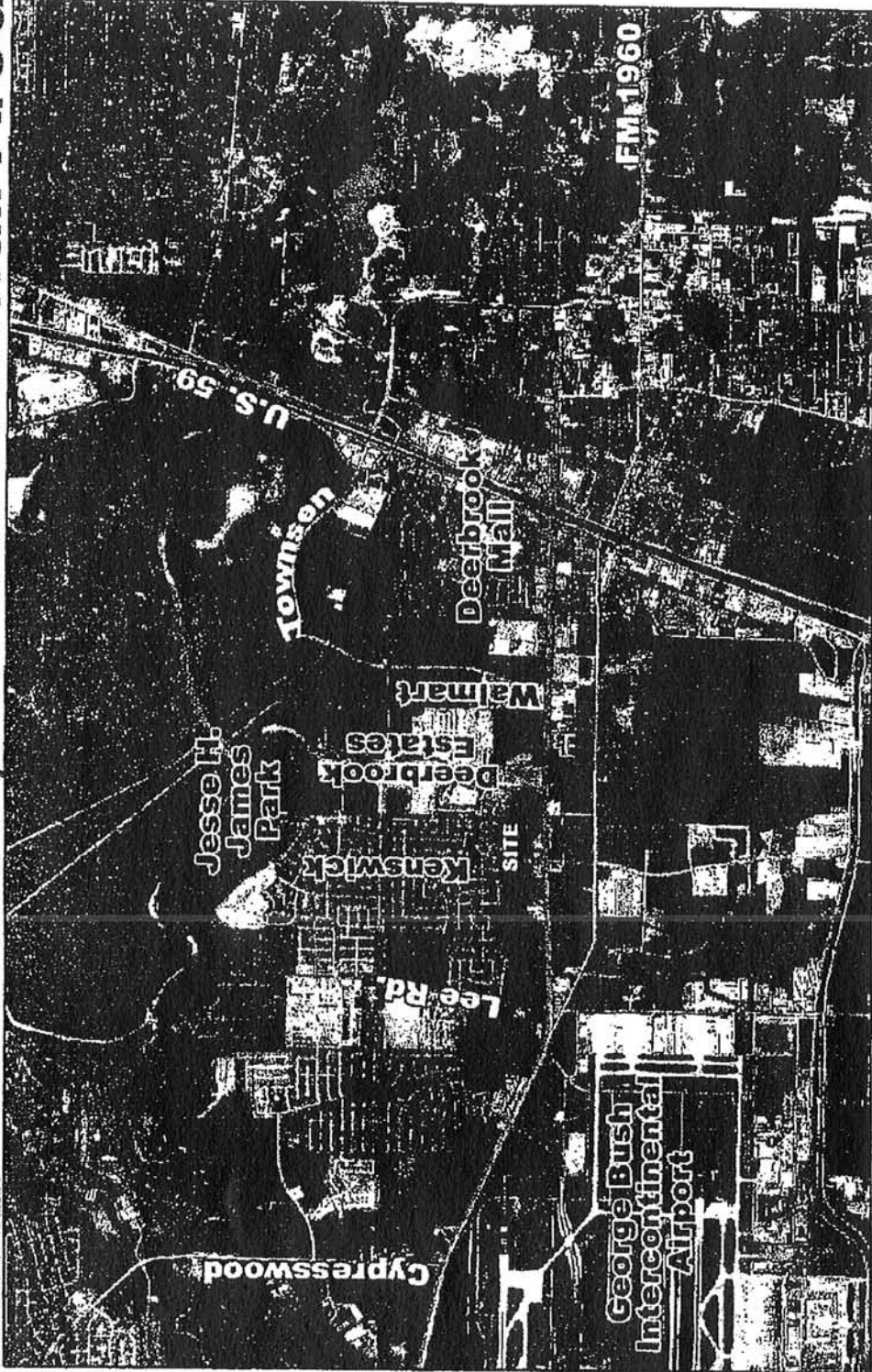
This organization acknowledges that this completed form and required attachments must be submitted to Texas Department of Housing and Community Affairs, Attention: Director of Multifamily Finance, Neighborhood Input, P.O. Box 13941 (MC 332-10), Austin TX 78711-3941. For overnight or courier delivery use the following physical address: 221 East 11th Street, Austin TX 78701-2410. Do not use P.O. Box address for overnight or courier delivery. Form and Attachments may also be faxed to (512) 475-1895 or toll free at (800) 733-5120.

This organization certifies that all certifications contained herein are true and accurate. (First and Second Contacts must sign below):

 _____	<u>3/17/09</u> _____
(First Contact Signature)	(Date)
<u>Victor Botrie</u> _____	<u>PRESIDENT</u> _____
(Printed Name)	(Title)

 _____	<u>3/17/2009</u> _____
(Second Contact Signature)	(Date)
<u>Betty L. Modad</u> _____	<u>Secretary</u> _____
(Printed Name)	(Title)

FM 1960 / Deerbrook Mall Area



Located approximately 650 feet North of the North Line of FM 1960, approximately 1,125 feet East of Kenswick and just West of the Deerbrook Mall in Harris County, TX

Location:


Taxable Entity Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

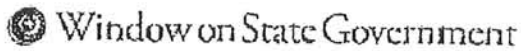
Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Entity Information:	DEERBROOK ESTATES COMMUNITY ASSOCIATION INC 12603 LOUETTA RD STE 101 CYPRESS, TX 77429-0001
Status:	IN GOOD STANDING - EXEMPT CORPORATION
Registered Agent:	WILLIAMS ACMI VENTURES, LP (DBA ACMI) 12603 LOUETTA RD., STE. 101 CYPRESS, TX 77429
Registered Agent Resignation Date:	
State of Formation:	TX
File Number:	0800434670
SOS Registration Date:	December 31, 2004
Taxpayer Number:	32016447131

[Texas Online](#) | [Statewide Search from the Texas State Library](#) | [State Link Policy](#) | [Texas Homeland Security](#)

[Susan Combs, Texas Comptroller](#) • [Window on State Government](#) • [Contact Us](#)
[Privacy and Security Policy](#) | [Accessibility Policy](#) | [Link Policy](#) | [Public Information Act](#) | [Compact with Texans](#)



Susan Combs Texas Comptroller of Public Accounts

Taxable Entity Search Results

Officers and Directors
DEERBROOK ESTATES COMMUNITY ASSOCIATION INC

Return to: Taxable Entity Search Results

Officer and director information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from open.records@cpa.state.tx.us or Comptroller of Public Accounts, Open Government Division, PO Box 13528, Austin, Texas 78711.

Title:	Name and Address:	Expiration/Resignation Date:
<i>TREASURER</i>	BETTY MODAD 13014 THATCHER DR. HOUSTON , TX 77077	
<i>SECRETARY</i>	BETTY MODAD 13014 THATCHER DR. HOUSTON , TX 77077	
<i>DIRECTOR</i>	BETTY MODAD 13014 THATCHER DR. HOUSTON , TX 77077	
<i>DIRECTOR</i>	RICK PEERY 550 GREENS PKWY. #200 HOUSTON , TX 77067	
<i>VICE-PRESI</i>	RICK PEERY 550 GREENS PKWY. #200 HOUSTON , TX 77067	
<i>PRESIDENT</i>	VICTOR BOTRIE 13014 THATCHER DR. HOUSTON , TX 77077	
<i>DIRECTOR</i>	VICTOR BOTRIE 13014 THATCHER DR. HOUSTON , TX 77077	

DEERBROOK ESTATES
COMMUNITY ASSOCIATION, INC.

Tuesday, March 17, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Deerbrook Place A Senior Community

Dear Mr. Gerber:

This letter is to advise you that we are in full support of the Deerbrook Place Senior Apartments located in the 100 block of Deerbrook Park Boulevard one block North of FM 1960, Humble Bypass Houston, Texas 77338.

We have carefully examined the plans and am very impressed with the apartment layout and the amenities offered to the seniors. The square footage of the apartments are spacious and will adequately serve their needs.

Seniors prefer to locate close to amenities. Deerbrook Place Community is surrounded by Shopping such as Wal-Mart, Deerbrook Regional Mall, Kroger's plus many other area amenities and retail stores. Also this property is very close to Houston George Bush Intercontinental Airport.

I am impressed with the number of attached and detached garages totaling 159 and 306 total parking spaces, 93 one bedroom and 66 two bedroom units for a total of 159 units.

Senior's who are looking for a property that has all of the amenities being offered by this property will also enjoy Jesse Jones Park facilities to include walking trails, canoeing etc.

Another reason for our support of this project is because Senior's like to live near their children and grand children. Deerbrook Place Community is surrounded by low income housing which will attract them to Deerbrook Place Seniors Community.

13014 Thatcher Dr. + Houston, Texas 77077 + 281-558-9697 + Fax 281-558-9330
E-Mail appaloo1@sbcglobal.net

Mr. Michael Gerber
Tuesday, March 17, 2009
Page -2-

We hope you will see the benefits to Senior's and support this project as we do.

Yours truly,

A handwritten signature in black ink, appearing to read "Victor A. Botrie", written in a cursive style.

Victor A. Botrie

VAb/blm

13014 Thatcher Dr. + Houston, Texas 77077 + 281-558-9697 + Fax 281-558-9330
E-Mail: appaloo1@sbcglobal.net

09311

Executive
Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 11, 2009

Mr. Willam D. Henson
HFI Deerbrook Place Development, L.L.C.
2121 Kirby Drive, Unit 68
Houston, Texas 77019
Phone: (713) 334-5808
Fax: (713) 334-5614

Re: Application #09311, Deerbrook Place

Dear Mr. Henson:

Appeal Review

I have carefully reviewed the appeal received on May 28, 2009, in reference to the score awarded for Quantifiable Community Participation (QCP) points pursuant to documents submitted by the Deerbrook Estates Community Association for the purpose of scoring Quantifiable Community Participation points in accordance with §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") for the above Application. In order to qualify for points, an organization must submit evidence that "the organization has boundaries, and that the boundaries in effect February 27, 2009 contain the proposed Development Site."

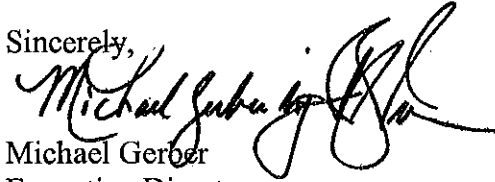
Upon receipt and review of the information submitted to the Department, staff verified that the development site is not entirely located within the organization's defined boundaries. The organization's boundaries start at "1,300 feet north of FM 1960," which is at approximately the place where Huntermoor Circle turns North into Bridgedale Lane, then runs North of that point. The northernmost section of the development site is located within the southernmost boundary of the Neighborhood Organization. However, the portion of the site that is South and East of the Huntermoor/Bridgedale intersection is not within the boundaries of the organization. During conversations between staff and the representative of the organization, the representative stated that the boundary was not what he thought and offered to provide an updated survey to adjust the boundary. Any amendments to the organization's boundaries must have been made prior to February 27, 2009 and the submission of the QCP documentation.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 18, 2009** to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", written over a printed name.

Michael Gerber
Executive Director

MFF/sg

09311

Board Appeal
Documents



**MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application**

Appeal Election Form: 09311, Deerbrook Place Apts

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed *William D. Henson*
WILLIAM D. HENSON, MANAGER OF HFI DEERBROOK PLACE DEVELOPMENT, L.L.C.
Title THE GENERAL PARTNER OF HFI DEERBROOK PLACE APARTMENTS, L.P.
Date MAY 28, 2009

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: <mailto:sharon.gamble@tdhca.state.tx.us>

09314

Taylor Farms

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of scoring for Taylor Farms.

Background and Recommendations

Taylor Farms - 09314

On February 27, 2009, an Application was submitted for the above-referenced development. On May 19, 2009, a scoring Notice was issued to the Applicant, including a score of 12 points for §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules (“QAP”), Quantifiable Community Participation, in relation to the letter of support submitted to the Department by the Urban Campus Property Owners Association for the purpose of scoring points for the Application. Pursuant to §49.9(i)(2) of the 2009 QAP, in order to be eligible for the full award of 24 points, the Neighborhood Organization must:

“Certify that the organization meets the definition of "Neighborhood Organization as defined in §49.3(63) of this chapter." For the purposes of this section, a "Neighborhood Organization" is defined as an organization of persons living near one another within the organization's defined boundaries in effect February 27, 2009 that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. "Neighborhood Organizations" include homeowners associations, property owners associations, and resident councils in which the council is commenting on the Rehabilitation or reconstruction of the property occupied by the residents. "Neighborhood Organizations" do not include broader based "community" organizations;”

The organization was unable to provide evidence that the organization meets this definition of a Neighborhood Organization.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	TF Development, LP, a Texas limited partnership
Site Location:	32 Pennacle Park Blvd
City/County:	Dallas/Dallas
Regional Allocation Category:	Urban
Population Served:	General
Region:	3
Set Aside:	None
Type of Development:	New Construction
Units:	160
Credits Requested:	\$1,879,930

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. The Quantifiable Community Participation component of the scoring process is particularly based upon information received from Neighborhood Organizations. That the organization has actively sought to now include persons within their boundaries at this stage suggests that acceptance of new information from Neighborhood Organizations after the scores have been publicized provides an opportunity for organizations to adjust deliverables after the process has been completed.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09314

Scoring
Notices



MULTIFAMILY FINANCE PRODUCTION DIVISION
 Housing Tax Credit Program - 2009 Application Round
 Final Scoring Notice - Competitive Housing Tax Credit Application

TF Development, LP

Jason Hutton

600 N. Bishop Ave.

Dallas, TX 75208

Phone #: (214) 205-7492

Fax #: (214) 922-3380

Email: jhutton@groundfloordev.com

Date Issued: May 22, 2009

**THIS NOTICE WILL ONLY BE
 TRANSMITTED VIA EMAIL**

Second Email: [Terri Anderson@msn.com](mailto:Terri_Anderson@msn.com)

**RE: 2009 Competitive Housing Tax Credit (HTC) Application for Taylor Farms, TDHCA Number:
 09314**

Attention: Jason Hutton

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban

Set Asides: USDA Non Profit At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	145
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	145
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	144
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	1
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	6
Final Score Awarded to Application by Department:	176



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 09314, Taylor Farms

**Explanation for Difference between Points Requested and Points Awarded by the Department
(explanation does not include points for §§49.9(i)(2), (6) and (18)):**

§49.9(i)(27) – Leveraging of Private, State, and Federal Resources: §49.9(i)(27) – Leveraging of Private, State, and Federal Resources: To be eligible for these points, the Application must include an application to the funding entity with evidence of receipt, or a commitment for funding. Your Application included an intent to request funds. In response to your March 31, 2009 Deficiency Notice, you acknowledged that you could not provide sufficient evidence for points under this item. (1 point requested, 0 points awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, May 29, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the June 25, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Thursday, June 18, 2009. All appeals should be submitted to the attention of Sharon Gamble. Although you have until June 18, 2009 to submit your appeal to the Board, the Department **STRONGLY ENCOURAGES** you to submit your appeal to the Board on or before 12:00 p.m. (CST) June 9, 2009.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09314, Taylor Farms

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am **STRONGLY ENCOURAGED** to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Sharon Gamble:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:sharon.gamble@tdhca.state.tx.us>



Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2009 Quantifiable Community Participation

May 22, 2009

Primary Contact:

Contact Name: Rick Williamson, Vice President

Contact Phone: (214)922-3399

Contact Fax: (214) 922-3380

Contact E-Mail: rick@incapfund.com

Second Contact:

Second Contact: Joe Greer

Second Phone: (214) 922-3372

Second Fax: (214) 922-3380

2nd E-Mail: jgeer@incapfund.com

Re: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 09314

Dear Rick Williamson:

I am writing regarding the letter you submitted in response to the deficiency letter for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application. Thank you for responding to the request.

The Texas Department of Housing and Community Affairs (the Department) has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the 2009 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

The letter submitted for points under §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") does not qualify because TDHCA staff could not verify members of the organization living within the boundaries.

Because the deficiency was not satisfied, the organization's letter will not be considered further for scoring. Please be assured that the Department values all public input and while the Department will be unable to assign points to the letter, the Department will still record the input in the Application's file and provide the Board of the Department with a summary of the comment for their information and consideration.

Thank you again for your participation in our application process. If you have any questions, please do not hesitate to contact Sharon Gamble at sharon.gamble@tdhca.state.tx.us or by telephone at (512) 475-4610.

Sincerely,

Robbye Meyer

Robbye Meyer

Director of Multifamily Finance Production

09314

Appeal
Documents

Sharon Gamble

From: Bolin, Brandon [bbolin@jw.com]
Sent: Friday, May 29, 2009 2:35 PM
To: sharon.gamble@tdhca.state.tx.us
Cc: jhutton@groundfloordev.com
Subject: Appeal - Taylor Farms

Sharon,

Based on the advice of my consultant, I submitted an intent to appeal the final scoring of our application to you via fax. The basis of my doing so was that I was made aware that our application was given six (6) points based on a letter we received from the Property Owners Association.

We need to appeal that allocation of points in order to qualify the full 24 points based on Quantifiable Community Participation. Based on the fact that residents live within the boundaries of the POA, Taylor Farms should in fact qualify for the additional Neighborhood Organization Points.

I have not been involved in this conversation, but my consultant Terri Anderson, informs me that the Property Owners Association has been in touch with Nicole in your office and that they are in the process of submitting the necessary documentation to cure this issue.

Please let me know what action I need to take if any at this juncture.

Take care,

Brandon Bolin

Associate
Jackson Walker L.L.P.
901 Main Street, Suite 5700
Dallas, TX 75202
P: 214.953.5741
C: 214.991.8331
F: 214.661.6841
www.jw.com

Sharon Gamble

From: Bolin, Brandon [bbolin@jw.com]
Sent: Friday, May 29, 2009 5:12 PM
To: sharon.gamble@tdhca.state.tx.us
Cc: jhutton@groundfloordev.com
Subject: follow-up

Sharon,

I have received word that the POA has submitted to TDHCA information relating to the Neighborhood Organization and their qualifications to be considered as such per the QAP.

In this way, their submission of these materials attempts to satisfy the basis of my appeal.

Thanks,

Brandon Bolin

Associate
Jackson Walker L.L.P.
901 Main Street, Suite 5700
Dallas, TX 75202
P: 214.953.5741
C: 214.991.8331
F: 214.661.6841
www.jw.com

Sharon Gamble

From: Rick Williamson [rick@incapfund.com]
Sent: Friday, May 29, 2009 4:58 PM
To: sharon.gamble@tdhca.state.tx.us
Cc: nicole.fisher@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us
Subject: FW: TDHCA #09314 Appeals information

Sorry, I had the wrong email address listed. Please see below.

Rick Williamson
INCAP Fund
300 Crescent Court, Suite 1100
Dallas, Texas 75201
(214) 922-3399 direct
(214) 922-3380 fax
rick@Incapfund.com

++++
The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message. Nothing in this message is intended to constitute an Electronic signature for purposes of the Uniform Electronic Transactions Act (UETA) or the Electronic Signatures in Global and National Commerce Act ("E-Sign") unless a specific statement to the contrary is included in this message.

From: Rick Williamson
Sent: Friday, May 29, 2009 4:57 PM
To: Sharon.gamble@tdhca.state.texas.us
Cc: nicole.fisher@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us
Subject: TDHCA #09314 Appeals information

Ms. Gamble, in response to our conversation this afternoon, I have attached information verifying that a member of the organization was living within the organizational boundaries on the date of the letter of recommendation.

I will provide additional information as soon as I get it and will respond to Ms. Meyer with regard to her questions on Monday. This is the only information I was able to get before 5:00 pm today.

Please let me know if you have any other questions in the mean time.

Respectfully,
Rick Williamson

Rick Williamson
INCAP Fund
300 Crescent Court, Suite 1100
Dallas, Texas 75201
(214) 922-3399 direct
(214) 922-3380 fax
rick@Incapfund.com

++++
The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message. Nothing in this message is intended to constitute an Electronic signature for purposes of the Uniform Electronic Transactions Act (UETA) or the Electronic Signatures in Global and National Commerce Act ("E-Sign") unless a specific statement to the contrary is included in this message.



**Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2009 Quantifiable Community Participation**

May 22, 2009

Primary Contact:

Contact Name: Rick Williamson, Vice President
Contact Phone: (214)922-3399
Contact Fax: (214) 922-3380
Contact E-Mail: rick@incapfund.com

Second Contact:

Second Contact: Joe Greer
Second Phone: (214) 922-3372
Second Fax: (214) 922-3380
2nd E-Mail: jgeer@incapfund.com

Re: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 09314

Dear Rick Williamson:

I am writing regarding the letter you submitted in response to the deficiency letter for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application. Thank you for responding to the request.

The Texas Department of Housing and Community Affairs (the Department) has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the 2009 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

The letter submitted for points under §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") does not qualify because TDHCA staff could not verify members of the organization living within the boundaries.

Because the deficiency was not satisfied, the organization's letter will not be considered further for scoring. Please be assured that the Department values all public input and while the Department will be unable to assign points to the letter, the Department will still record the input in the Application's file and provide the Board of the Department with a summary of the comment for their information and consideration.

Thank you again for your participation in our application process. If you have any questions, please do not hesitate to contact Sharon Gamble at sharon.gamble@tdhca.state.tx.us or by telephone at (512) 475-4610.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance Production

Exhibit A
Lease Agreement

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 12-04-06
(NOTICE: For use only when SELLER occupies the property for no more than 90 days AFTER the closing)

SELLER'S TEMPORARY RESIDENTIAL LEASE

1. **PARTIES:** The parties to this Lease are MANORVILLE HOMES, LLC (Landlord) and ALICE ANN PARSONS AND ADRIAN DEAN PARSONS (Tenant).

2. **LEASE:** Landlord leases to Tenant the Property described in the Contract between Landlord as Buyer and Tenant as Seller known as 3217 W. CYPRESS BLVD, DALLAS, TEXAS (address).

3. **TERM:** The term of this Lease commences on the date the sale covered by the Contract is closed and funded and terminates April 30th 2009, unless terminated earlier by reason of other provisions.

4. **RENTAL:** Tenant shall pay to Landlord as rental \$ 100.00 per MONTH (excluding the day of closing and funding) with the full amount of rental for the term of the Lease to be paid at the time of funding of the sale. Tenant will not be entitled to a refund of rental if this Lease terminates early due to Tenant's default or voluntary surrender of the Property.

5. **DEPOSIT:** Tenant shall pay to Landlord at the time of funding of the sale \$ NONE as a deposit to secure performance of this Lease by Tenant. Landlord may use the deposit to satisfy Tenant's obligations under this Lease. Landlord shall refund any unused portion of the deposit to Tenant with an itemized list of all deductions from the deposit within 30 days after Tenant (a) surrenders possession of the Property and (b) provides Landlord written notice of Tenant's forwarding address.

6. **UTILITIES:** Tenant shall pay all utility charges except NONE which Landlord shall pay.

7. **USE OF PROPERTY:** Tenant may use the Property only for residential purposes. Tenant may not assign this Lease or sublet any part of the Property.

8. **PETS:** Tenant may not keep pets on the Property except THOSE LIVING ON PROPERTY AT CLOSING.

9. **CONDITION OF PROPERTY:** Tenant accepts the Property in its present condition and state of repair at the commencement of the Lease. Upon termination, Tenant shall surrender the Property to Landlord in the condition required under the Contract, except normal wear and tear and any casualty loss.

10. **ALTERATIONS:** Tenant may not alter the Property or install improvements or fixtures without the prior written consent of the Landlord. Any improvements or fixtures placed on the Property during the Lease become the Property of Landlord.

11. **SPECIAL PROVISIONS:**

12. **INSPECTIONS:** Landlord may enter at reasonable times to inspect the Property. Tenant shall provide Landlord door keys and access codes to allow access to the Property during the term of Lease.

13. **LAWS:** Tenant shall comply with all applicable laws, restrictions, ordinances, rules and regulations with respect to the Property.

14. **REPAIRS AND MAINTENANCE:** Except as otherwise provided in this Lease, Tenant shall bear all expense of repairing and maintaining the Property, including but not limited to the yard, trees and shrubs, unless otherwise required by the Texas Property Code. Tenant shall promptly repair at Tenant's expense any damage to the Property caused directly or indirectly by any act or omission of the Tenant or any person other than the Landlord, Landlord's agents or invitees.

Initialed for Identification by Landlord RL and Tenant AAP TREC NO. 15-4

15. **INDEMNITY:** Tenant indemnifies Landlord from the claims of all third parties for injury or damage to the person or property of such third party arising from the use or occupancy of the Property by Tenant. This indemnification includes attorney's fees, costs and expenses incurred by Landlord.
16. **INSURANCE:** Landlord and Tenant shall each maintain such insurance on the contents and Property as each party may deem appropriate during the term of this Lease. **NOTE: CONSULT YOUR INSURANCE AGENT; POSSESSION OF THE PROPERTY BY SELLER AS TENANT MAY CHANGE INSURANCE POLICY COVERAGE.**
17. **DEFAULT:** If Tenant fails to perform or observe any provision of this Lease and fails, within 24 hours after notice by Landlord, to commence and diligently pursue to remedy such failure, Tenant will be in default.
18. **TERMINATION:** This Lease terminates upon expiration of the term specified in Paragraph 3 or upon Tenant's default under this Lease.
19. **HOLDING OVER:** Tenant shall surrender possession of the Property upon termination of this Lease. Any possession by Tenant after termination creates a tenancy at sufferance and will not operate to renew or extend this Lease. Tenant shall pay \$100.00 per day during the period of any possession after termination as damages, in addition to any other remedies to which Landlord is entitled.
20. **ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to this Lease is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.
21. **SMOKE DETECTORS:** The Texas Property Code requires Landlord to install smoke detectors in certain locations within the Property at Landlord's expense. ~~Tenant expressly waives Landlord's duty to inspect and repair smoke detectors.~~
22. **SECURITY DEVICES:** The requirements of the Texas Property Code relating to security devices do not apply to a residential lease for a term of 90 days or less.
23. **CONSULT YOUR ATTORNEY:** Real estate licensees cannot give legal advice. This Lease is intended to be legally binding. **READ IT CAREFULLY.** If you do not understand the effect of this Lease, consult your attorney BEFORE signing.
24. **NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Landlord: BRYAN WERTZ
MANORVILLE HOMES, LLC
P.O. BOX 754
CARROLL, TX 75019
 Telephone: (817) 985-8644
 Facsimile: ---
 E-mail: bwertz@pdsoln.com

To Tenant: Dean & Alice Parsons
3217 W. Colorado Blvd
Dallas TX 75211
 Telephone: (214) 339-5902
 Facsimile: () Same ↑
 E-mail: parsonscom@tx.llc.com

[Signature]
 Landlord
Bryan Wertz
Manorville Homes LLC
 Landlord

[Signature]
 Tenant
Alise Ann Parsons
Alise Ann Parsons
 Tenant

This form of TRS contract has been approved by the Texas Real Estate Commission. TRS forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transaction. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-256-8732 or (512) 459-6544 (hearing-impaired state relay) TRS NO. 15-4. This form replaces TRS NO. 15-4.

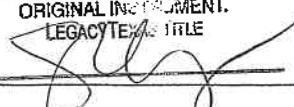
A. Settlement Statement

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan						7. Loan Number	8. Mortgage Ins Case Number
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv Units	6. File Number				
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv Ins.	6. <input type="checkbox"/> Seller Finance	09296				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower SLF III/INCAP, L.P., a Texas limited partnership 300 Crescent Court, Ste 1100 Dallas, TX 75201	E. Name & Address of Seller Addison Dean Parsons and Alice Ann Parsons 942 Channing Circle Dallas, TX 75224	F. Name & Address of Lender LEGACY TEXAS TITLE HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF AN ORIGINAL INSTRUMENT. LEGACY TEXAS TITLE BY: 
--	---	--

G. Property Location Britain A W, Block B/6161, Lot 5, Dallas County 3217 W. Colorado Blvd. Dallas, TX 75211	H. Settlement Agent Name LegacyTexas Title Co. 3512 Preston Road, Suite 200 Plano, TX 75093 Tax ID: 56-2471294 Underwritten By: Lawyers I. Settlement Date 2/27/2009 Fund: 2/27/2009
--	---

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due from Borrower		400. Gross Amount Due to Seller	
101. Contract Sales Price	\$310,000.00	401. Contract Sales Price	\$310,000.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to borrower	\$8,139.89	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City property taxes		406. City property taxes	
107. County property taxes		407. County property taxes	
108. Assessment Taxes		408. Assessment Taxes	
109. School property taxes		409. School property taxes	
110. MUD taxes		410. MUD taxes	
111. Other taxes		411. Other taxes	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower	\$318,139.89	420. Gross Amount Due to Seller	\$310,000.00
200. Amounts Paid By Or in Behalf Of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money	\$12,000.00	501. Excess Deposit	
202. Principal amount of new loan(s)		502. Settlement Charges to Seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Loan Amount 2nd Lien		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City property taxes		510. City property taxes	
211. County property taxes 01/01/09 thru 02/27/09	\$74.64	511. County property taxes 01/01/09 thru 02/27/09	\$74.64
212. Assessment Taxes		512. Assessment Taxes	
213. School property taxes		513. School property taxes	
214. MUD taxes		514. MUD taxes	
215. Other taxes		515. Other taxes	
216. Lease 2/28/09-4/30/09	\$203.57	516. Lease 2/28/09-4/30/09	\$203.57
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	\$12,278.21	520. Total Reduction Amount Due Seller	\$278.21
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from borrower (line 120)	\$318,139.89	601. Gross Amount due to seller (line 420)	\$310,000.00
302. Less amounts paid by/for borrower (line 220)	\$12,278.21	602. Less reductions in amt. due seller (line 520)	\$278.21
303. Cash From Borrower	\$305,861.68	603. Cash To Seller	\$309,721.79

Section 3 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

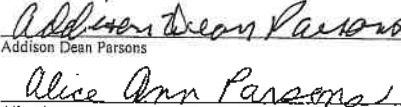
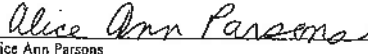
Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper. The Public Reporting Burden for this collection of information is estimated to average one 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. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not lend itself to confidentiality.

L. Settlement Charges

700. Total Sales/Broker's Commission based on price			\$310,000.00	@ % = \$0.60	Paid From	Paid From
Division of Commission (line 700) as follows:					Borrower's	Seller's
					Funds at	Funds at
					Settlement	Settlement
701.	to					
702.	to					
703. Commission Paid at Settlement					\$0.00	\$0.00
704. Broker Release Payment	to	Ailie Beth Altman & Associates			\$5,000.00	
800. Items Payable in Connection with Loan						
801. Loan Origination Fee	%	to				
802. Loan Discount	%	to				
803. Appraisal Fee		to				
804. Credit Report		to				
805. Lender's Inspection Fee		to				
806. Mortgage Insurance Application		to				
807. Assumption Fee		to				
808. Flood Certification Fee		to				
809. Tax Service Fee		to				
900. Items Required by Lender To Be Paid in Advance						
901. Interest from	to	@ \$0/day				
902. Mortgage Insurance Premium for months	to					
903. Hazard Insurance Premium for years	to					
1000. Reserves Deposited With Lender						
1001. Hazard insurance	months @		per month			
1002. Mortgage insurance	months @		per month			
1003. City property taxes	months @		per month			
1004. County property taxes	months @		per month			
1005. Assessment Taxes	months @		per month			
1006. School property taxes	months @		per month			
1007. MUD taxes	months @		per month			
1008. Other taxes	months @		per month			
1011. Aggregate Adjustment						
1100. Title Charges						
1101. Settlement or closing fee	to					
1102. Abstract or title search	to					
1103. Title examination	to					
1104. Title insurance binder	to					
1105. Document preparation	to					
1106. Notary fees	to					
1107. Attorney's fees	to					
(includes above items numbers:)						
1108. Title insurance	to	LegacyTexas Title Co			\$1,964.00	
(includes above items numbers:)						
1109. Lender's coverage	\$0.00/\$0.00					
1110. Owner's coverage	\$310,000.00/\$1,964.00					
1111. Escrow fee	to	LegacyTexas Title Co			\$600.00	
1112. State of Texas Policy Guaranty Fee	to	State of Texas			\$5.00	\$0.00
1113. Courier/Messenger Fee	to	LegacyTexas Title Co				
1200. Government Recording and Transfer Charges						
1201. Recording Fees	Deed \$28.00 ; Mortgage ; Rel	to Dallas County Clerk			\$28.00	
1202. City/county tax/stamps	Deed ; Mortgage	to				
1203. State tax/stamps	Deed ; Mortgage	to				
1204. Tax certificates	to	Data Trace			\$55.76	
1300. Additional Settlement Charges						
1301. Survey	to	Piburo & Associates			\$487.13	
1302. Pest Inspection	to					
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)					\$8,139.89	

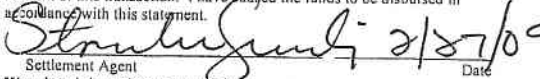
I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and attached signature addendum of this HUD-1 Settlement Statement.
 SLF III/CAP, L.P., a Texas limited partnership


 Name: Addison Dean Parsons
 Title:


 Addison Dean Parsons

 Alice Ann Parsons

SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have advised the funds to be disbursed in accordance with this statement.


 Settlement Agent Date

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

09314

Executive
Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 5, 2009

Mr. Jason Hutton
TF Development, LP
600 N. Bishop Ave.
Dallas, Texas 75208
Phone: (214) 205-7492
Fax: (214)922-3380

Re: Application #09314, Taylor Farms

Dear Mr. Hutton:

Appeal Review

I have carefully reviewed the appeal received on May 29, 2009, in reference to the score awarded for Quantifiable Community Participation (QCP) points pursuant to documents submitted by the Urban Campus Property Owners Association for the purpose of scoring Quantifiable Community Participation points in accordance with §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") for the above Application. In order to qualify for points, an organization must meet the definition of a Neighborhood Organization and must certify that the organization met the requirements on or before February 27, 2009.

"Neighborhood Organization is defined as an organization composed of persons living near one another within the organization's defined boundaries and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood"

Upon receipt and review of the information submitted to the Department by the Urban Campus Property Owners Association, staff was unable to verify the existence of "persons living near one another within the organization's defined boundaries". After multiple attempts to get the needed information, staff discontinued contact and concluded the organization did not qualify. Only after the scoring notice was issued, did the organization provide a seller's temporary residential lease for one household. Staff was told they would receive additional information but no additional information was provided. Persons occupying one household, does not meet the test of "persons living near one another." Further, the lease expired on April 30, 2009.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation must be received by 5:00 p.m. CST on **June 18, 2009** to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Gerber', written over a horizontal line.

Michael Gerber
Executive Director

MFF/sg

09314

Board Appeal
Documents



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09314, Taylor Farms

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,;

I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am **STRONGLY ENCOURAGED** to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed Brandon Bolin - Brandon Bolin

Title Managing Member of GFD Holdings, LLC

Date 26 May 09

Please fax or email to the attention of Sharon Gamble:

Fax: (512) 475-0764 or (512) 475-1895

Email: <mailto:sharon.gamble@tdhca.state.tx.us>

MULTIFAMILY FINANCE PRODUCTION DIVISION

EXECUTIVE DIRECTOR'S REPORT ITEM

June 25, 2009

Action Item

Presentation and Discussion of Challenges Made in Accordance with §49.17(c) of the 2009 Qualified Allocation Plan and Rules (QAP) Concerning 2009 Housing Tax Credit (HTC) Applications.

Requested Action

Informational item for Board review.

Summary

The Department allows unrelated parties to an application to submit challenges against any application pursuant to §49.17(c) of the 2009 Qualified Allocation Plan and Rule (QAP). A challenge may pertain to any part of the application including but not limited to eligibility, selection (scoring) and threshold. Staff reviews the challenge and submits a request to the applicant for a response to the challenge. Staff researches both sides of the challenge and makes a determination of appropriate resolution to the challenge. A summary of the challenge and of the resolution is provided in the Challenge Status Log and is published on the Department's website.

The attached table titled, **Status Log of 2009 Competitive Housing Tax Credit Challenges Received as of June 18, 2009** ("Status Log"), summarizes status of the challenges received on or before June 18, 2009. The challenges were made against Applications in the 2009 Application Round. Behind the Status Log, all imaged challenges are provided in project number order.

All challenges are addressed pursuant to §49.17(c) of the 2009 QAP, which states, "the Department will address information or challenges received from unrelated entities to a specific 2009 active Application, utilizing a preponderance of the evidence standard, in the following manner, provided the information or challenge includes a contact name, telephone number, fax number and e-mail address of the person providing the information or challenge:

- (1) Within 14 business days of the receipt of the information or challenge, the Department will post all information and challenges received (including any identifying information) to the Department's website.
- (2) Within seven business days of the receipt of the information or challenge, the Department will notify the Applicant related to the information or challenge. The Applicant will then have seven business days to respond to all information and challenges provided to the Department.
- (3) Within 14 business days of the receipt of the response from the Applicant, the Department will evaluate all information submitted and other relevant documentation related to the investigation. This information may include information requested by the Department relating to this evaluation. The Department will post its determination summary to its

website. Any determinations made by the Department cannot be appealed by any party unrelated to the Applicant.”

Please note that a challenge is not eligible pursuant to this section if it is not made against a specific active 2009 HTC Application. If an Application is no longer active because the Development has been awarded tax credits by the Texas Department of Housing and Community Affairs’ (the “Department”) Board, challenges relating to the awarded/inactive Application are not eligible under this section.

To the extent that the Applicant related to the challenge responds to the eligible challenge(s), point reductions and/or terminations could possibly be made administratively. In these cases, the Applicant will be given an opportunity to appeal pursuant to §49.17(b) of the 2009 QAP, as is the case with all point reductions and terminations. To the extent that the evidence does not confirm a challenge, a memo will be written to the file for that Application relating to the challenge.

The table attached reflects a summary of all such challenges received and determinations made as of June 18, 2009.

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/19/2009	09138	Belmont Senior Village	Walter Moreau, Foundation Communities, Inc.	<p>Challenge regarding points awarded to the Application under §49.9(i)(16)(F), Developments Located in an Urban Core. The basis of the challenge as reflected in the challenge documentation is: the Application was awarded 4 points for this, requiring that the location of the proposed development site be in an area that meets the definition of Urban Core as described in §49.3(105) of the 2009 QAP. Classifying the proposed site in the Application as Urban Core defies the intent of the definition's inclusion in the 2009 QAP. The proposed site is an undeveloped parcel of farmland surrounded on three sides by other parcels of undeveloped land. Granting the urban Core points to a site in Leander completely negates the competitive balance that was being offered by §49.9(i)(16)(F) to deals located in true Urban Cores.</p>	<p>Analysis: Per §49.3(105) of the QAP, Urban Core is defined as “A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district.” Staff has reviewed the documents submitted with the challenge, as well as the Applicant’s response and documents from the Planning and Zoning section of the City of Leander’s website. Page 19 of the Composite Zoning Ordinance states that “the City of Leander is hereby divided into composite zoning districts, which contain a use component, a site component, and an architectural component...Each composite district, consisting of three components, is considered a discrete and unique zoning district.” The proposed site is zoned Multifamily (use), Type 3 (site), Type A (architectural), and is itself a “discrete and unique zoning district” that does not meet the requirements of the QAP. It is noted that Local Commercial is a permitted use within the district, provided that the use “not be located in stand alone buildings but shall be seamlessly integrated with multifamily units.” The proposed development does not include such a use.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that the Application is not eligible for points under §49.9(i)(16)(F), Developments Located in an Urban Core. A revised scoring notice will be sent to the Applicant, who will have the ability to appeal staff’s decision.</p>

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/26/2009	09138	Belmont Senior Village	Janine Sisak, DMA Development Company, LLC	<p>Challenge regarding points awarded to the Application under §49.9(i)(16)(F), Developments Located in an Urban Core. The basis of the challenge as reflected in the challenge documentation is: the Application was awarded 4 points for this, requiring that the location of the proposed development site be in an area that meets the definition of Urban Core as described in §49.3(105) of the 2009 QAP. The City of Leander does not meet the “Urban” aspect of the definition because of its population is less than 25,000 and its distinctly rural character. Moreover, the area the Applicant defined as an “Urban Core” is not “compact” as it contains more than 2,500 acres. Most importantly, the area defined by the Applicant is not an area in which “90% of land not in public ownership is zoned to accommodate medium or high density residential and commercial uses <i>within the same zoning district.</i>” The area defined by the Applicant clearly contains several zoning districts—a Planned Unit Development, General Commercial, Light Industrial, Single Family rural, to name a few. The area also fails the definition because it does not contain 90% of land zoned to accommodate medium or high density.</p>	<p>Analysis: Per §49.3(105) of the QAP, Urban Core is defined as “A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district.” Staff has reviewed the documents submitted with the challenge, as well as the Applicant’s response and documents from the Planning and Zoning section of the City of Leander’s website. Page 19 of the Composite Zoning Ordinance states that “the City of Leander is hereby divided into composite zoning districts, which contain a use component, a site component, and an architectural component..Each composite district, consisting of three components, is considered a discrete and unique zoning district.” The proposed site is zoned Multifamily (use), Type 3 (site), Type A (architectural), and is itself a “discrete and unique zoning district” that does not meet the requirements of the QAP. It is noted that Local Commercial is a permitted use within the district, provided that the use “not be located in stand-alone buildings but shall be seamlessly integrated with multifamily units.” The proposed development does not include such a use.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that the Application is not eligible for points under §49.9(i)(16)(F), Developments Located in an Urban Core. A revised scoring notice will be sent to the Applicant, who will have the ability to appeal staff’s decision.</p>

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/27/2009	09159	Malibu Apartments	Walter Moreau, Foundation Communities, Inc.	<p>Challenge regarding points awarded to the Application under §49.8(d)(3), Pre-Application Threshold Criteria and Review, and §49.9(h)(8)(A)(i), Certifications of Notifications. The basis of the challenge as reflected in the challenge documentation is: The Applicant is required to request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials. The City of Austin confirmed that the Applicant requested the list on December 8, 2008, and the City of Austin sent a response and neighborhood list to the Applicant on that same day. However, in the Pre-Application, the Applicant claims they did not receive a reply back from the City of Austin by January 1, 2009. The Applicant has a basic responsibility to determine if a neighborhood organization exists that they should contact. The Applicant knew about the existence of the North Austin Civic Association at both the pre-application and full application stage, but for some reason chose not to notify the organization.</p>	<p>Analysis: Per §49.8(d)(3) of the QAP, “The Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site...” Further, “The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application.” Staff has reviewed the documentation included in the challenge as well as the Applicant’s response. Staff has determined that the Applicant contacted a staff member of the City of Austin Communications and Public Information Office and, as a result of that contact, was made aware of the existence of at least one Neighborhood Organization whose boundaries included the Development site prior to the submission of the Pre-Application. Staff has further determined that the Applicant falsely certified that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located and failed to list the North Austin Civic Association on the Pre-Application form.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that the Pre-Application and Application failed to meet the notification requirements of the QAP. A notice of termination will be sent to the Applicant, who will have the ability to appeal staff’s decision.</p>

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/27/2009	09159	Malibu Apartments	Walter Moreau, Foundation Communities, Inc.	Challenge regarding financial feasibility and underwriting. The basis of the challenge as reflected in the challenge documentation is: The scoring and underwriting cannot be correct given the glaring omission of required ADA interior unit renovations, as well as potential related issues with asbestos remediation and tenant relocation. In order to receive housing funds from the City of Austin, the project will be required to fully renovate 10% of the units to be wheelchair/mobility accessible. TDHCA rules also require that a certain percentage of units be renovated to comply with ADA, Section 504 laws and other rules. Neither the renovation budget in the Physical Condition Assessment or the overall development application budget include any money for required interior unit ADA renovation. The total cost of the ADA renovations should also take into consideration potential asbestos abatement and tenant relocation.	<p>Analysis: The challenge refers to no particular section of the QAP. After review of the challenge and the Applicant's response, staff has determined that the Applicant has taken all of the issues raised into account in preparing the Application. Should underwriting prove the project to be infeasible, staff will not recommend an award of tax credits for the Development.</p> <p>Resolution: The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that no action is required.</p>

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/10/2009	09166	Goldshire Townhomes	Donald J. Dobesh, Jr., Vice President, Village of Oak Lake Subdivision HOA	Challenge regarding legal ability of the Seller of the property for this Development to do business in Texas. The basis of the challenge as reflected in the challenge documentation is: The Seller of the property, SHR Invests, Inc., forfeited its charter on August 3, 2007 and should not be representing itself as a corporation to do business in the State of Texas.	Pending: Posted to the Department's website. Challenge being processed pursuant to §49.17(c) of the 2009 QAP.
6/12/2009	09163	Tremont Apartment Homes	Michael Hartman, Roundstone Development, LLC	Challenge regarding application scoring for QCP. The basis of the challenge as reflected in the challenge documentation is: The authorized representative of the Bacon Ranch Road Property Owners Association does not live within the boundaries of the organization. Owners of 7 of the 22 properties located within the organization's boundaries have no knowledge of the organization and never agreed to participate in the organization. The Neighborhood Organization's boundaries were not in effect as of February 27, 2009 because the owners of seven properties located within the boundaries had no knowledge of the organization and had not agreed to join. Further, the applicant did not disclose the Bacon Ranch Road Property Owners Association in his Pre-Application and certified that he knew of no Neighborhood Organizations within whose boundaries the proposed development site was to be located. The Application should be disqualified for this omission.	Pending: Posted to the Department's website. Challenge being processed pursuant to §49.17(c) of the 2009 QAP.

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/13/2009	09166	Goldshire Townhomes	Loree Conrad, Resident, Sugarland, Texas	Challenge regarding the legal name of the one of the owners for the Application. The basis of the challenge as reflected in the challenge documentation is: Navdip S. Sobti, listed as the contact for the Application, legally changed his name to Neal Singh on January 18, 2008. Neal Singh is listed as one of the development owners. Both names are used throughout the Application.	Pending: Posted to the Department's website. Challenge being processed pursuant to §49.17(c) of the 2009 QAP.



creating housing where families succeed

3036 South First
Suite 200
Austin, TX 78704

tel: (512) 447-2026
fax: (512) 447-0288

May 18, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge to Urban Core Points under Section 49.9(i)(16)(F) for Application Number 09138

Dear Ms. Meyer:

Please accept this letter as a challenge to points applied for by application #09138 under section 49.9(i)(16)(F) *Development Location* of the 2009 *Qualified Allocation Plan* (QAP). The applicant claims four points for the proposed site meeting the qualifications of QAP Section 49.9 (i)(16)(F); however the proposed site does not meet the definition of “Urban Core” as defined in QAP Section 49.3(105). Application #09138 should not be granted the four points available under Section 49.9(i)(16)(F).

Classifying the location of the proposed site in application #09138 as “urban core” defies the intent of the definition’s inclusion in the 2009 QAP and fails to meet the most basic aspect of the word. Merriam-Webster defines urban as “of, relating to, characteristic of, or constituting a city” and core is defined as “a central and often foundational part usually distinct from the enveloping part by a difference in nature <the core of the city>.” The proposed site is an undeveloped parcel of farmland surrounded on three sides by other parcels of undeveloped land. Only the northern border of the property abuts developed land, but it is a single family sub-division and can hardly be considered “urban” or “core”, as defined above.

Officials from the cities of Fort Worth, El Paso and Austin worked very hard to get language included in the 2009 QAP that would help level the playing field for development in urban areas. In past years, the number of affordable housing developments in the core cities has decreased dramatically due to higher acquisition costs and higher construction costs for parking and density requirements. At the same time, projects located in suburban areas around these cities have flourished due to cheaper land and lower density. Granting the “urban core” points to a site in Leander completely negates the competitive balance that was being offered by Section 49.9 (i)(16)(F) to deals located in the true urban cores of Fort Worth, El Paso and Austin.

There is no doubt that the City of Leander is trying to create a well-planned, suburban community as evidenced by the adoption of their unique Composite Zoning Ordinance in 2007. However, even the City of Leander admits that it is a "suburban area" as taken from a summary publication explaining the new ordinance:

<http://www.leandertx.org/pdfs/CompositeZoningGeneralPublication.pdf>: "Leander, Texas is a burgeoning satellite city with about 20,000 residents northwest of Austin. The area was mainly rural when the city was incorporated in 1978. Today, it's a typical bedroom community, albeit a rapidly growing one." The City of Leander is still a suburban area on the fringe of the larger city of Austin with a true "urban core."

The City of Leander is trying to provoke thoughtful development around the subdivisions of single family homes that have been built in rapid succession in the area. A site/facility inventory, on the City's website, lists 87 tracts of land available for development. Most of these 11,000 acres of land are unimproved. Please see attached map of inventory along with the tracts of land containing the site (tract 4) and the lots east (tract 2), west (tract 6) and south (tract 3).

Even the applicant describes the project location as a "small town." On page 479 of the application No. 09138, the Affirmative Marketing Plan reads, "The community will appeal to its senior target market because of its superior quality at affordable rental rates and small town living atmosphere, combined with the easy access to the retail and health centers in Leander (Belmont Senior Village is adjacent HEB Plus) and the nearby greater Austin, Round Rock, & Georgetown areas." "Small town" is an antonym for "urban core."

If the proposed site does not even meet the most basic definition of "urban core," it is impossible to meet the definition included in QAP Section 49.3(105) as "A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district." We challenge the site meeting the QAP definition as follows:

"compact and contiguous geographical area" –The proposed site is not included as part of the PUD overlay given to tracts most adjacent to the new Leander TOD. Admittedly, the site is close, but is not contiguous with any land zoned with the PUD overlay.

"zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district" - The site itself is zoned MF-3-A and is surrounded by tracts zoned light industrial and general commercial – these are three distinct zoning districts. The map included on page 389 of the application has an arbitrary border drawn around an area that includes a lot of land that is zoned with the PUD overlay, but also includes areas with other zoning districts. The site also backs up to a very large subdivision of single family homes which can hardly be considered medium or high density.

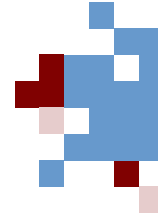
As residents of Austin, we are very aware that suburban areas such as Leander have experienced rapid growth, but the area cannot be defined as "urban." Please find attached a photo taken of downtown Leander and compare that with photos of downtown Fort Worth, Austin and El Paso.

Thank you very much for your careful consideration of this challenge.

Sincerely,
Walter Moreau
Foundation Communities, Inc.
Phone: 512-447-2026
Fax: 512-447-0288
Email: walter.moreau@foundcom.org

By: David H. Hutton, AICP

The Power of Composite:



Shaking Conventions With Conventional Zoning

A city council vote in Leander, Texas, in early September gave the city what could be the nation's first comprehensive composite zoning ordinance. Using a format resurrected from the earliest zoning codes in the U.S., composite zoning offers a flexible, simplified, and innovative method for integrating form-based standards into a traditional Euclidian framework. This method has the potential of creating compatible mixed-use neighborhoods even in a suburban setting.

Context

Leander, Texas is a burgeoning satellite city with about 20,000 residents northwest of Austin. The area was mainly rural when the city was incorporated in 1978. Today, it's a typical bedroom community, albeit a rapidly growing one. With growth comes the promise of new employment opportunities; shopping, dining and housing alternatives; and transportation options including a commuter rail line anchoring a diverse urban Transit Oriented Development (TOD).

At the same time there has been concern about potential negative growth impacts related to incompatible land uses. Some residents worried that the city's zoning ordinance was not up to

the task of enabling healthy growth. Over the years, the issue threatened to divide the community.

Status

Like most zoning codes, Leander's ordinance included a compilation of use districts. As problems were encountered with land use incompatibilities, additional use districts were created to more finely define and limit uses. Ultimately this limited the marketability of non-residential property. Over time, overlay districts, special use permits and limited form standards were applied to improve the ability to contextualize zoning rules. With the added zoning layers the ordinance became more complicated, difficult to navigate and inconsistent.





When all else failed, and it is surprising how often this can happen, a Planned Unit Development (PUD) was employed to provide standards more appropriate to the context of the site. PUD's can be effective in addressing contextual issues, but can also be confusing for anyone trying to buy, develop, market, plan, inspect or get loans for real estate. Every PUD is different from every other PUD. To understand them you must research the language of the PUD ordinance itself. The process can

last for months, resemble contract zoning, and, like a black hole, be impossible to escape from once you travel beyond its event horizon. With the addition of new staff not familiar with the standards and intent of the PUD's, they become even more difficult to administer. I consider the number of PUD's in a community to be a gauge of the ineffectiveness of their zoning ordinance. That said, a PUD can also be a valuable tool if used in moderation.

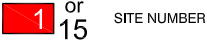
Conditional Use Permits are sometimes utilized to provide additional flexibility to a zoning ordinance and establish a process to review certain uses for compatibility within the context of their proposed location. Like a PUD, if used in moderation, they can be a valuable tool. However, they require an additional approval beyond the base zoning and have some of the same drawbacks as PUD's.


I have seen developers, neighbors, zoning administrators, city councils and zoning commissions alike complain about zoning ordinances. They are criticized as inflexible, too constraining, not constraining enough, too complicated, not able to address contextual issues, not able to protect property values, creating limits to economic development, etc. Weaknesses


ROADWAY PLAN

-  TOLLWAY
-  MAJOR ARTERIAL
-  MINOR ARTERIAL
-  PRIMARY COLLECTOR

 TOUR ROUTE

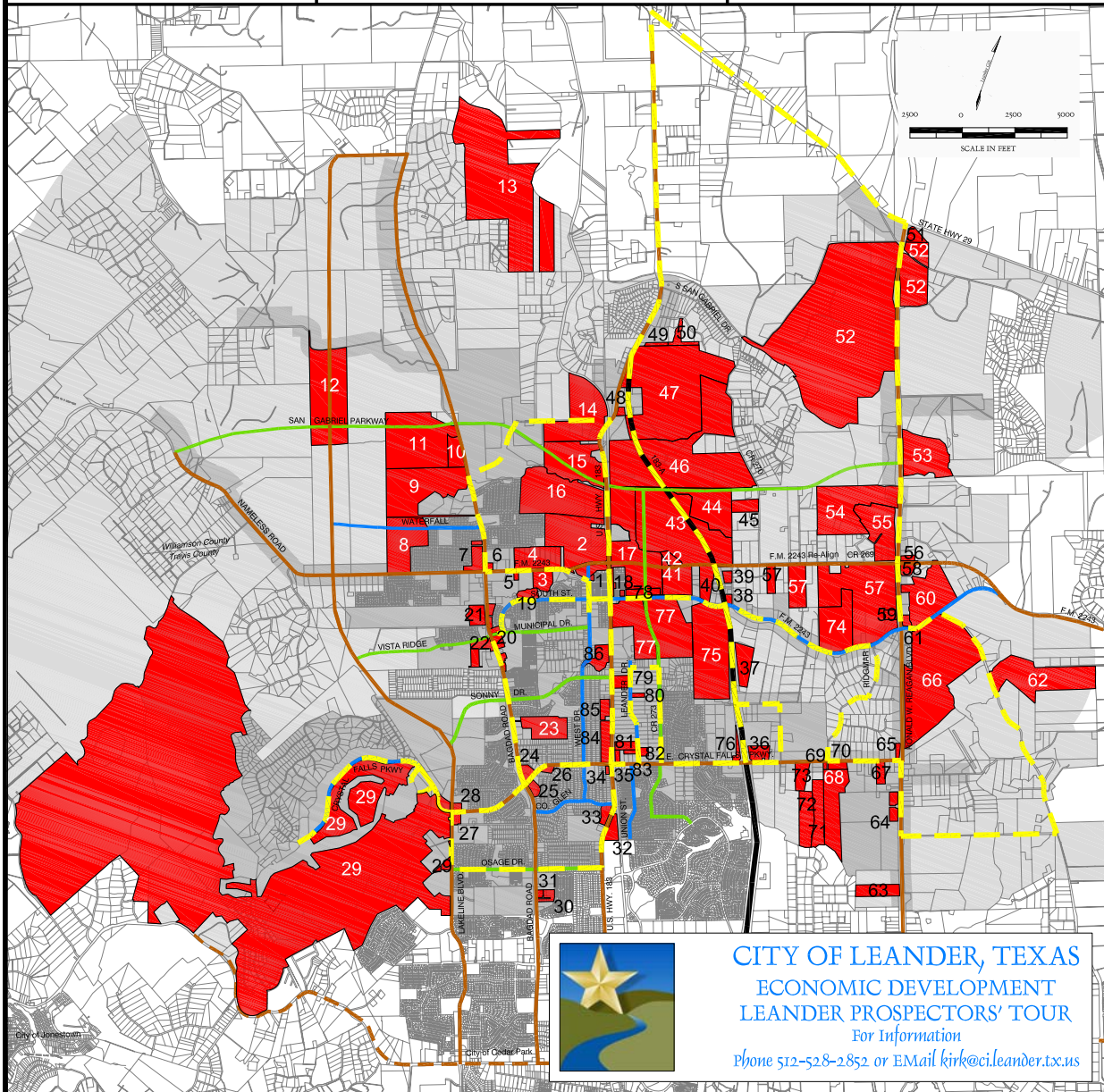
 SITE NUMBER

 CITY OF LEANDER-CITY LIMITS

 CITY OF LEANDER E.T.J.

Site Number	Name	Acres
1	Broad Street Properties	1
2	HEB Grocery	155
3	Brown Plaza	19
4	Metropolitan Management	47
5	SandIn Ventures Development	5
6	NE Corner of Bagdad and Old 2243 West	2
7	Notife Capital	18
8	Hawkes	93
9	Hawkes Property	149
10	Park Village	22
11	Texas X-Park	179
12	Capitol Land Company	186
13	www.480acres.com	480
14	Business Park	131
15	Tylerville	107
16	Michelle	164
17	Leander Transp Village	164
18	East Old Town Properties	5
19	West South Street	10
20	Bagdad and Municipal Drive	22
21	Bagdad Road, North of Vista Ridge	17
22	Commons at Vista Ridge	18
23	Mason Property	52
24	Commons at Crystal Falls	6
25	SE Corner of Bagdad and Crystal Falls	6
26	Oaks on Crystal Falls	3
27	SE Corner of Lakeline Blvd and Crystal Falls Pkwy	4
28	NE Corner of Lakeline Blvd and Crystal Falls Pkwy	3
29	Crystal Falls	5,000
30	Moore Property	12
31	Leander Shopping Center	3
32	Robert Knight	13
33	Reunlon Development Group	8
34	Crystal Falls Plaza	1
35	Brannen Property	3
36	Duncan's NE Corner	19
37	Pruett-Pearson Property	17
38	FABCON Products	2
39	Eriksson Property	5
40	FABCON Products	23
41	Franklin House	47
42	Ranch Gate TOD	9
43	Mathis-Beasley	228
44	Hlggnbotham	89
45	Ervin Property	17

Site Number	Name	Acres
46	Buller-Winters	363
47	Villages of Messina	341
48	Meyer's Property	3
49	Seaman's Property	3
50	Garrett Property	12
51	Ironwood Real Estate	13
52	Wedemeyer	927
53	Lookout Group	93
54	Little Hill Airport	105
55	Reunion Development Group	84
56	King Property	4
57	Mahendru and Carlton	283
58	Moore Property	10
59	Bushkuhl Property	6
60	H. K. Ranch	106
61	NE Corner of FM 2243 and Reagan Blvd	5
62	Cannon Ranch	140
63	Summit Properties	27
64	Carlton's Frontage	12
65	Reld Property	3
66	Sarita Valley	323
67	Anderson Tract	10
68	Centex Properties	78
69	Carlton's Corner	1
70	Carlton's Other Corner	7
71	Cluck-Brown Property	40
72	Walley Property	40
73	Asbery Park	17
74	Reunion Development Group	85
75	Leander Crossing	163
76	Bolton Real Estate Services	5
77	Southwestern Property	212
78	Leslie Property	12
79	Mitdown Square	12
80	RDG Leander Drive II	3
81	1405 & 1501 Leander Drive	9
82	RDG Leander Drive I	4
83	1503 Leander Drive	2
84	Gateway at Leander	41
85	Starfish Development	9
86	Starfish Development	19
TOTAL ACREAGE (Varies due to rounding)		11,358

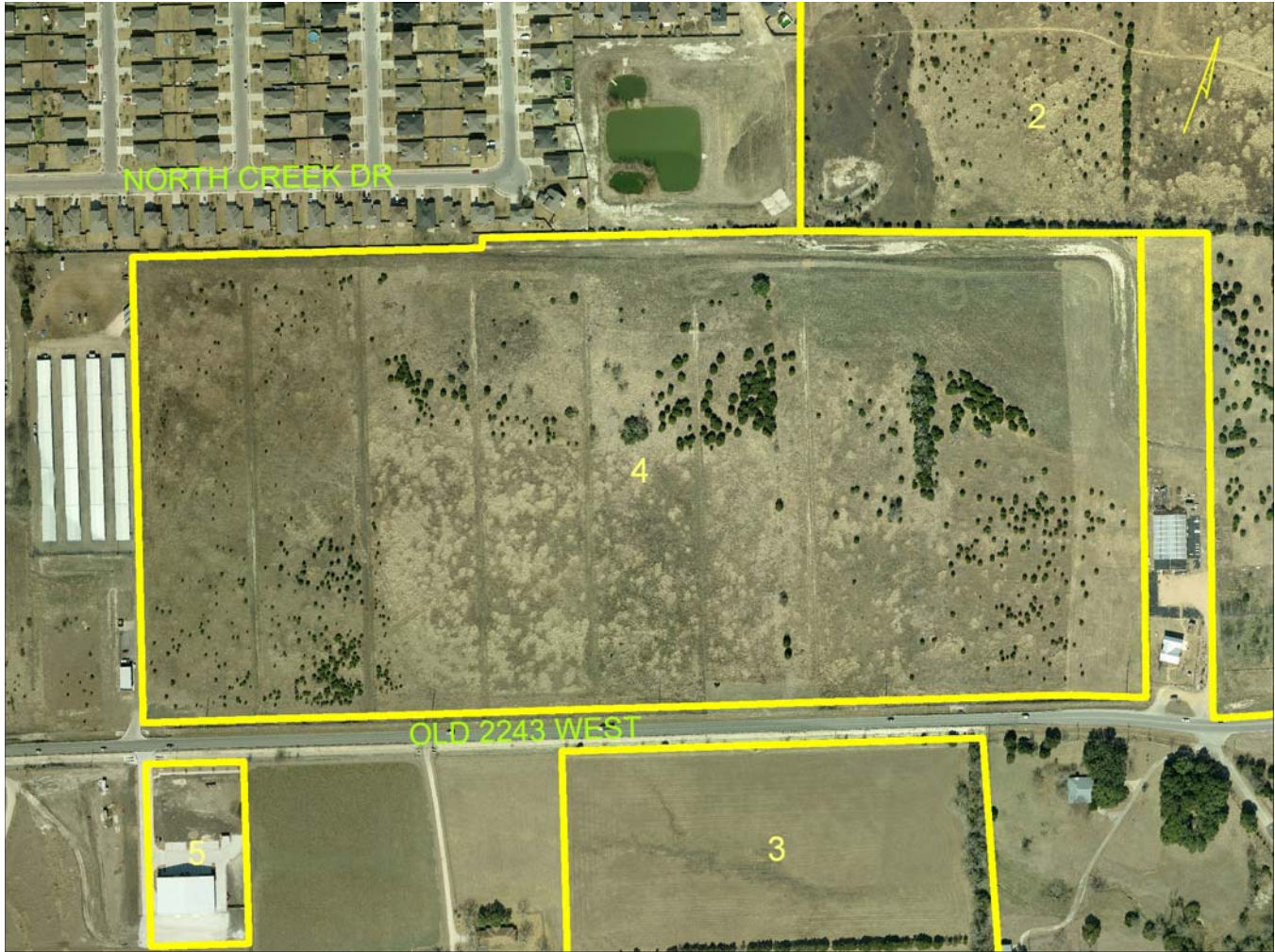


CITY OF LEANDER, TEXAS
ECONOMIC DEVELOPMENT
LEANDER PROSPECTORS' TOUR
 For Information
 Phone 512-528-2852 or Email kirk@ci.leander.tx.us

Tract 4 contains proposed site in Application #09138

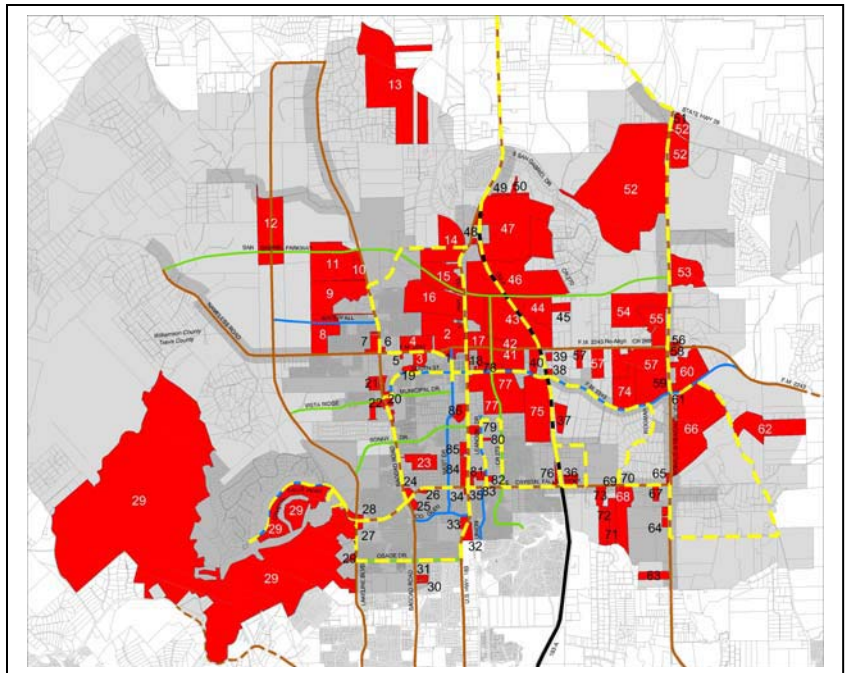
2009
Site 04

47 Acres/19 Hectares
2243 Industrial-Commercial Park



47 acres/19 hectares
US 183 access .6 mile/.9 kilometers east
Utilities
Greenfield
Zoning - Light Industrial

Mr. Doug Duwe
Capitol Land Company
P. O. Box 1944
Austin TX 78767
512.472.7002 phone
512.751.3600 mobile
512.442.8226 facs
dduwe@sbcglobal.net
www.capitolland.com



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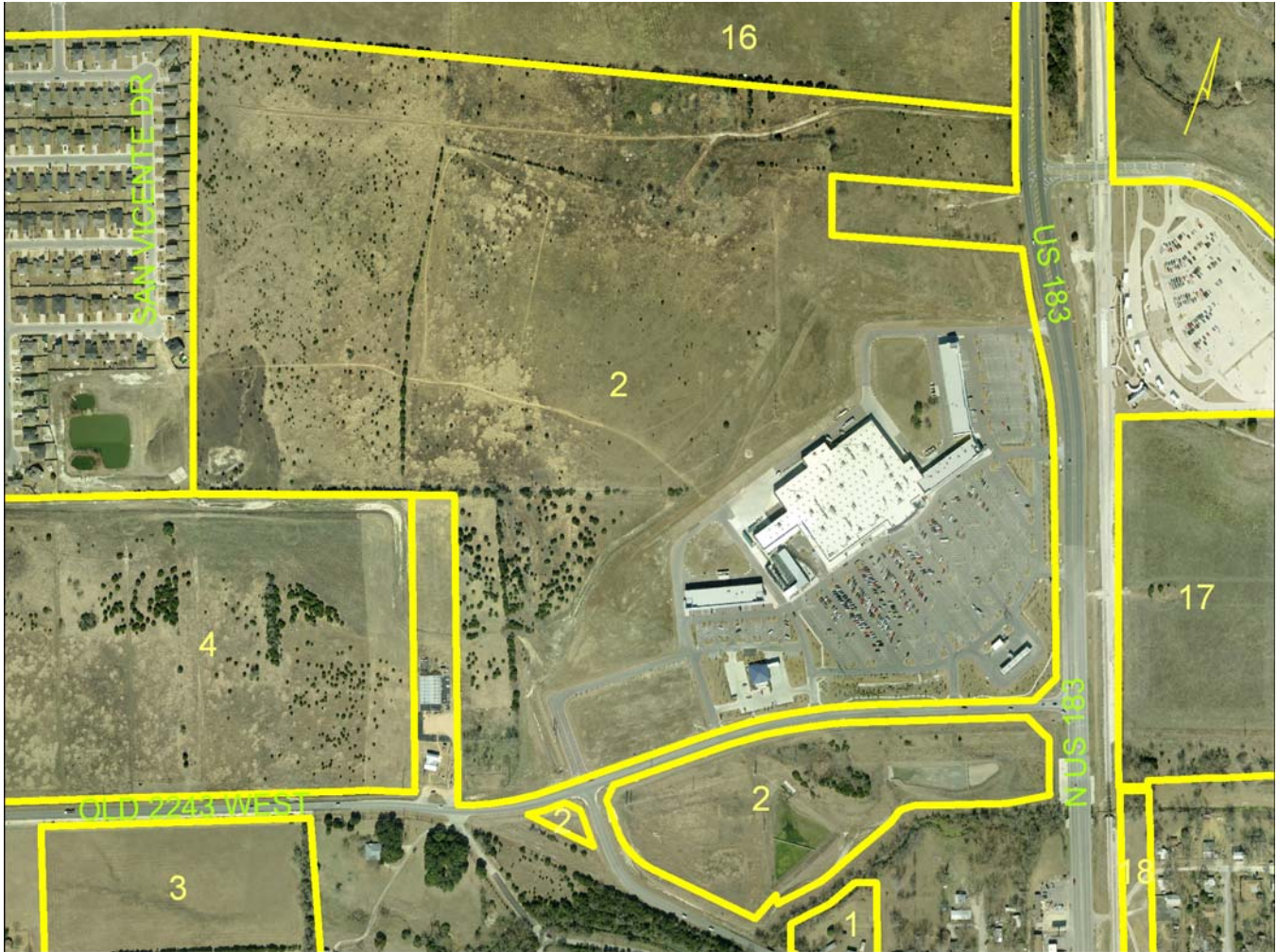
47 Acres/19 Hectares
2243 Industrial-Commercial Park

Property				
Total Acreage: 47 acres/19 hectares		Map: MAPSCO Austin 2006 Street Guide, pgs. 312, Sec. W, X		
Location				
City: Leander		County: Williamson		
Address/Directions: Rectangular property immediately west of the 142-acres (57.5 hectares) HEB-Plus grocery anchored site with over 2,100 feet/650 meters of frontage on FM 2243				
Within City Limits: Yes		Distance from City Limits: Not Applicable		
Distance to US Highways: 3,000 feet/914 meters Distance to Interstate Highways: 12 miles/19.3 km		Type of Zoning: Light Industrial		
General Site Information				
Previous Use of Site: Greenfield		General Condition: Excellent		Dimensions: 2,133 feet/650 meters x 1,024 feet/312 meters
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 8 percent slopes			Shrink/Swell Capacity: Moderate to high with a high risk of corrosion for uncoated steel and a low risk of corrosion for concrete.	
Adjoining Acreage Available: Yes		Can Site Be Divided: Yes		Lot Size: Negotiable
Improvements				
Road Distance to Rail: 3,100 feet/945 meters		Name of Railroad: Union Pacific, Southern Pacific and Capital Metro Commuter Rail		
Proximity to Port(s): Three (3) hours to Port of Houston		Other Improvements: Not Applicable		
Fenced: No		Landscaped: No		
Located within an Industrial Park: No		Type of Business: Office/Warehouse and/or Office/Retail		
Deed Restriction(s): No		Covenants: No		
Utilities				
City of Leander Services		Water - Size of Nearest Line: 12 inch/30.5 cm along FM 2243 Pressure: 65 psi/448 kilopascal		Sewer - Size of Nearest Line: 10 & 12 inch/25.4 & 30.5 cm along FM 2243 and east of property
Electric Service: Pedernales Electric Cooperative (PEC)	Phone: 888.554.4732	Facs: 830.868.5097		Email: heather.richardson@peci.com
Natural Gas Service: Mr. Will Nabors, 512.310.3810, ATMOS Energy		Size of Nearest Line: 4 inch/10.2 cm		Pressure: Intermediate Pressure located 250 feet/76.2 meters from the northeast corner at North Creek Drive
Telecommunication Service: AT&T	Phone: 512.870.4430	Facs: 512.870.4475		Email: tc4713@att.com
Solid Waste Disposal: Clawson Disposal, Inc.	Phone: 512.259.1709	Facs: 512.746.5807		Email: clawsondisp@earthlink.net
Sales Information				
Contact: Mr. Doug Duwe	Phone: (512) 472-7002 or (512) 751-3600	Facs: (512) 442-8226	Email: dduwe@sbcglobal.net	Web Site: www.capitolland.com
Sales Price: \$2.25 to \$3.25 per square foot depending upon size of land		Lease Price: Not Applicable		
Comments: Frontage on FM 2243, west of the 142-acres (57.5 hectares) HEB-Plus Grocery, Inc. property. Divisible into 6 acre/2.4 hectares to 47 acres/19 hectares sites. Excellent access in an area poised for growth.				

155 Acres/62.7 Hectares
HEB Site

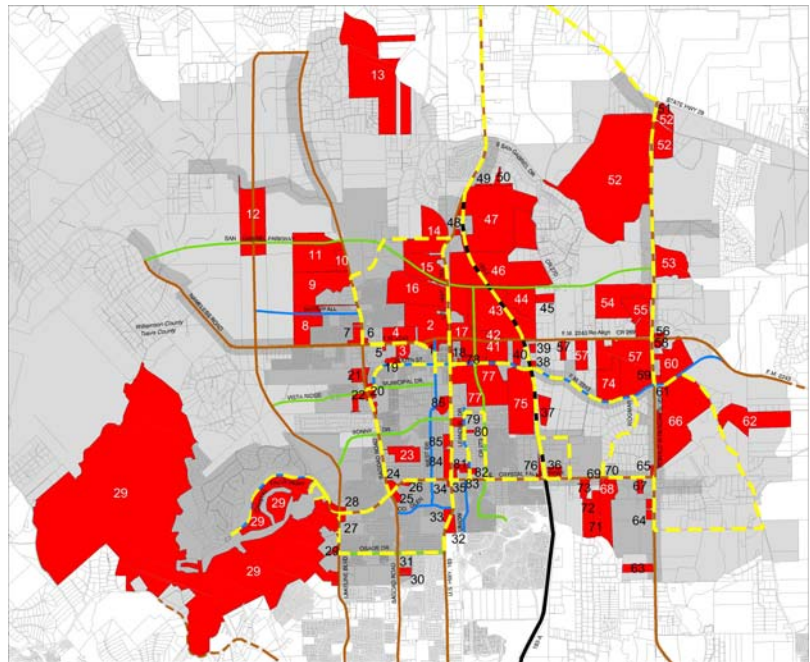
Tract 2 is immediately east of the proposed site

1/2009
Site 02



155 acres/62.7 hectares
US 183 frontage east, RR 2243 frontage south
Utilities
250,000 square feet/23,226 square meter retail complex
Zoning - General Commercial

Mr. Brett A. Baker
H-E-B Grocery, Inc.
P. O. Box 839955
San Antonio TX 78283-3955
(210) 938-8290 phone
(210) 938-7788 facs
baker.brett@heb.com
www.hebdevelopment.com



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**155 Acres/62.7 Hectares
HEB Site**

Property			
Total Acreage: 155 acres/62.7 hectares		Map: MAPSCO Austin 2006 Street Guide, pgs. 312, Sec. T & X	
Location			
City: Leander		County: Williamson	
Address/Directions: Northwest corner of US 183 and FM 2243			
Within City Limits: Yes		Distance from City Limits: Not Applicable	
Distance to US Highways: immediate frontage east		Type of Zoning: General Commercial	
Distance to Interstate Highways: 11 miles/17.7 kilometers			
General Site Information			
Previous Use of Site: Farm Land	General Condition: Excellent	Dimensions: 2,834 x 2,441 feet/864 x 744 meters	
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 8 percent slopes		Shrink/Swell Capacity: Moderate with high risk of corrosion for uncoated steel and a low risk of corrosion for concrete	
Adjoining Acreage Available: No	Can Site Be Divided: Yes	Lot Size: Negotiable	
Improvements			
Road Distance to Rail: 500 feet/152 meters		Name of Railroad: Union Pacific, Southern Pacific, Capital Metro Commuter Rail	
Proximity to Port(s): Three (3) hours to Port of Houston		Other Improvements: Additional 50,000 square feet (4,645 square meters) in-line retail and eight pad sites	
Fenced: Yes		Landscaped: Yes	
Located within an Industrial Park: No		Type of Business: Retail	
Deed Restriction(s): Yes		Covenants: Yes	
Utilities			
City of Leander Services	Water - Size of Nearest Line: 12 inch/30.5 cm 1-mile/1.6 km west Pressure: 60 psi/413.7 kilopascal		Sewer - Size of Nearest Line: 18 inch/45.7 cm
Electric Service: Pedernales Electric Cooperative (PEC)	Phone: 888.554.4732	Facs: 830.868.5097	Email: heather.richardson@peci.com
Natural Gas Service: Mr. Will Nabors, ATMOS Energy, (512) 310-3810	Size of Nearest Line: 6 inch/15.2 cm Poly II		Pressure: Intermediate Pressure located 3,500 feet/1,067 meters south on West South Street
Telecommunication Service: AT&T	Phone: 512.870.4430	Facs: 512.870.4475	Email: tc4713@att.com
Solid Waste Disposal: Clawson Disposal, Inc.	Phone: 512.259.1709	Facs: 512.746.5807	Email: clawsondisp@earthlink.net
Sales Information			
Contact: Mr. Brett Baker	Phone: 210.938.8290	Facs: 210.938.7788	Email: baker.bret@heb.com
Web Site: www.hebdevelopment.com			
Sales Price: \$80,000 to \$110,000 for pad sites up to ten to fifteen years		Lease Price: \$22.00 to \$27.00 per square foot per year with a five year term	
Comments: Northwest corner of US 183 and FM 2243 catty-corner from the Cap Metro park-and-ride and train station. This beautiful H-E-B Plus Grocery Store located at the intersection of US 183 and FM 2243 opened 23 February 2007. It will serve Leander and the greater northwest area of Austin. The Forum Shopping Center includes 50,000+ square feet (4,645 square meters) of retail shop space. We have targeted a unique blend of retail, service and restaurant tenants to complete the development.			

Tract 6 is immediately west of the site

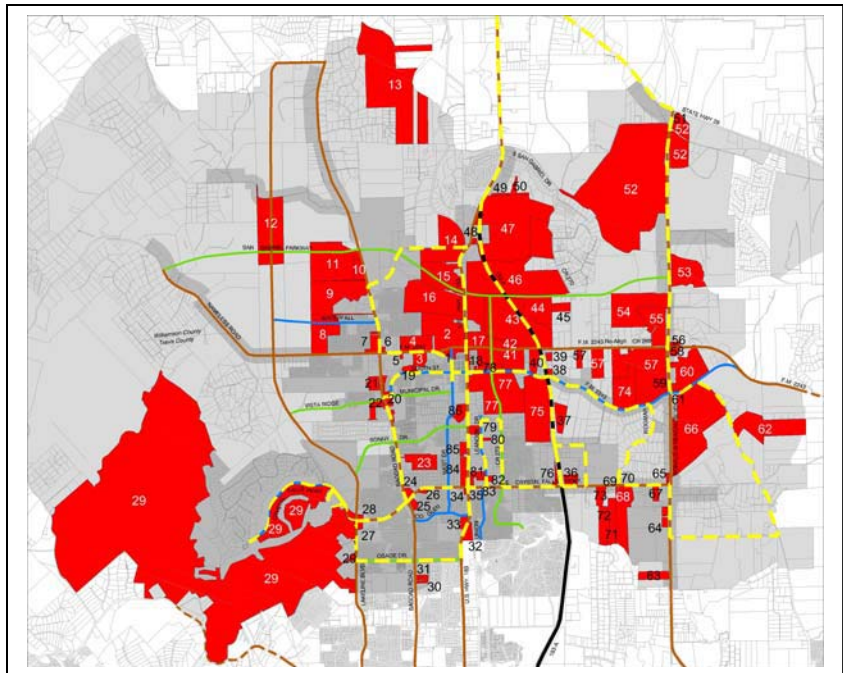
5/19/2009

Site 06

2.69 Acres/1.1 Hectare
NE Corner of Bagdad Road and Old 2243 West



2.69 Acres/1.1 Hectares
 US 183 is 3,000 feet/ 914 meters east
 Utilities
 Greenfield on hard corner
 Zoning - General Commercial



Mr. Barney Bigham
 Talisman Commercial Realty
 P. O. Box 27828
 Austin, TX 78755
 512.418.4477 phone
 512.418.4470 facs
barney@talismangroupinc.com
www.talismangroupinc.com

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2.69 Acres/1.1 Hectare
NE Corner of Bagdad Road and Old 2243 West

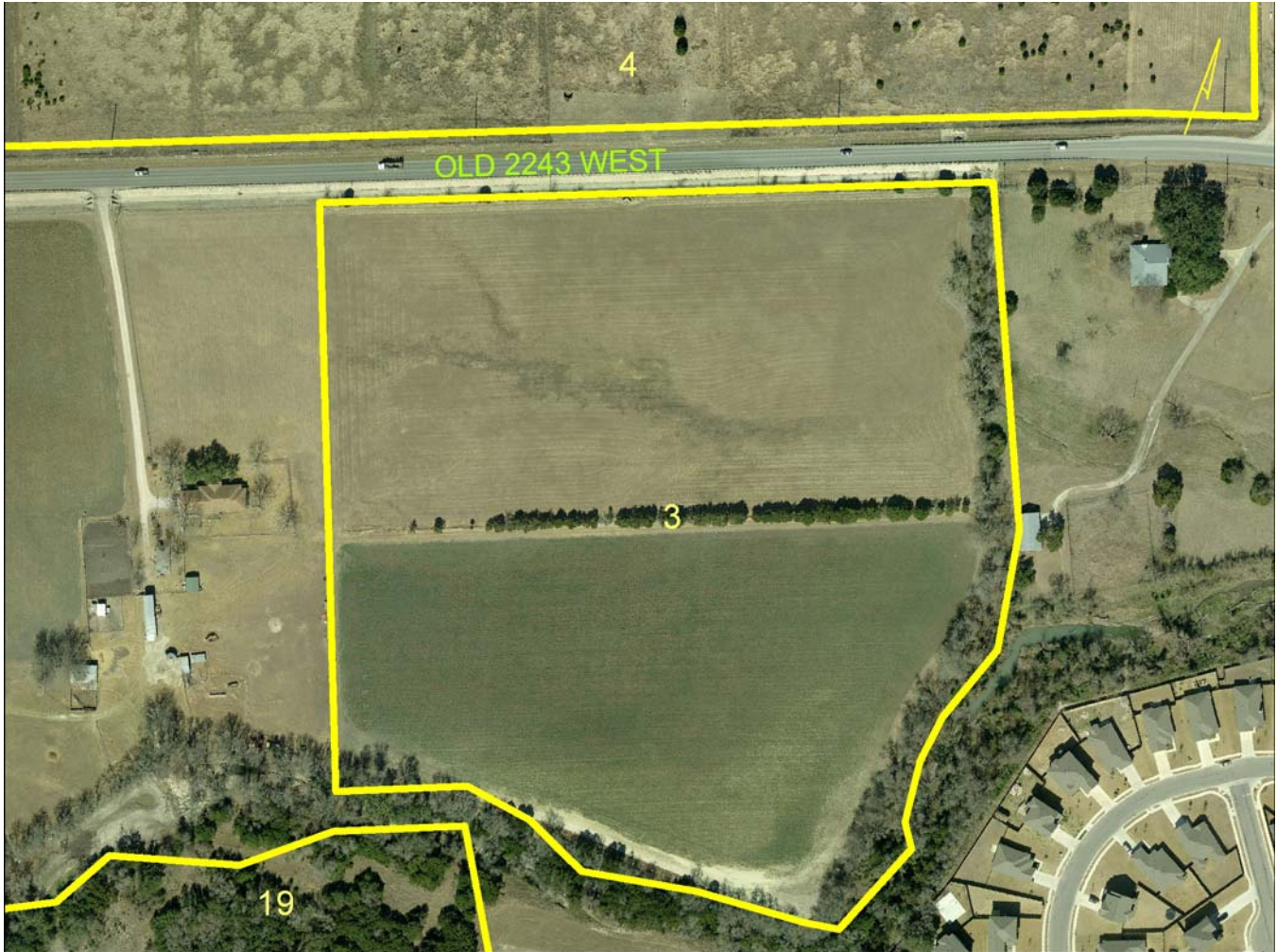
Property			
Total Acreage: 2.69 acres/1.1 hectares		Map: MAPSCO Austin 2006 Street Guide, pg. 342, Sec. A	
Location			
City: Leander		County: Williamson	
Address/Directions: Northeast corner of Bagdad Road and FM 2243			
Within City Limits: Yes		Distance from City Limits: Not Applicable	
Distance to US Highways: 3,000 feet/914 meters east		Type of Zoning: General Commercial	
Distance to Interstate Highways: 14 miles/22.5 kilometers east			
General Site Information			
Previous Use of Site: Greenfield	General Condition: Excellent	Dimensions: 295 x 366 feet/90 x 112 meters (entire site)	
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 5 percent slopes		Shrink/Swell Capacity: Moderate to high with a high risk of corrosion for uncoated steel and a low risk of corrosion for concrete	
Adjoining Acreage Available: No	Can Site Be Divided: No	Lot Size: Negotiable	
Improvements			
Road Distance to Rail: 4,000 feet/1.2 km east		Name of Railroad: Union Pacific, Southern Pacific, Capital Metro Commuter Rail	
Proximity to Port(s): Three (3) hours to Port of Houston		Other Improvements: Not Applicable	
Fenced: No		Landscaped: No	
Located within an Industrial Park: No		Type of Business: Commercial, Retail	
Deed Restriction(s): No		Covenants: No	
Utilities			
City of Leander Services	Water - Size of Nearest Line: 12 inch/30.5 cm Pressure: 88 psi/607 kilopascal	Sewer - Size of Nearest Line: 10 inch/25.4 cm	
Electric Service: Pedernales Electric Cooperative (PEC)	Phone: 888.554.4732	Facs: 830.868.5097	Electric Service: Pedernales Electric Cooperative (PEC)
Natural Gas Service: Mr. Will Nabors, 512.310.3810, ATMOS Energy	Size of Nearest Line: 6 inch/15.2 cm Poly II	Pressure: Intermediate Pressure located	
Telecommunication Service: AT&T	Phone: 512.870.4430	Facs: 512.870.4475	Telecommunication Service: AT&T
Solid Waste Disposal: Clawson Disposal, Inc.	Phone: 512.259.1709	Facs: 512.746.5807	Solid Waste Disposal: Clawson Disposal, Inc.
Sales Information			
Contact: Mr. Barney Bigham	Phone: 512.418.4477	Facs: 512.418.4470	Email: barney@talismangroupinc.com
			Web Site: www.talismangroupinc.com
Sales Price: Negotiable		Lease Price: Not Applicable	
Comments: This corner is located at the crossroads of one of the community's busiest intersections next to a 150 employee business. More than 3,000 homes are located in-and-around this corner with the Texas X Park three-quarters of a mile/1.2 km north. An ideal location for neighborhood services on the "coming-home" side of the road.			

19 Acres/7.7 Hectares
Brown Plaza

Tract 3 is immediately south of the proposed site

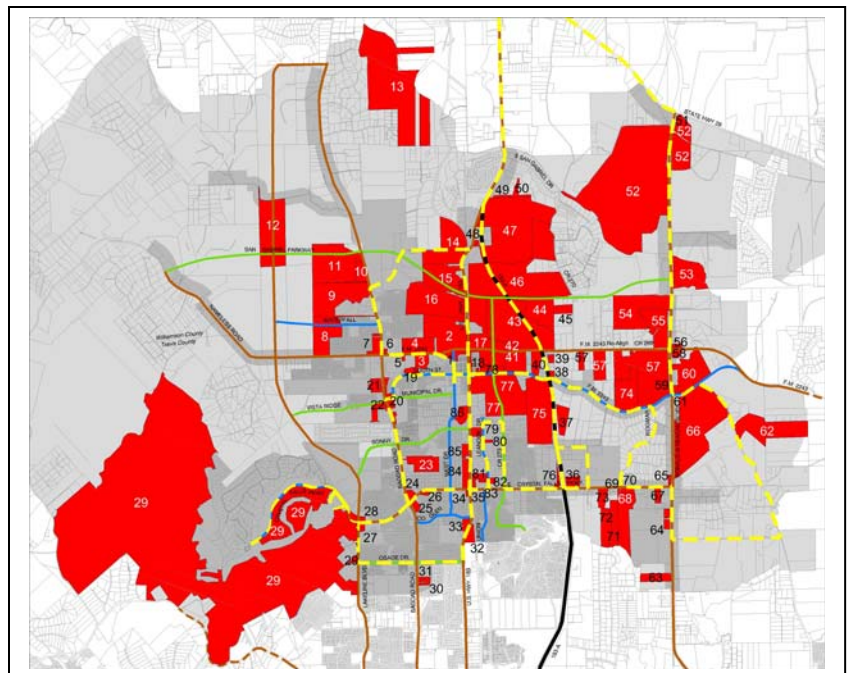
Rec'd TDHCA 5/19/2009

Site 03



19 acres/7.7 hectares
US 183 is .57 miles/.9 km east
Utilities
Greenfield
Zoning - Light Industrial

Mr. Hem Ramachandran
Indus Realty
3006 Bee Caves Rd., Bldg., D Suite 230
Austin, TX 78746
512.970.6336 mobile
512.524.3856 facs
hemanr@gmail.com
www.indusrealty.homesandland.com



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**19 Acres/7.7 Hectares
Brown Plaza**

Property				
Total Acreage: 19 acres/7.7 hectares	Map: MAPSCO Austin 2006 Street Guide, pgs. 312 & 342, Sec. X, B			
Location				
City: Leander	County: Williamson			
Address/Directions: .57 mile (.9 kilometers) west of the US 183 intersection on the south side of FM 2243				
Within City Limits: Yes	Distance from City Limits: Not Applicable			
Distance to US Highways: .57 miles (.9 kilometers) east Distance to Interstate Highways: 10 miles/16.1 kilometers east	Type of Zoning: Light Industrial			
General Site Information				
Previous Use of Site: Open Farm Land	General Condition: Excellent	Dimensions: 936 x 811 feet/285 x 247 meters		
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 2 percent slopes	Shrink/Swell Capacity: Very high with a high risk of corrosion for uncoated steel and a low risk of corrosion for concrete			
Adjoining Acreage Available: No	Can Site Be Divided: Yes	Lot Size: Negotiable		
Improvements				
Rail Served: No	Name of Railroad: Union Pacific, Southern Pacific, Capital Metro Commuter Rail			
Proximity to Port(s): Three (3) hours to Port of Houston	Other Improvements: Located SW of the 142-acre (57.5 hectares) HEB-Plus anchored property on one of Leander's major east-west corridors FM 2243.			
Fenced: Yes	Landscaped: No			
Located within an Industrial Park: No	Type of Business: Office/Warehouse or Office/Retail			
Deed Restriction(s): No	Covenants: No			
Utilities				
City of Leander Services	Water - Size of Nearest Line: 12 inches/30.5 cm Pressure: 88 psi/607 kilopascal	Sewer - Size of Nearest Line: 12 inches/30.5 cm		
Electric Service: Pedernales Electric Cooperative (PEC)	Phone: 888.554.4732	Facs: 830.868.5097	Email: heather.richardson@peci.com	
Natural Gas Service: Mr. Will Nabors, 512.310.3810, ATMOS Energy	Size of Nearest Line: 6 inch/15.2 cm 550 feet/168 meters east of the site	Pressure: Intermediate Pressure at FM 2243 approximately 3,000 feet/914 meters from the site		
Telecommunication Service: AT&T	Phone: 512.870.4430	Facs: 512.870.4475	Email: tc4713@att.com	
Solid Waste Disposal: Clawson Disposal, Inc.	Phone: 512.259.1709	Facs: 512.746.5807	Email: clawsondisp@earthlink.net	
Sales Information				
Contact: Mr. Hem Ramachandran	Phone: 512.330.0938	Facs: 512.524.3856	Email: hemanr@gmail.com	Web Site: www.indusrealty.homesandland.com
Sales Price Negotiable		Lease Price Not Applicable		
Comments: Very flat, very clean property located catty-corner to the 250,000 square feet (23,226 square meter) HEB-Plus anchored retail center. This site is well served by FM 2243; a major east-west corridor.				

Belmont Senior Village

AFFIRMATIVE MARKETING PLAN

Introduction

In accordance with the regulations of the HOME Investment Partnership Program and in the furtherance of DDC Belmont, Ltd's, commitment to non-discrimination and equal opportunity in housing; DDC Belmont, Ltd has established the procedures to affirmatively market its programs. The Belmont Senior Village will be located on 12.3 acres in the City of Leander, Williamson County, Texas. The marketing efforts for DDC Belmont, Ltd will stress the major selling points of the community: quality construction, excellent location, spacious and well appointed apartments, and the common area amenities (clubhouse, fitness center, business center, community theater, swimming pool, and senior activities), and the high level of management and maintenance services. This marketing and management plan will always be available for review upon request.

The Property

Belmont Senior Village, a 192-Unit community will offer seventy six (76) one-bedroom, one-bath, forty eight (48) two-bedroom one baths, and sixty eight (68) two bedroom, two baths apartments that will appeal to a broad range of senior residents including income-restricted as well as market rate residents. 87.5% of the total units will be income restricted in accordance with the limits of the Austin MSA median income: seventeen (17) units will be restricted to tenants who earn at or below 30%, one hundred and fifty one (151) will be restricted to tenants earning at or below 50%, and twenty four (24) will be at market rate (of which (3) will be affordable to tenants who earn at or below 80% AMI). The community will appeal to its senior target market because of its superior quality at affordable rental rates and small town living atmosphere, combined with the easy access to the retail and health centers in Leander (Belmont Senior Village is adjacent HEB Plus) and the nearby greater Austin, Round Rock, & Georgetown areas.

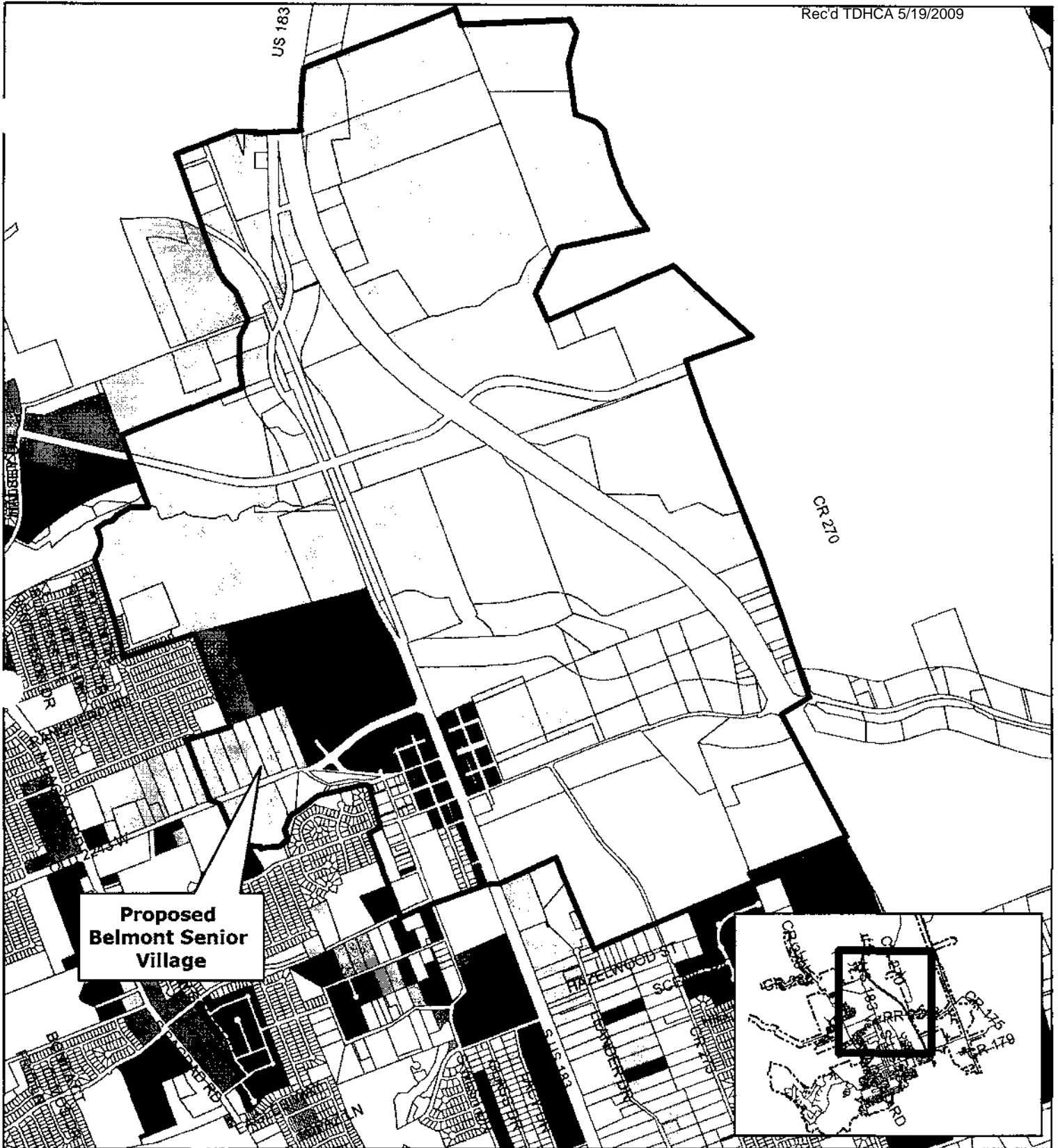
Marketing Program

Belmont Senior Village will benefit from Denison Construction & Development and its related entities (Owner and Developer) previous experience in providing quality affordable housing in the greater Austin area. Denison Construction & Development and their Management Agent, UAH Property Management, L.P. have excellent relationships with local advertising media and referral agencies that can provide potential residents for the apartment community.

Prior to construction completion of the first residential building, we will erect a "Coming Soon" information sign at the site, providing passers-by with information on the property; identifying it as an affordable rental community with 1 and 2 Bedroom Apartments for Seniors, the Fair Housing Logo and a telephone number (with call notes) that they may contact for additional information. Callers will be "screened" for eligibility by UAH Property Management, L.P., and an active "interest" list will be maintained.

We will have property brochures available for mailing to all interested parties. In addition, an introductory letter and brochures will be sent to the area's major employers, senior-oriented organizations, service organizations, the Chamber of Commerce, and various housing and other assistance agencies in Leander and the surrounding communities, including the greater Austin area.

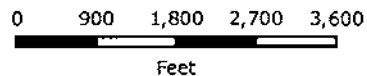
A written statement informing prospective tenants that the development is operating under a written affirmative marketing plan and a written management plan as well as local, state and federal fair housing and antidiscrimination laws, including Texas and federal fair housing acts and Texas Government Code, and that the operations are under the oversight of the Texas Department of Housing and Community Affairs will be displayed in the leasing office.



Proposed Belmont Senior Village

CITY OF LEANDER

Urban Core



Zoning			
	SFL		LC
	SFR		SFT
	SFE		SFU MH
	SFS		TF
	SFU		MF
	SFC		LO
			LI
			HI
			PUD

PHOTO COMPARISON OF LEANDER TO URBAN CORES



Downtown Leander



Downtown Fort Worth



Downtown Austin

Downtown El Paso



May 22, 2009

Ms. Robbye Meyer
Director of Multifamily Production
Texas Department of Housing & Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge on Award of Urban Core Points for Application No. 09138

Dear Ms. Meyer:

This letter challenges points awarded to TDHCA # 09138 under Section 49.9(i)(16)(F) ("Development Location") of the 2009 Qualified Allocation Plan ("QAP"). The site location for this application is not located in an "Urban Core" as defined in Section 49.3(105) of the QAP, and therefore TDHCA incorrectly awarded this Application 4 points for the Development Location scoring criteria.

Urban Core is defined as "A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district."

Here, the site is located in the City of Leander. The City of Leander does not meet the "Urban" aspect of this definition because of its population less than 25,000 and its distinctively rural character. Moreover, the area that the Applicant defined as an "Urban Core" is not "compact" as it contains more than 2,300 acres. Most importantly, however, the area defined by the Applicant is not an area "in which 90% of land not in public ownership is zoned to accommodate medium or high density residential and commercial uses *within the same zoning district.*" Typically, this refers to a mixed use zoning designation or a Planned Unit Development. When considering the map that the Applicant submitted, but in color, the area defined by the Applicant clearly contains several zoning districts—a Planned Unit Development, General Commercial, Light Industrial, Single Family Rural, to name a few. (The City of Leander Zoning Map is attached in color.) This fact alone makes the area fail the "Urban Core" definition.

The area also fails the definition because it does not contain 90% of land zoned to accommodate medium or high density. The Transect Map for the Leander Transit Oriented District Planned Unit Development ("TOD"), attached, which makes up the majority of the Applicant-defined area, clearly shows that less than 90% of the TOD permits medium or high density residential and commercial uses. Indeed, the "Conventional Zone" in the northeast quadrant and the adjacent T3 Zone makes up at least 30% of the TOD. The "Conventional Zone," as defined by the Leander Smart Code,

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may be developed under the applicable zoning and subdivision standards for that adjacent T Zone—here, the T3 Zone. The T3 zone is defined as the “Sub-Urban Zone,” or “Neighborhood Edge Zone/Edge of Town Zone,” and is noted for its similarity to conventional suburban single family house areas. “Table 5 Transect System Illustrated,” attached hereto, shows this zone as the transition zone between Rural and Urban, but clearly associates it with development qualities that fall short of “medium and high density.” In contrast with the typical “Urban Core” qualities, some of the qualities noted are “less density, larger blocks, primarily residential, smaller buildings, more green spaces, detached buildings, rotated frontages, yards and porches.”

Admittedly, the remaining 70% of the TOD consists of T4, T5, and T6 Zones, which permit the kind of medium and high density contained within the “Urban Core” definition. In fact, the T6 Zone is entitled the “Urban Core Zone” by the Leander Smart Code, and while the T4 and T5 Zones are less dense than the T6 Zone, the Leander Smart Code suggests a more urban residential fabric in these zones that encourages mixed use, pedestrian friendly, medium density development. Certainly, if the Applicant site was within the T4, T5 or T6 Zones of the TOD, and the Applicant defined the area as these zones within the same zoning district (here, within the TOD PUD), the Applicant would have a more compelling argument for the Urban Core points. Here, however, the site not only is not within the T4, T5 or T6 Zones of the TOD, it is not within the TOD at all.

What is most interesting is that the Applicant specifically defined the “area” by drawing its boundaries to group its site with the TOD, even though its site is outside of the TOD and is therefore outside of the PUD. Ironically, as noted above, by gerrymandering the TOD boundaries to encompass the Applicant’s site, the area now fails the definition in that it includes several zoning districts outside of the PUD—including Light Industrial and Single Family Rural, neither of which support medium to high density development.

The fact that the Applicant submitted a letter from the Chief Planner at the City of Leander, and a map entitled “Urban Core” which does not appear anywhere on the City of Leander website, is not sufficient to award Urban Core points to this Application. The area that contains the site must meet the definition set forth in the QAP based on the facts of the situation, and based on the zoning maps in place for the City of Leander.

To summarize, the area defined by the applicant as Urban Core does not qualify for the following reasons:

1. The QAP defines Urban Core as having the following key measurements: 1) the area must have a single zoning designation that allows mixed use development--meaning a PUD or a specific mixed-use zoning designation, and 2) the area must be compact and contiguous. Meeting a different definition prepared by a City is not provided as an option within the QAP and is not sufficient to award these points.
2. The area identified by the applicant as Urban Core does not have at least 90% of its land not in public ownership zoned to accommodate a mix of medium and high density residential and commercial uses within the same district. In Leander, the

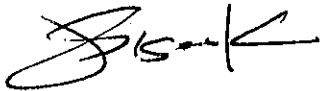
Smart Code overlay allows such mixed-use zoning in the nearby TOD, but this overlay is not applicable since the applicant's site is not located in the TOD.

3. The area identified as Urban Core is not compact and contiguous as it contains more than 2,300 acres and about 1/5th of the City.

We request that TDHCA staff reconsider the Applicant's evidence in light of this letter and the attached information provided by the City of Leander Planning Department. We appreciate your time and consideration of this request. Please let us know if we can be of further assistance with regard to this matter.

Sincerely,

DMA Development Company, LLC



Janine Sisak
Vice President/General Counsel

05-26-09 P04:22 RVD

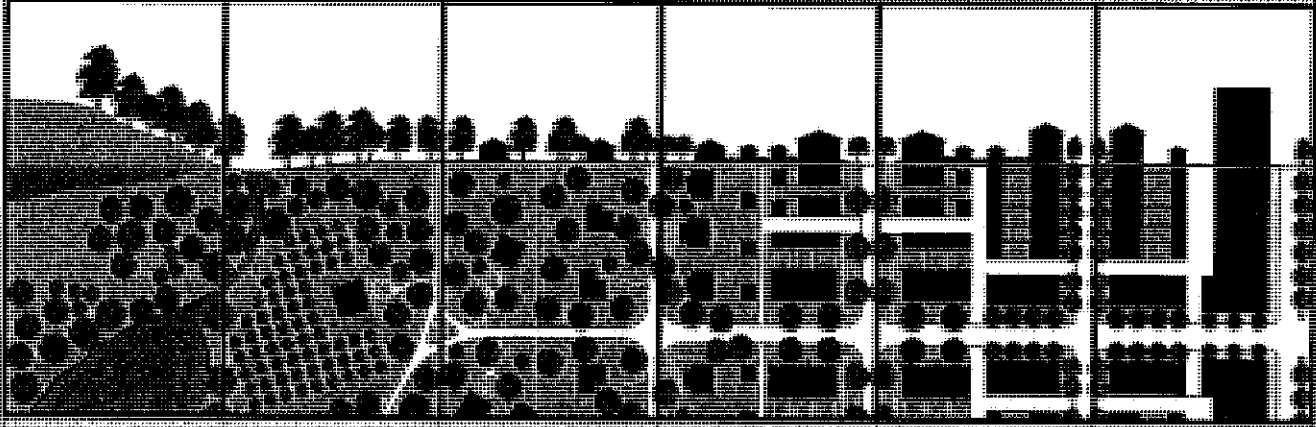


<p>T1</p>	<p>The Neighborhood Center Zone is intended to provide a variety of uses, including residential, commercial, and public uses, to provide for the convenience and convenience of the neighborhood.</p>	
<p>T2</p>	<p>The Neighborhood Center Zone is intended to provide a variety of uses, including residential, commercial, and public uses, to provide for the convenience and convenience of the neighborhood.</p>	
<p>T3</p>	<p>The Neighborhood Center Zone is intended to provide a variety of uses, including residential, commercial, and public uses, to provide for the convenience and convenience of the neighborhood.</p>	
<p>T4</p>	<p>The Neighborhood Center Zone is intended to provide a variety of uses, including residential, commercial, and public uses, to provide for the convenience and convenience of the neighborhood.</p>	
<p>T5</p>	<p>The Neighborhood Center Zone is intended to provide a variety of uses, including residential, commercial, and public uses, to provide for the convenience and convenience of the neighborhood.</p>	
<p>T6</p>	<p>The Neighborhood Center Zone is intended to provide a variety of uses, including residential, commercial, and public uses, to provide for the convenience and convenience of the neighborhood.</p>	

TRANSECT

RURAL ***** TRANSECT ***** URBAN

Rural Zones Urban Zones



T1

T2

T3

T4

T5

T6

Country

Rural

Sub-Urban

Suburban

Transition

Urban Core

Private

- Small Buildings
- Large Buildings
- Primarily Residential
- Small Buildings
- More Greenery
- Detached Houses
- Homebased Businesses
- Yards & Pools
- Leafy Streets
- Accumulated Mail
- Woods Buildings
- Homebased Business Signs
- Small Yard Signs
- Street

- More Buildings
- Smaller Buildings
- Primarily Commercial
- Large Buildings
- More Greenery
- Attached Houses
- Homebased Businesses
- Stores & Restaurants
- Small Signs
- Small Mail
- Medium Buildings
- Commercial Front Signs
- Building-mounted Signs
- Homebased Business

Public

- Wide & Long
- Narrow Paths
- High Level Maintenance
- Organized Parking
- Large Curb Ramps
- Green Spaces
- Short Bus
- More Tree Canopies
- More Street Furniture

- Streets & Alleys
- Wide Sidewalks
- Low Level Maintenance
- Organized Parking
- Smaller Curb Ramps
- Raised Curb
- Short Sidewalk
- Aligned Street Trees
- More Street Furniture

Event

- Large Gathering Spaces
- Flags & Signs

- Regular Intersections
- Flags & Signs

ARTICLE 8

★CONVENTIONAL ZONE★

8.1 APPLICABILITY

- 8.1.1 The geographic area within the Conventional Zone designated on the Transect Map shall be developed pursuant to the zoning ordinance, subdivision ordinance and other development ordinances on the Transect Map, except the following architectural standards apply only to the Conventional Zone.
- 8.1.2 Upon application and approval by the UDO, any parcel designated "Conventional" and contiguous to an existing T-Zone may be developed under the applicable zoning and subdivision standards and entitlement processes in this Code for that adjacent T-Zone.

8.2 ARCHITECTURAL STANDARDS

- 8.2.1 **ROOF PITCH.** The predominant roof pitch for each house shall be 8:12 or steeper. Certain exceptions may apply:
- a. In certain small areas that are not visible from the street (front or side) a lesser pitch may be used where it is infeasible to construct a roof of prescribed pitch given the floor plan and architecture of the home (i.e. in areas that need to be covered by a flat roof because the geometry of a pitched roof is infeasible).
 - b. In certain small areas (less than 15% of the total roof area) of the house, such as porches and covered patios, where

a lower pitched roof is necessary to accomplish a certain architectural style that cannot be accomplished in another way shall be allowed (i.e. a low pitched front porch roof to accomplish a "Texas Hill Country" style home).

- 8.2.2 **ROOF MATERIAL.** The following shall be allowed:
- a. Fiberglass shingles-roofing be "dimensional style" shingles of at least 300 lbs. per square (No three tab roofing is allowed).
 - b. Concrete Tile
 - c. Concealed-fastener standing seam metal roof allowed on larger houses (No galvanized aluminum is allowed).
- 8.2.3 **MASONRY.**
- a. 100% stone, stucco or brick shall be utilized on first floor (80% overall including 2nd level areas). Only clay brick shall be utilized. No concrete brick or "king sized" brick is allowed.
 - b. Masonry must extend to a point no higher than 16 inches from the finished grade at the base of the concrete foundation. Houses with a tall foundation wall shall incorporate a lowered masonry lug where the masonry will cover the side of the foundation.
 - c. Fireplaces and chimneys located on an exterior wall must be 100% masonry. The masonry shall be the same material

on all four sides of the chimney as it extends above the roof. Chimneys that are not on an interior wall and extend solely above the roof may use materials other than masonry.

8.2.4 GARAGE DOORS.

- a. Heavy gauge steel doors with deeply embossed panels shall be utilized.
- b. Cedar-faced wooden garage doors are allowed.

8.2.5 ARCHITECTURAL DESIGN.









- a. Designs with front porches and appropriate details such as shutters are encouraged.
- b. Sidewalks shall be located per street section.

8.2.6 LANDSCAPING.

- a. Minimum 2-inch caliper trees shall be planted.
- b. A "street" tree shall be located between curb and sidewalk.
- c. Trees shall be irrigated and maintained by home owner.
- d. Front yards shall be irrigated and sodded by developer.
- e. Backyards shall be sodded by developer.






SINGLE FAMILY RESIDENTIAL



-  SFR - *Single Family Rural*
-  SFE - *Single Family Estate*
-  SFS - *Single Family Suburban*
-  SFU - *Single Family Urban*
-  SFC - *Single Family Compact*
-  SFL - *Single Family Limited*
-  SFT - *Single Family Townhouse*
-  SFU/MH - *Single Family Urban, Manufactured Home*

MULTI-FAMILY RESIDENTIAL


RETAIL / COMMERCIAL

-  LO - *Local Office*
-  LC - *Local Commercial*
-  GC - *General Commercial*


INDUSTRIAL

-  LI - *Light Industrial*
-  HI - *Heavy Industrial*

PLANNED UNIT DEVELOPMENT

-  *Planned Unit Development*

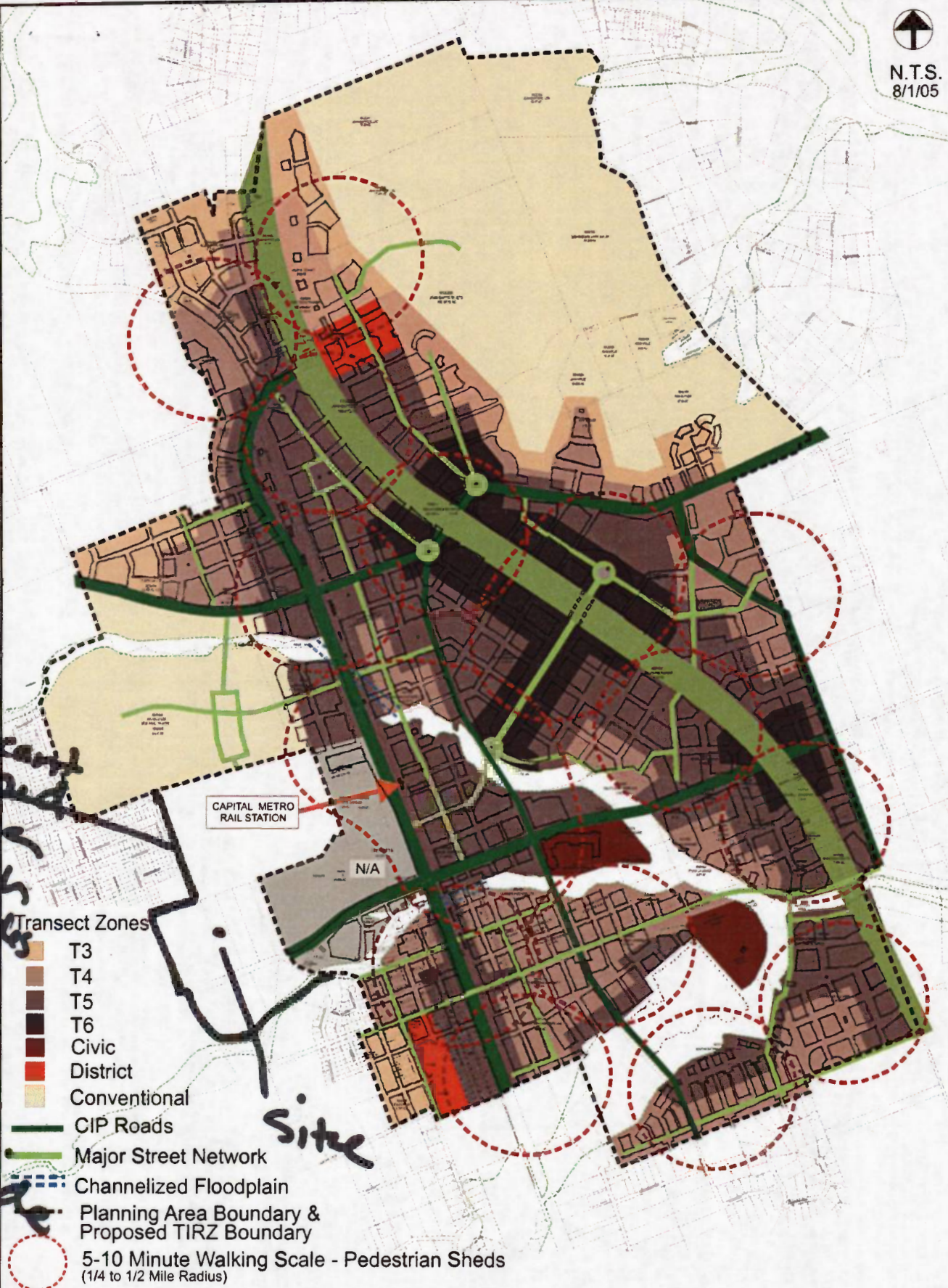
PROPOSED ANNEXATION

-  *Annexation Area*



N.T.S.
8/1/05

Applicant
Defined
area
which
includes
area
of the
site
outside
of
TOD



- Transect Zones
- T3
 - T4
 - T5
 - T6
 - Civic District
 - Conventional
 - CIP Roads
 - Major Street Network
 - Channelized Floodplain
 - Planning Area Boundary & Proposed TIRZ Boundary
 - 5-10 Minute Walking Scale - Pedestrian Sheds (1/4 to 1/2 Mile Radius)

- NOTES:
1. Parks and Civic spaces shall be regulated by a performance standard in the TOD ordinance.
 2. The CIP Roads and Major Street Network are required in addition to the Connectivity Standards in the TOD ordinance. The Code will set the standards for blocks; the block layout only illustrates the intent.
 3. The esplanade (Grand Blvd.) will remain as shown if the CTRMA agrees to lower the main lanes and construct the crossing. If this is not the case or funding is unavailable, then it will become a boulevard with major median and landscaping and will be mimicked on the other side of 183e.
 4. CONVENTIONAL designation of parcels as shown shall comply with current Leander Residential Zoning (including current PUD provisions) and General Development and Subdivision Ordinances. Application of these regulations in CONVENTIONAL shall provide for safe and appropriate transportation connections to the required roadways as adopted on the Transect Plan. It may participate in master water, wastewater, transportation, drainage and water quality development and receive funding incentives that may be adopted over time for the overall planning area as shown on the Transect Plan. A separate set of Architectural Standards shall apply to the CONVENTIONAL designation as a separate Article 8 to the Uniform Development Code and those separate Standards shall only apply to the CONVENTIONAL designated parcels.
 5. For the purpose of planning initial development along San Gabriel Parkway (CR 274), it is understood that this County roadway is initially planned to be a 2 lanes of a county-planned, 4-lane divided roadway with 120 of ROW. This 4-lane roadway will be required for development. At such point in time as a funding district is in place and necessary financing to convert this roadway section into compliance with the section designated in Table 6, BV-152-120, of the Leander SmartCode is available, it shall be funded through the funding district as adopted and set forth in the funding district plan. The 120 of ROW will define the back of Curbs for the outer curbs of the outer parallel roadways in the above section.

LEANDER TOD

Transect Map & Pedestrian Sheds

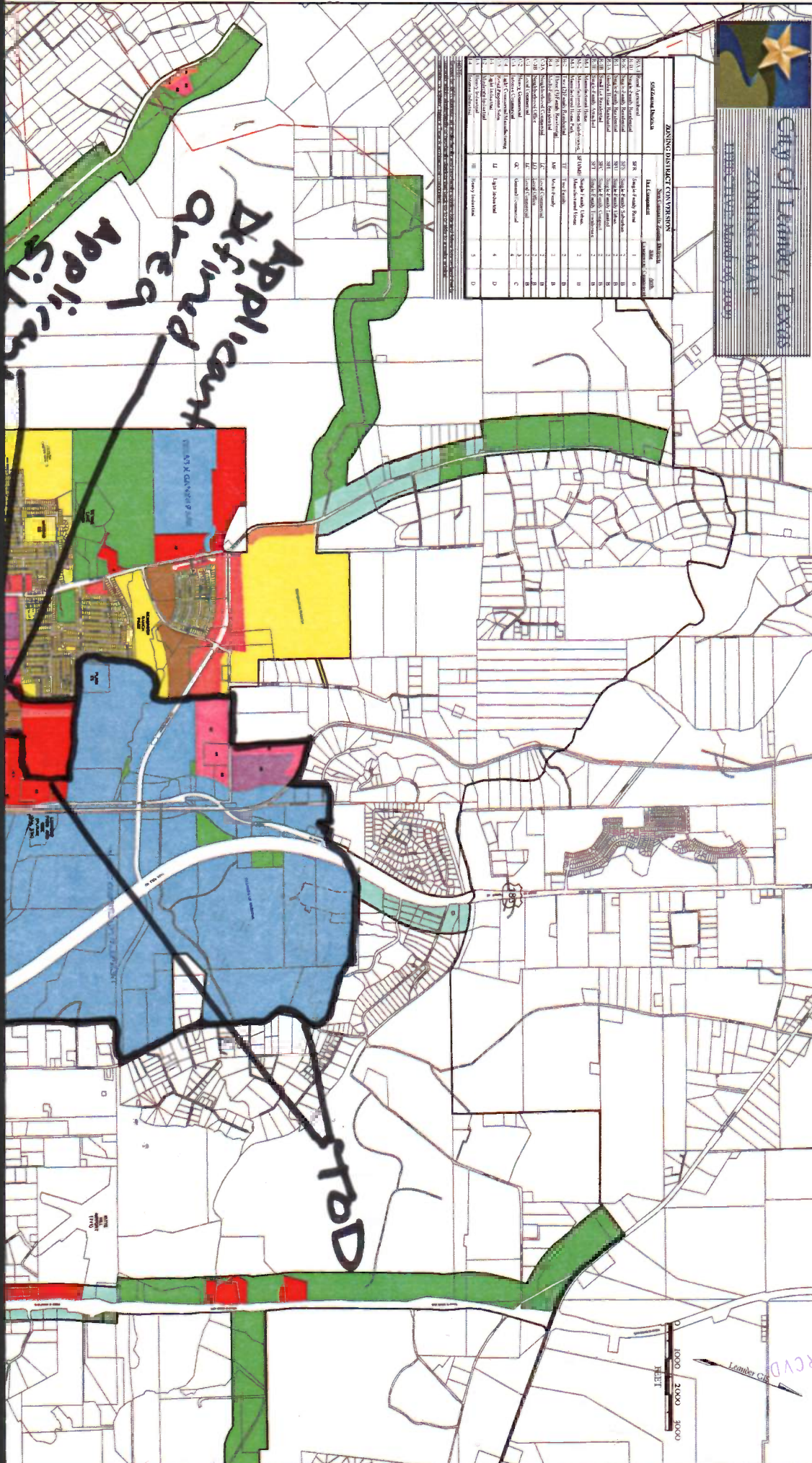
Gateway
Planning Group



CITY OF LAMAR, TEXAS
ZONING MAP
 11385 - 11415 - 11425 - 11435 - 11445 - 11455 - 11465 - 11475 - 11485 - 11495 - 11505

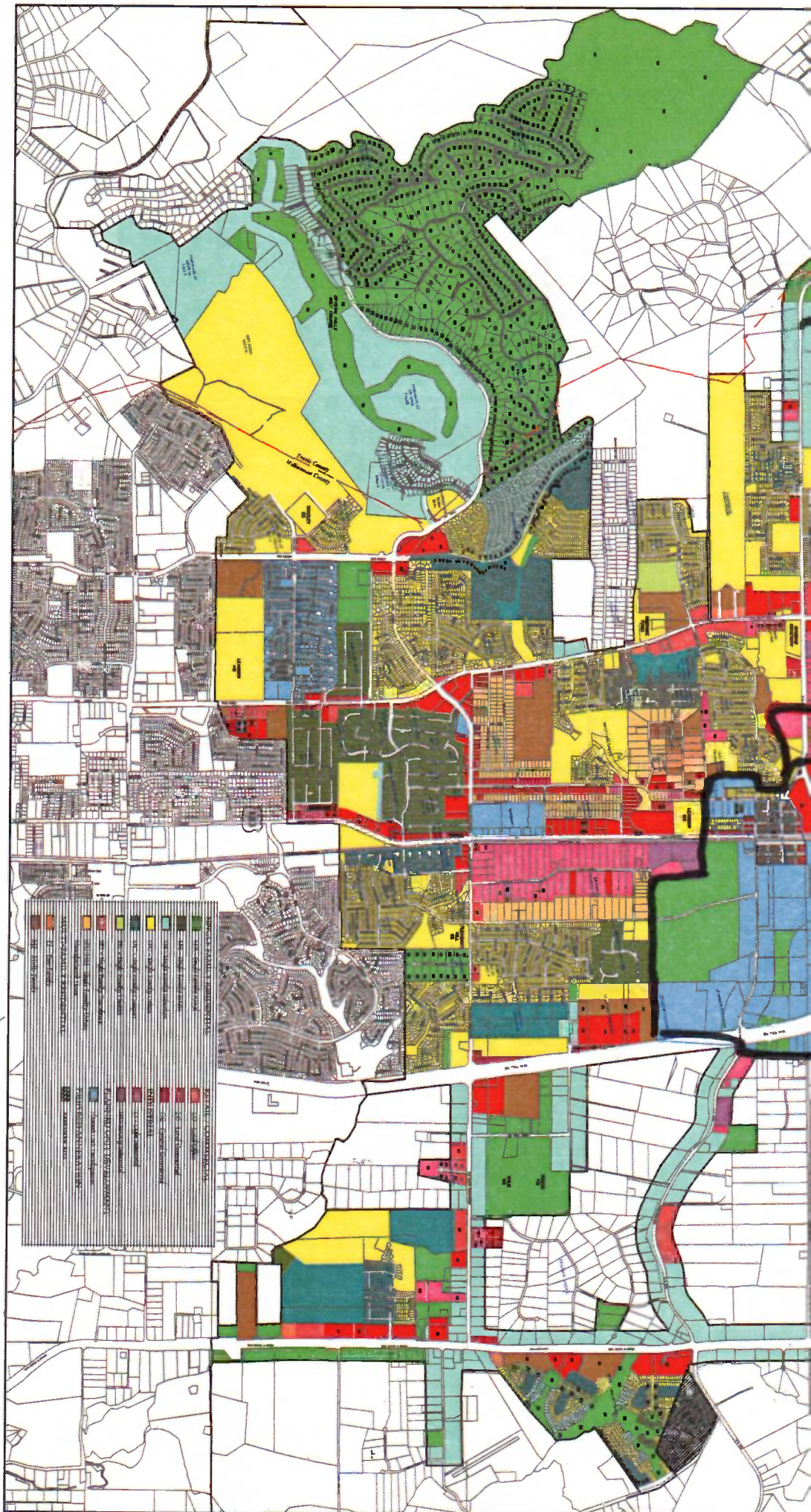
ZONING DISTRICT CONVERSION

Old District Number	Map Comments	Map	Code
101	General Residential	1	R1
102	Single-Family Detached	1	R1
103	Single-Family Attached	1	R1
104	Single-Family Detached	1	R1
105	Single-Family Attached	1	R1
106	Single-Family Detached	1	R1
107	Single-Family Attached	1	R1
108	Single-Family Detached	1	R1
109	Single-Family Attached	1	R1
110	Single-Family Detached	1	R1
111	Single-Family Attached	1	R1
112	Single-Family Detached	1	R1
113	Single-Family Attached	1	R1
114	Single-Family Detached	1	R1
115	Single-Family Attached	1	R1
116	Single-Family Detached	1	R1
117	Single-Family Attached	1	R1
118	Single-Family Detached	1	R1
119	Single-Family Attached	1	R1
120	Single-Family Detached	1	R1
121	Single-Family Attached	1	R1
122	Single-Family Detached	1	R1
123	Single-Family Attached	1	R1
124	Single-Family Detached	1	R1
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126	Single-Family Detached	1	R1
127	Single-Family Attached	1	R1
128	Single-Family Detached	1	R1
129	Single-Family Attached	1	R1
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131	Single-Family Attached	1	R1
132	Single-Family Detached	1	R1
133	Single-Family Attached	1	R1
134	Single-Family Detached	1	R1
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136	Single-Family Detached	1	R1
137	Single-Family Attached	1	R1
138	Single-Family Detached	1	R1
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192	Single-Family Detached	1	R1
193	Single-Family Attached	1	R1
194	Single-Family Detached	1	R1
195	Single-Family Attached	1	R1
196	Single-Family Detached	1	R1
197	Single-Family Attached	1	R1
198	Single-Family Detached	1	R1
199	Single-Family Attached	1	R1
200	Single-Family Detached	1	R1



05-25-09PC4:22 R.C.V.D.

See next page
for legible legend





3036 S. 1st St.
Suite 200
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

www.foundcom.org

May 27, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge to Certification of Notifications at Pre-Application and Application (QAP Section 49.8(d)(3) and 49.(h)(8)(A)) for Application Number 09159

Dear Ms. Meyer:

Please accept this letter as a challenge to the Certification of Notifications at Pre-Application and Application per QAP Sections 49.8 (d)(3) and 49.9(h)(8)(A) that were submitted by Application Number 09159.

Notification of neighborhoods is a requirement of all applicants. The facts show that the applicant for the Malibu apartments knew about the existence of the neighborhood organization at both the pre-application and full application stage, but for some reason chose not to notify this organization.

During the pre-application phase:

We have confirmed with the City of Austin's Communication and Public Information Office that a letter was received from the applicant requesting the list of neighborhood organizations on December 8, 2008. The City sent a response and neighborhood list to the applicant on December 8, 2008. This information can be confirmed by Rita Noak, the Community Registry Coordinator for the City of Austin, at rita.noak@ci.austin.tx.us or 512-974-2584. I have attached email documentation.

05-27-09A10:06 RCVD



A Partner Agency of



United Way Capital Area



All the other pre-applications in the Austin area also received a letter back from the City of Austin with a list of neighborhood contacts for their proposed project. However, the applicant in Pre-Application Number 09159 claims they did not receive a reply back from the City of Austin. (see attached "Certification of Notifications at Pre-Application" form certified that "no reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009.")

The applicant has a basic responsibility to determine if a neighborhood organization exists that they should contact. The applicant in Pre-Application Number 09159 on the *Certification of Notifications at Pre-Application* form also certified that "I know of no neighborhood organizations within whose boundaries the Development is proposed to be located." This is unlikely because the City of Austin has a very well-known community registry database with access easily provided on the City of Austin's website at <http://www.ci.austin.tx.us/neighbor/search.htm>. A user can enter a zip code and all relevant neighborhood organizations and their boundaries will be displayed. Also on the City of Austin website located at <http://www.ci.austin.tx.us/development/default.htm> is a GIS map viewer that allows users to enter an address and a more specific list of neighborhood organizations will be displayed with applicable boundaries. In fact, on page 190 of Application Number 09159, is a copy of an email dated February 12, 2009 (before even the pre-application due date), with the consultant referring to the GIS mapping on the city's website that is referred to above.

Any developer or consultant with knowledge of Austin knows that a site located in the City limits of Austin will have a neighborhood organization that represents that area. The burden of responsibility lies on the developer to seek out that information. The neighborhood organization that actually represents the site, North Austin Civic Association, is an active organization who is well-versed in the City's development process; however, their voice was never given the chance to be heard – positive or negative.

During the full application phase:

In the full application the applicant again fails to notify the North Austin Civic Association, despite knowing that they exist and contain the site. The applicant included the NACA neighborhood plan in their application – twice! Under both Volume 4, Tab 12 and Volume 4, Tab 22, the application lists the *North Austin Civic Association Neighborhood Plan* as the Community Revitalization Plan eligible for points under QAP Sections 49.9(i)(13) and (24). In addition, the letter from the City of Austin included under both tabs clearly states at the bottom of page one that "The Malibu apartment complex is located within the boundaries North Austin Civic Association (NACA) Neighborhood Plan."

The applicant obviously had knowledge of the existence of the North Austin Civic Association prior to submission of the full-application and therefore should have indicated the organization in Volume 1, Tab 8 on the *Public Notifications Information and Certification Form (Page 4)* as a change from Pre-App. Even worse, the applicant actually renotified because of a change in the application from pre-app as evidenced under Volume 3, Tab 3, *Certification of Notifications (Sections A-C) All Programs*. This would have been an appropriate opportunity to notify the North Austin Civic Association based on the facts presented under Volume 4, Tab 12 and Tab 22, but the applicant, chose not to do so.

Public notification requirements outlined in the QAP must be taken seriously by all applicants. In the case of Application Number 09159, the proposed project is a rehabilitation and therefore was able to gain points under QAP Section 49.9(i)(2) with the "Malibu Resident's Council." However, to our knowledge, this does not exempt the applicant from required neighborhood association notification. If the neighborhood had been properly notified and engaged they could have chosen to either support or oppose the application. If they had chosen to oppose the project, this would have resulted in a neutral 12 point QCP score.

All other Austin applications properly notified the required neighborhood associations. It is unfair that the Malibu apartment application did not do this. We feel that the public notice requirements for the neighborhoods as laid out in the QAP were not met by Application 09159 and that the Department should consider a reduction in the QCP points awarded or other remedy.

If you have any questions about this challenge, please feel free to contact me at the information below.

Sincerely,



Walter Moreau
Foundation Communities, Inc.
Phone: 512-447-2026
Fax: 512-447-0288
Email: walter.moreau@foundcom.org

Walter Moreau

From: Bier, Marti [Marti.Bier@ci.austin.tx.us]
Sent: Tuesday, March 10, 2009 1:16 PM
To: Walter Moreau
Subject: FW: housing projects neighborhood lists
Attachments: 2906 E Martin Luther King Jr.txt; 2964 East MLK Jr PIR.txt; 5106 N Lamar Neighborhood Associations Search.txt; 7051 Meadow Lake Neighborhood Associations Search.txt; 8312 North IH 35 Neighborhood Associations Search.txt; 8600 North Lamar The Malibu.txt; Mueller Redevelopment area NAs Search.txt; PIR report for Council Member Shade.doc

Walter,

Here is the list of who got what when (PIR report for Council Member Shade.doc), and then the lists that they got are in the .txt files.

I'm meeting with Stephanie McDonald and Barbara Rush this afternoon re: resolution. Hope this helps.

Marti

Marti Bier

Policy Aide

Office of City Council Member Randi Shade

512-974-2255 (phone)

512-974-1888 (fax)

<http://www.ci.austin.tx.us/council/shade.htm>

From: Noak, Rita
Sent: Tuesday, March 10, 2009 8:15 AM
To: Bier, Marti; Florance, Christopher
Subject: RE: housing projects neighborhood lists

Marti,
I am attaching the neighborhood lists that I to the developers.

Please let me know if you need anything additional.

Thank you
Rita

Rita Pirone Noak
Community Registry Coordinator
City of Austin
Communications and Public Information Office
www.cityofaustin.org
rita.noak@ci.austin.tx.us
974-2584 Tue-Friday
P.O. Box 1088
Austin, TX 78767

5/26/2009

The Mulholland Group**Joseph McLaughlin**

1st request 8312-IH 35 North - Woodland Heights Apartments

Requested date: December 8, 2008, Delivered December 8, 2008

File name: 8312 North IH 35 Neighborhood Assoc Search.txt

2nd request 8600 North Lamar - The Malibu

Requested date: December 8, 2008, Delivered December 8 2008

File name: 8600 North Lamar

Affordable Housing Corp**Jean Latsha**

Request: 8312-IH 35 North - Woodland Heights Apartments

Requested date: December 8, 2008, Delivered December 9, 2008

File name: 8312 North IH 35 Neighborhood Assoc Search.txt

State Street Housing Advisors**Jeffrey S Spicer**

Request: 7051 Meadow

Requested date: December 8, 2008, Delivered December 9, 2008

File name: 7051 Meadow Lake Neighborhood Association Search.txt

Versa Development, LLC**Manish Verma**

Requested the entire City of Austin

Requested date: December 10, 2008, Delivered December 12, 2008

File name: Dec 10 08 Export NE.xls

Foundation Communities**Walter Moreau**

Request: 2964 East MLK Jr.

Requested date: December 10, 2008 Delivered December 10, 2008

File name: 2964 East MLK Jr. PIR.txt

DMA Diana Mciver & Associates**Nora Kean**

Requested the entire City of Austin

Requested date: December 11, 2008 Delivered December 11, 2008

File name: Dec 10 08 Export NE.xls

Strategic Housing Finance Corp**Keith Hoffpaur**

Requested the entire City of Austin

Requested date: December 11, 2008 Delivered December 11, 2008

File name: Dec 10 08 Export NE.xls

8600 North Lamar The Malibu

8600 North Lamar The Malibu Neighborhood Associations Search

PlanningID:

1081

Association Name:

NACA Neighborhood Plan Contact Team

Name:

Chair Brian T. Almon

Office Held:

Address:

9502 Stonebridge Dr, Austin, TX 78758

Home Phone:

836-6853

Work Phone:

936-7355

Email:

almonb@sbcglobal.net

North Boundary:

Kramer Lane

South Boundary:

Research Blvd

East Boundary:

Lamar Blvd

West Boundary:

Metric

PlanningID:

45

Association Name:

North Austin Civic Assn.

Name:

Mr. Anthony Williams

Office Held:

President

Address:

P.O. Box 180803, Austin, TX 78718

Home Phone:

866-531-4620

Work Phone:

Email:

williams762@earthlink.net

North Boundary:

Kramer Lane

South Boundary:

U.S. Hwy 183

East Boundary:

Lamar Blvd.

West Boundary:

Metric Blvd

PlanningID:

1048

Association Name:

Austin Northwest Association

Name:

Ms. Sarah Teeter

Office Held: 8600 North Lamar The Malibu

Address:
5703 Thornhill Dr, Austin, TX
78744

Home Phone:
512-468-4909
Work Phone:

Email:
smwjwt@yahoo.com

North Boundary:
SH 45

South Boundary:
US Hwy 183

East Boundary:
IH 35

West Boundary:
US Hwy 183

CERTIFICATION OF NOTIFICATIONS AT PRE-APPLICATION (Part III)

Pursuant to §49.3(d)(3), evidence of notifications includes this sworn affidavit and the *Public Notifications Information Form*.

Where necessary, check all applicable boxes below:

- I certify that all required requests for Neighborhood Organizations were made pursuant to §49.3(d)(3)(A) and included the required information as provided in the *Neighborhood Organization Request* template by December 8, 2008.
- I certify that:
 - No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009; and/or
 - A response was received from the local elected officials before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.3(d)(3)(B); and/or
 - A response was received from the local elected officials before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations; and/or
 - I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.3(d)(3)(B); and/or
 - I know of no neighborhood organizations within whose boundaries the Development is proposed to be located; and/or
 - The local elected officials referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.3(d)(3)(B). Date Mailed: 1/1
 - All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Form* (Written). Date Mailed: 1/1
- I certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.3(d)(3)(B)(i) through (ix). The notifications included the required information as provided in the template, *Public Notifications* (Written). All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
 - Superintendent of the school district containing the Development;
 - Presiding officer of the board of trustees of the school district containing the Development;
 - Mayor of any municipality containing the Development;
 - All elected members of the Governing Body of any municipality containing the Development;
 - Presiding officer of the Governing Body of the county containing the Development;
 - All elected members of the Governing Body of the county containing the Development;
 - State senator of the district containing the Development; and
 - State representative of the district containing the Development.

While evidence is not required to be submitted in this Pre-Application, I understand evidence may be requested by the Department at any time during the Application review.

BY: [Signature] 1-6-09 Its: Developer
Signature of Applicant/Owner Date

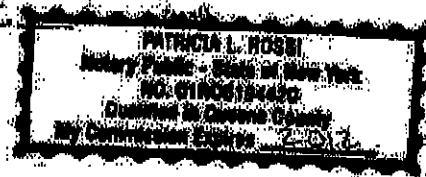
STATE OF: NEW YORK
COUNTY OF: QUEENS

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Rowce Lushland, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 6 day of JANUARY, 2009.

[Signature]
Notary Public Signature

2018
Commission Expires



From: "Groves, Sara" <Sara.Groves@ci.austin.tx.us>
Subject: RE: Contact Information
Date: February 13, 2009 2:40:50 PM CST
To: "Sarah Andre" <sarah@s2adevelopment.com>

Sarah,

According to tax records the existing multi-family structure at 8600 N Lamar Blvd was constructed in 1974.

The zoning for this property at the time of permitting under City of Austin ordinance # 710617-J was "GR, 1st Height and Area" within which *Apartment Hotel* was a permitted use. With the adoption of the City of Austin Land Development Code, Chapter 13-2 in April of 1984, residential uses were no longer permitted in commercial and industrial zoning districts. However, in accordance with Chapter 25-2-942 of the current Land Development Code, *The use of a building, structure, or property that conformed to the zoning regulations in effect on March 1, 1984 is a conforming use notwithstanding the requirements of this chapter.*

Since the use of the property was conforming when it was constructed, conformed on March 1, 1984 and the use has not changed, the use is currently in conformance with the City of Austin zoning requirements per LDC Section 25-2-942. In accordance with zoning regulations, if the structure is damaged or destroyed, it may be rebuilt to the same size, dimensions, location and number of units that existed previously, after all applicable applications are filed and permits issued for the reconstruction.

Please let me know if you have any questions.

SARA
Sara Groves
sara.groves@ci.austin.tx.us
City of Austin Development Assistance Center
Watershed Protection and Development Review Dept.
ph# 974-3425
fax# 974-2934

From: Sarah Andre [mailto:sarah@s2adevelopment.com]
Sent: Thursday, February 12, 2009 4:42 PM
To: Groves, Sara
Subject: Re: Contact Information

Hi Sara,

Thanks for getting back to me.

I need documentation that the Malibu Apartments, a 476 unit multifamily property currently located at 8600 North Lamar is allowed to exist at that location under its current zoning. The property was built in the 1970s and the current zoning is GR, according to my research assistance. I have pasted a little bit of information below from her so you know what she is looking at.

We need a letter or other documentation that lets the State of Texas Department of Housing and Community Affairs know that the project is allowed under current zoning.

Here is the information from my research assistant:

that gis map viewer looks like the area is GR, which is community commercial. i did find this map,
<http://coageoid01.ci.austin.tx.us/GIS-Data/planning/maps/Base%20Zoning%20Districts%20in%20Color.pdf>
and it does look like the area is considered commercial,

under the GR zoning, it doesn't look like multifamily is permitted
<http://www.ci.austin.tx.us/development/downloads/permittedusechart.pdf>.

Sarah Andre
B2A Development Consulting, LLC
1308 East 6th, Suite 12

Austin, Texas 78702
512/898-2269 mobile
512/898-2269 fax/mobile

On Feb 12, 2009, at 3:31 PM, Groves, Sara wrote:

Sara Groves

sara.groves@ci.austin.tx.us
City of Austin Development Assistance Center
Watershed Protection and Development Review Dept.
ph# 974-3425
fax# 974-2934

**Volume 4, Tab 12 (§49.9(i)(13))
Community Revitalization or Historic Preservation**

The Application proposes:

Rehabilitation (includes reconstruction) Reconstruction includes the demolition of one or more residential buildings in an Existing Residential Development and the reconstruction of the Units on the Development Site. Developments proposing Adaptive Reuse or proposing to increase the total number of Units in the Existing Residential Development are not considered reconstruction.

Applications may qualify to receive points for either section A or B.

A. Community Revitalization

Development includes use of Existing Residential Housing. Yes No

Rehabilitation (includes reconstruction) is part of a Community Revitalization Plan. Yes No

Attach a copy of the Community Revitalization Plan and provide the following information.

Name of the Community Revitalization Plan(s): North Austin Civic Association Neighborhood Plan

Is an ordinance, resolution or other evidence of a vote by the local Governing Body showing adoption attached? Yes No

If no, page number of the plan where adoption is referenced: N/A (does not guarantee acceptance of the plan)

Page number(s) of the plan that references the targeting of specific geographic areas for revitalization and development of residential developments: 7

Page number(s) of the plan that references that the Rehabilitation or reconstruction is part of the plan: 12

*Attach a letter from the chief executive officer or other local official with appropriate jurisdiction of local Governing Body stating that the Development Site is located within the targeted development area(s) outlined in the plan.

*If the Community Revitalization Plan references any other documents or plans, the referenced documents must also be provided, and an outline describing how the individual plans combine to target a specific geographic area for revitalization and development of residential developments must be provided.

or

B. Historic Preservation

The Development includes* the use of an existing building that is designated as historic by a federal or state entity and proposes Rehabilitation (including reconstruction) or Adaptive Reuse. Yes No

Proof of the historic designation from the appropriate Governmental Body is included. Yes No

Letter from the Texas Historical Commission indicating the effect of the proposed rehabilitation on historical structure is included. Yes No

*The Development itself must have the designation; points in this subparagraph are not available for Developments simply located within historic districts or areas that do not have a designation on the building. The Development must include the historic building.

**Volume 4, Tab 22 (§49.9(i)(24))
Qualified Census Tracts with Community Revitalization Plan**

Attach a copy of the Community Revitalization Plan and provide the following information.

11-Digit Qualified Census Tract Number: 48456001805

Name of the Community Revitalization Plan(s): North Austin Civic Association Neighborhood Plan

Is an ordinance, resolution or other evidence of a vote by the local Governing Body showing adoption attached?
 Yes No

If no, page number of the plan where adoption is mentioned: N/A (does not guarantee acceptance of the plan)

Page number(s) of the plan that mentions the targeting of specific geographic areas for revitalization and development of residential developments: 2-10

***Attach a letter from the chief executive officer or other local official with appropriate jurisdiction of local Governing Body stating that the Development Site is located within the targeted development area(s) outlined in the plan.**

***If the Community Revitalization Plan references any other documents or plans, the referenced documents must also be provided, and an outline describing how the individual plans combine to target a specific geographic area for revitalization and development of residential developments must be provided.**



City of Austin

Neighborhood Housing and Community Development
 P.O. Box 1088, Austin, TX 78767-1088
 (512) 974-3100 • Fax (512) 974-3112 • www.cityofaustin.org/housing

February 25, 2009

Robbie Meyer
 Director, Multifamily Finance Production Division
 Texas Department of Housing and Community Affairs
 P.O. Box 13491
 Austin, TX 78711

Re: Malibu Apartments, HTC #09159
 Volume 4, Tab 12/Community Revitalization

Dear Ms. Meyer:

This letter verifies the following facts regarding the Housing Tax Credit application for the Malibu Apartments, HTC #09159:

- The Malibu Apartments is an existing multifamily development located in census tract #18.05, which is a Qualified Census Tract;
- Rehabilitation of the Malibu Apartments helps achieve the City's affordable housing and revitalization goals from the City of Austin's Consolidated Plan for Fiscal Years 2004-2009, the Austin Tomorrow Comprehensive Plan and the North Austin Civic Association Neighborhood Plan (an amendment to the Austin Tomorrow Comprehensive Plan).

The City of Austin Consolidated Plan for Fiscal Years 2004 - 2009 is the City's five year plan to address the community's most critical housing and community development needs. The goals and strategies outlined in each Consolidated Plan are the result of an extensive public process. Page 1 - 12 of the Plan describes the following housing strategies that will be attained by the rehabilitation of the Malibu Apartments:

- *Rental: Provide resources to non-profit/for-profit housing developers to construct S.M.A.R.T. Housing rental units and rehabilitate existing rental units.*

The Malibu apartment complex is an existing 476-unit apartment community in need of significant rehabilitation. An allocation of Housing Tax Credits meets the goal of improving current housing stock while increasing affordability.

- *Neighborhood Projects: Implement housing affordability components of adopted neighborhood plans, master plans and identified priority neighborhoods.*

The Malibu apartment complex is located within the boundaries North Austin Civic Association (NACA) Neighborhood Plan.

The North Austin Civic Association Neighborhood Plan is an amendment to the Austin Tomorrow Comprehensive Plan and is the primary document developed by the North Austin Civic Association and the City of Austin used in planning growth and revitalization of the area contained within the plan's borders.

Page 7 of the NACA Neighborhood Plan specifically states:

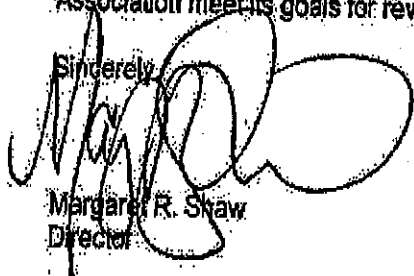
"The neighborhood would also like to revitalize North Lamar Boulevard and Rundberg, major neighborhood gateways." The Malibu apartment complex is located at 8600 N. Lamar Blvd.

Page 13 of the NACA Neighborhood Plan specifically states:

"The Neighborhood Plan addresses land use, transportation, environment, recreation, and community services. Of these, land use preservation through more aggressive enforcement of existing codes is the priority of the neighborhood. With nearly 75% of the housing being rental units, for NACA to continue to age gracefully, it is critical that properties be maintained - hopefully by conscientious owners/renters or by city enforcement if necessary."

Applicable sections of the City of Austin Consolidated Plan, the North Austin Civic Association Neighborhood Plan and the Austin Tomorrow Comprehensive Plan are attached for your review. Rehabilitation of the Malibu Apartments will help both the City of Austin and the North Austin Civic Association meet its goals for revitalizing this growing area of Austin.

Sincerely,



Margaret R. Shaw
Director

cc: The Mulholland Group
Brooke Boston

Attachments

From: express

02/26/2009 12:08

#241 P.021/028

Volume 1, Tab 8
PUBLIC NOTIFICATIONS INFORMATION AND CERTIFICATION FORM (PAGE 4)

COUNTY COMMISSIONERS CONTINUED:

Name: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____

Name: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____

Name: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____

Name: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____

Name: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	District #: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____

NEIGHBORHOOD ORGANIZATION(S) (Submit all neighborhood organizations in which the Applicant is/was required to notify under §49.9(d)(3)(B) and/or §49.9(b)(8)(A)(ii) of the QAP.)

CHANGE FROM PRE-APP

Name: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>

Name: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>

Name: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>

Name: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Address: _____	City: _____	State: <input type="checkbox"/>	ZIP: _____
Phone: _____	Fax: _____	City: _____	State: <input type="checkbox"/>

I certify that all the information provided is correct and all of the required entities (above) were notified as required by §49.9(d)(3)(B) and/or §49.9(b)(8)(A)(ii) of the QAP. I also certify that all notifications were made in the format outlined in the template, Neighborhood Organization Request Form and Public Notifications Form (Written).

By: Cheryl A. White Date: 2/24/09 Re: _____
Signature of Applicant/Owner

From express

02/26/2009 12:11

#241 P. 027/028

Volume 3, Tab 3

CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(3)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the Public Notifications and Information Certification Form (submitted in Volume 1, Tab 3). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. Most Accurately Check Below if a Pre-Application was Submitted:

I (We) certify that:

Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or

A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(3)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application, or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the Public Notifications Information and Certification Form. I (we) certify that the modifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HFC Applications as required under §49.9(h)(3)(A).

2. Most Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):

I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(3)(A) and/or other applicable Rules, were made in the format required in the Neighborhood Organization Request template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.

I (We) certify that:

No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or

A response was received from the local elected officials before February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application), and the response indicated that the local elected officials know of no neighborhood organizations, and/or

A response was received from the local elected officials before February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(3)(A)(i)(X) and/or other applicable Rules, and/or

I have knowledge of other neighborhood organizations on record with the city, state, or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(3)(A)(i)(X) and/or other applicable Rules, and/or

I know of no neighborhood organizations within whose boundaries the Development is proposed to be located, and/or

The local elected officials referred to me (us) in another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(3)(A) and/or other applicable Rules; and

All neighborhood organizations that were notified are correctly listed on the Public Notifications Information and Certification Form and all notifications were made in the format provided in the template, Public Notifications Format (Written).

I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(3)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, Public Notifications Format (Written). All of the following entities were notified and are correctly listed on the Public Notifications Information and Certification Form:

- * Superintendent of the school district containing the Development;
- * Presiding officer of the board of trustees of the school district containing the Development;

Initial: 



3036 S. 1st St.
Suite 200
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

www.foundcom.org

May 27, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge to Financial Feasibility scoring and underwriting for Application
Number 09159

Dear Ms. Meyer:

I am writing to challenge the financial feasibility of the Malibu Apartment renovation project (tax credit application #09159). The scoring and underwriting cannot be correct given the glaring omission of required ADA interior unit renovations, as well as potential related issues with asbestos remediation and tenant relocation.

In order to receive housing funds from the City of Austin, the Malibu project will be required to fully renovate 10% of the units (47 units) to be wheelchair/mobility accessible. No waiver or grandfathering of this rule and City ordinance exists for existing apartment renovations that utilize City funding or are certified as SMART Housing. TDHCA rules also require that a certain percentage of units be renovated to comply with ADA, Section 504 laws and other rules.

Neither the renovation budget in the Physical Condition Assessment, or the overall development application budget include any money for required interior unit ADA renovation. The PCA states (page 37), "The review of the subject property for compliance with state and local accessibility requirements is beyond the scope of this report." Only \$25,000 is included in the renovation budget for ADA work in common areas.

The Malibu apartment units are very small, with long galley kitchens too narrow for a wheelchair, very small bathrooms and closets without an adequate turning radius, and doorways throughout that appear too narrow. Accessibility renovations will require movement of walls, and probably will require movement of plumbing, cabinetry, closets and ductwork to make everything fit and comply. New kitchen and bath millwork and plumbing fixtures will be necessary.

An architect should draft detailed plans that show how the units can meet the state and local requirements for accessibility, and this work should be priced. Each accessible unit must also have an accessible route to the parking lot and common amenities.

The total cost of this work will be substantial and must be included in the underwriting and financial feasibility analysis of the project. We recently bid very similar work on another

05-27-09 10:05 RCVD



a Partner Agency of



United Way Capital Area



property, and the cost was approximately \$20,000 per unit. The cost on 47 units could be close to \$1 million.

The total cost of the ADA renovations should also take into consideration potential asbestos abatement and tenant relocation:

Asbestos:

According to the PCA the apartment ceilings have a 'popcorn texture'. This texture in older apartments commonly contains asbestos. The Phase 1 ESA (page 22) states that potential asbestos containing materials were observed in good condition. However, if these materials are disturbed in the renovation then federal, state and local laws apply. To get a building permit in Austin an architect must certify that the buildings do not contain asbestos, or if asbestos is present, then it will not be disturbed or it will be abated.

The ADA renovations will undoubtedly require movement of walls and doorways which will disturb the ceiling texture. There is a significant cost risk to the project if the ceiling texture contains asbestos which must be abated in 47 apartments. Recently we had to abate asbestos in two of our apartment units in order to relocate a few walls, and the cost was \$8000 per unit.

TDHCA should require a phase 2 asbestos test of suspect materials, especially the popcorn ceiling texture, given the ADA renovations and other disruptive renovations that will be required. Non ADA renovations should be evaluated to determine if they will disturb the ceiling texture. If asbestos is present and requires appropriate remediation, the cost will be substantial. This potential cost should not be ignored by underwriting prior to an award of tax credits.

Relocation

The relocation plan submitted in the application (copy attached) is not plausible given the extensive renovations to 47 units for accessibility, in addition to all the other interior renovations planned. All of the units will be getting comprehensive interior improvements, however the applicant states that not a single resident will be relocated and no relocation funding is necessary. This does not seem consistent with the level of renovation work described in the PCA.

If you have any questions about this challenge, please feel free to contact me at the information below.

Sincerely,



Walter Moreau
Foundation Communities, Inc.
Phone: 512-447-2026
Fax: 512-447-0288
Email: walter.moreau@foundcom.org

Relocation Plan

Neither tenant relocation nor relocation funding is necessary, as we will complete renovations to individual units during pre-scheduled 8-hour days for occupied units. When necessary, our construction teams enter an apartment and rehabilitate specific items. At the end of each day, the apartment will continue to be functional. Typically, we only need to ask tenants to allow construction team to enter their units on three or four days throughout the entire renovation process. We will notify residents of upcoming renovations to their unit and then give them the opportunity to choose a convenient date for the renovations to take place. On the scheduled day, the construction team will enter the unit and make all repairs and replacements ensuring that the resident will return home to a functional and refurbished unit. We have found that most tenants much prefer these in-place renovations to relocation for an extended period.

Roundstone Development, LLC
Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com

June 9, 2009

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 09163
Tremont Apartment Homes

Dear Mr. Gerber:

We hereby provide the following information and challenge the threshold determination and scoring of Application 09163 (hereinafter referred to as "09163").

Scoring under QAP Section 49.9(i)(2), QCP from Neighborhood Organizations

1. Attached as Exhibit A is the submission of a purported Neighborhood Organization known as the Bacon Ranch Rd Property Owners Association ("Bacon") filed in support of 09163.
2. Please note that the address of the authorized representative of Bacon is 4280 High Oak Dr, Belton, 76513. Please note that the authorized representative of Bacon, Mickie Kay Schroeder, is also the Seller of the land that is the subject of Application 09163.
3. In a conversation with Karen Walinder, the second contact for Bacon, we confirmed that the authorized representative of Bacon lives at that address.
4. Attached as Exhibit C is a map which shows that the address of the authorized representative of Bacon is about 12.5 miles east of the boundaries of Bacon; i.e.; the authorized representative of Bacon does not live within the boundaries of Bacon.
5. Attached as Exhibit B are affirmations from Ms. Edith Stockhardt and Mr. Charlie Watts that they have never agreed to participate in nor have any knowledge of a property owners association being formed or created that encompasses their properties (including specifically the purported Bacon). Ms. Stockhardt owns five houses in the purported Neighborhood Organization's boundaries: 1108 Covey Ln, 1105 Covey Ln, 1103 Covey Ln, 1106 Covey Ln, and 1110 Covey Ln. Mr. Watts owns two houses in the purported Neighborhood Organization's boundaries: 1102 Covey Ln and 1104 Covey Ln. Between them they own seven of the 22 houses shown in Exhibit A as being included in the purported Neighborhood Organization.

05-12-09 12:52 RCVD

6. QAP Section 49.9(i)(2)(A)(iv) states “For the purposes of this section, a “Neighborhood Organization” is defined as an organization of persons living near one another within the organization’s defined boundaries in effect February 27, 2009 that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood.”
7. First, we maintain that Bacon fails this definition of Neighborhood Organization because its authorized representative does not live within the organization’s defined boundaries.
8. Second, we maintain that Bacon was not in effect as of February 27, 2009 because the owners of at least seven properties within Bacon’s defined boundaries had no knowledge of Bacon and had not agreed to join Bacon.
9. Therefore, we challenge the award of 24 points to 09163 under this scoring item.

Disqualification under QAP Section 49.5(b)(1)

1. Attached as Exhibit A is the submission of a purported Neighborhood Organization known as Bacon filed in support of 09163.
2. Bacon’s written boundary description in Exhibit A states “North boundary is Bacon Ranch Rd from the 1100 to the 1900 block...”
3. The boundary map in Exhibit A indicates that the boundaries of Bacon include a “Built Apartment Complex” to the east of the 09163 property, and indicates that the address of said Complex is 1900 Bacon Ranch Rd.
4. Attached as Exhibit G is the TDHCA Property Inventory as of 4/23/09. Note that the “Built Apartment Complex” located at 1900 Bacon Ranch Rd is TDHCA Property 05164, Ridge Pointe Apartments, whose general partner is owned 100% by Michael Lankford.
5. Per the Application submitted, Michael Lankford owns 100% of the general partner of Applicant 09163.
6. Attached as Exhibit D is the Volume 3, Tab 3 in Application 09163 submitted by Michael Lankford on February 27, 2009. Confirmation that Application 09163 was submitted to TDHCA on 2/27/09 is attached as Exhibit F.
7. In Exhibit D, Michael Lankford certifies that “Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application...and no additional notification was required at Application...”
8. Per the attached Exhibit E, Michael Lankford certified at Pre-Application that “I know of no neighborhood organizations within whose boundaries the Development is proposed to be located...”
9. Please note, per Exhibit A, that the authorized representative of Bacon is the Seller of the land that is the subject of Application 09163.
10. QAP Section 49.5(b)(1) states “The Department WILL (emphasis added) disqualify an Application...Causes for disqualification and debarment include: (1) The provision of fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation in the Application...”
11. We maintain that the failure of Applicant 09163 to disclose in its Application, filed on February 27, 2009, the Bacon Ranch Rd Property Owners Association as a Neighborhood Organization within whose boundaries the Applicant was located falls under the provisions of QAP Section 49.5(b)(1). The authorized representative of the

purported Neighborhood Organization was the Seller of the land to Applicant 09163. Further, another property owned by Michael Lankford was within the boundaries of the purported neighborhood Organization. Even if you now subsequently rule that Bacon is not a neighborhood Organization, the QAP required that Applicant 09163 disclose in its Application the existence of Bacon, which Applicant failed to do.
12. Therefore, Application 09163 should be disqualified under QAP Section 49.5(b)(1).

We thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "M. A. Hartman", with a long horizontal flourish extending to the right.

Michael A. Hartman

Enclosures

Cc: Kevin Hamby, General Counsel

Exhibit A

To: Nicole Fisher at TDHCA
From: Bacon Ranch Rd Property Owners Association
Mickie Kay Schroeder, Representative
Ref: Form for Qualified Neighborhood Organizations to Submit to
TDHCA for Quantifiable Community Participation
Date: 02/24/2009

Ms Fisher,

This is a request for the Bacon Rand Rd Property Owners Association to be on record with TDHCA.

I have attached the necessary form and boundary map.

Thank you for your assistance,

 2/24/09

Mickie Kay Schroeder Date

Exhibit A



FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. [X] This organization is submitting this form and attachments regarding the following proposed development: Development Name: Tremont Apartment Homes; TDHCA #: 09163; Development Location: 1600 Block Bacon Ranch Rd.; Development City: Killeen; Development County: Bell

2. [X] The persons signing this form have the authority to sign on behalf of this organization. Organization Name: Bacon Ranch Rd Property Owners Association; 1st Contact Name and Title: Mike Kay Schroeder; 1st Contact Mailing Address: 4280 Hill Oak Dr; 1st Contact City: Helton; 1st Contact Zip Code: 76513; 1st Contact Day Phone: 254-963-9876; 1st Contact Fax: 254-898-6287; 1st Contact E-mail:

3. [X] This organization is also providing the following additional contact and information for our organization: 2nd Contact Name: Renee Deal; 2nd Contact Day Phone: (254) 963-2443; 2nd Contact Fax: (254) 628-2957; 2nd Contact E-mail:

4. [X] This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check one of the following boxes):

- [] Homeowners Association
[X] Property Owners Association
[] Resident Council and our members occupy the existing development
[] Other (Specify:)

Signature of Signer

Exhibit A

5. Certification of Record: Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 sections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

- On record, as of February 27, 2009, with the county in which the development is proposed to be located. (Attach boundary map and documentation from the county of registration)
- On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. (Attach boundary map and documentation from the Secretary of State of registration)
- On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). (Attach boundary map)

6. Boundary Description and Certification: Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave.)

Written Boundary Description:

North boundary is Bacon Ranch Rd from the 1100 to the 1900 block, south to the single family homes near 9111 Jacqueline Dr. west to Chamber Rd. then north to Bacon Ranch Rd. Located in Killam, Hall County, Texas.

This organization certifies that the boundaries of this organization include the proposed development site. The organization certifies that the boundaries of this organization include the proposed development site. The organization certifies that the boundaries of this organization include the proposed development site.

7. Statement of Support/Opposition: (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets as needed.)

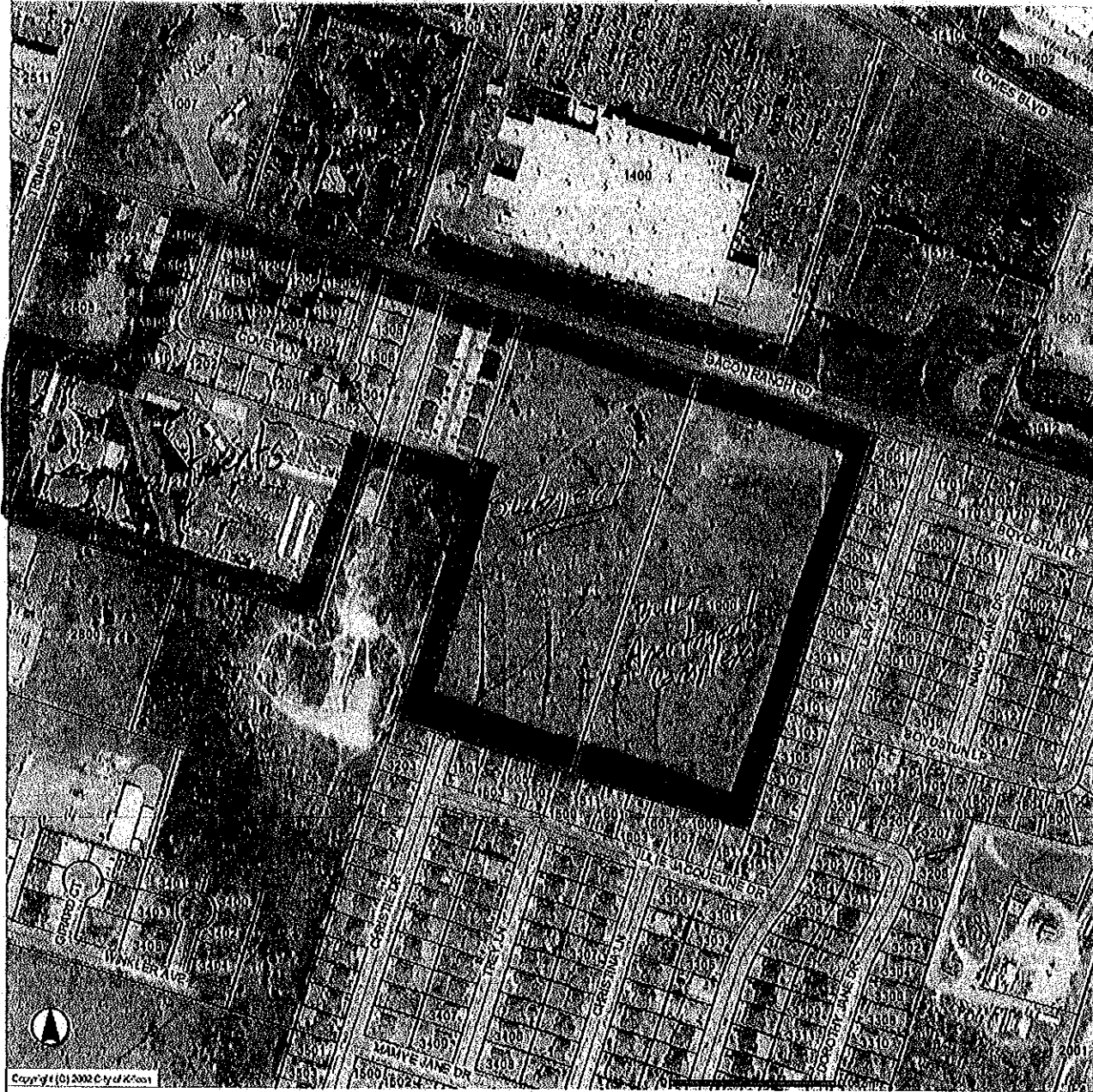
This organization certifies that we:

Support the application for Competitive Housing Tax Credits referenced above for the following reasons: The proposed development is the best use for the area. It provides a solution to a need in the community.

Oppose the application for Competitive Housing Tax Credits referenced above for the following reasons:


Printed Name: _____

12.247 Acres Bacon Ranch, Killeen, Tx



- | | | | |
|--------------------------|-------------|---------------|--------------------|
| Bell County Roads | | Legend | |
| | Interstate | | Bell County Lakes |
| | U S Hwy | | Parcels |
| | State Hwy | | Streets |
| | Major Roads | | 2000 Aerial Photos |
| | Minor Roads | | |
| | Local Roads | | |

Highlighted: Boundaries of the Bacon Ranch Rd Property owners association.

Disclaimer: This Web site is a public resource of general information. The City of Killeen makes no warranty, representation or guarantee as to the content, accuracy, timeliness, or completeness of any of the database information provided herein. Any use or reliance on this information contained in it is at that party's own risk and without liability to the City of Killeen, its officials, or its employees for any discrepancies, errors or variances that may exist.

Exhibit B

June 4, 2008

Gene Lehmann
Roundstone Development
1750 Valley View Lane Suite 420
Dallas, TX 75230

Re: Quail Run Estates

The property owners listed herein have never agreed to participate in nor have any knowledge of a property owner's association being formed or created (including specifically the Bacon Ranch Road Property Owners Association).

By signing below, we affirm the above statement is true and correct.

Signature	Name	Address	Phone #
	Edith A. Stockhardt	1108 Cooney R (210)	972-7111
Please note, I am the Property Owner of 1108 Cooney R - Lot 4, Blk 4 Quail Run Estates.			
Also I was instrumental in developing, and selling more than 50% of all the lots in Quail Run Estate also I have ownership/ ownership interest of 1105 Cooney, 1103 Cooney, 1106 Cooney, 1110 Cooney.			
This is true			
June 8 - 08			

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification Form* (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. Must Accurately Check Below if a Pre-Application was Submitted:

- I (We) certify that:
- Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
 - A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications as required under §49.9(h)(8)(A).

2. Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):

- I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
- I (We) certify that:
- No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
 - A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
 - I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
 - The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
 - All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*.
- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
- Superintendent of the school district containing the Development;
 - Presiding officer of the board of trustees of the school district containing the Development;

Initial: 

Exhibit D

- Mayor of any municipality containing the Development;
- All elected members of the Governing Body of any municipality containing the Development;
- Presiding officer of the Governing Body of the county containing the Development;
- All elected members of the Governing Body of the county containing the Development;
- State senator of the district containing the Development; and
- State representative of the district containing the Development.

- While not required to be submitted in this Pre-Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.
- I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only be completed if mailings were completed in lieu of posting signage on the Development site:

- I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on / / (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

- I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

- I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: [Signature] 2/23/09 Its: Sole Member
Signature of Applicant/Owner Date

STATE OF: Texas
COUNTY OF: HARRIS

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Michael Lankford, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 23rd day of February, 2009 (seal)

[Signature]
Notary Public Signature

9/17/2012
Commission Expires



CERTIFICATION OF NOTIFICATIONS AT PRE-APPLICATION (Part III)

Pursuant to §49.8(d)(3), evidence of notifications includes this sworn affidavit and the Public Notifications Information Form

Must accurately Check all applicable boxes below:

- I certify that all required requests for Neighborhood Organizations were made pursuant to §49.8(d)(3)(A) and included the required information as provided in the Neighborhood Organization Request template by December 8, 2008.
- I certify that:
 - No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009; and/or
 - A response was received from the local elected officials before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.8(d)(3)(B); and/or
 - A response was received from the local elected officials before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations; and/or
 - I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.8(d)(3)(B); and/or
 - I know of no neighborhood organizations within whose boundaries the Development is proposed to be located; and/or
 - The local elected officials referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.8(d)(3)(B). Date Mailed 1/1/09
 - All neighborhood organizations that were notified are correctly listed on the Public Notifications Information and Certification Form and all notifications were made in the format provided in the template, Public Notifications Format (Written). Date Mailed 1/1/09
- I certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.8(d)(3)(B)(i) through (ix). The notifications included the required information as provided in the template, Public Notifications (Written). All of the following entities were notified and are correctly listed on the Public Notifications Information and Certification Form:
 - Superintendent of the school district containing the Development;
 - Presiding officer of the board of trustees of the school district containing the Development;
 - Mayor of any municipality containing the Development;
 - All elected members of the Governing Body of any municipality containing the Development;
 - Presiding officer of the Governing Body of the county containing the Development;
 - All elected members of the Governing Body of the county containing the Development;
 - State senator of the district containing the Development; and
 - State representative of the district containing the Development.

While evidence is not required to be submitted in this Pre-Application, I understand evidence may be requested by the Department at any time during the Application review.

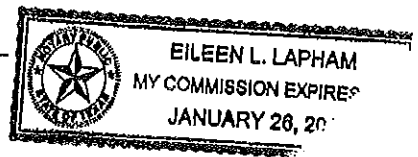
By: [Signature] 1/6/09 Its: Agent for GP
Signature of Applicant/Owner Date

STATE OF: Texas
COUNTY OF: Harris

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Jeff Gannon, whose name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and official seal this 6th day of January, 2009 (seal)

Eileen L. Lapham 01-26-09
Notary Public Signature Commission Expires



*Exhibit F***FW: Submission of application**

From: Misael Arroyo (misael.arroyo@tdhca.state.tx.us)
Sent: Mon 6/01/09 10:20 AM
To: 'mah1370@hotmail.com' (mah1370@hotmail.com)
Cc: Robbye Meyer (robbye.meyer@tdhca.state.tx.us)

Mr. Hartman, You are correct the application did come in on February 27, 2009.

*Thanks,
Misael Arroyo*

*TDHCA/ Multifamily Finance Division
P.O. Box 13941 MC 332-10
Austin, TX 78711-3941
www.tdhca.state.tx.us
Phone: (512) 475-2596 Fax: (512) 475-0764*

-----Original Message-----

From: Robbye Meyer [mailto:robbye.meyer@tdhca.state.tx.us]
Sent: Monday, June 01, 2009 8:52 AM
To: Misael Arroyo
Subject: FW: Submission of application

Misael,

Will you check the receipt for this application and get the date for Mr. Hartman?

Robbye G. Meyer

Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701
(512) 475-2213 (V)
(512) 475-0764 (F)

-----Original Message-----

From: Michael Hartman [mailto:mah1370@hotmail.com]
Sent: Saturday, May 30, 2009 9:18 PM
To: Robbye Meyer
Cc: Clifton Phillips
Subject: Submission of application

Robbye,

On what date was application #09163 received by the Department? I would think it was 2/27/09, but I wanted to be certain.

Thanks,

Michael A. Hartman

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Inventory of Developments Placed in Service or Under Construction 1988-2008

TDHCA #	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LHTC Amt Awarded	Total LHTC Units	LHTC Population Served	Disabled Units	Apt. Phone #
94007	9% HTC		1994	1994	Farfield East	906 S. Pana Mana	Karnes City	Karnes	78118	\$28,925	24	24	0	(830) 780-4674
70096	9% HTC		1990	1990	Katy Manor Apartments	5360 East 5th St.	Katy	Harris	77493	\$34,602	36	36	0	(281) 371-7320
04284	9% HTC		2004	07/28/04	Katy Manor Apartments	5360 East 5th St.	Katy	Harris	77493	\$10,908	48	48	2	(281) 371-7320
05209	9% HTC		2005	07/27/05	Providence Place Apartments	20100 Saums Rd.	Katy	Harris	77449	\$984,852	174	166	9	(713) 914-9200
060628	4% HTC		2008	12/14/06	Lancaster Apartments	20000 block of Park Row Dr & 1700 block of Snake River	Katy	Harris	77449	\$1,137,297	252	252	0	(713) 334-5514
01455	4% HTC		2001	01/17/02	Milstone Apartments	23405 W. Fennelst	Katy(Garea)	Harris	77494	\$800,679	248	248	13	(281) 382-1227
03006	9% HTC	FC	2003	07/29/02	Villas at Park Grove	600 Park Grove Dr.	Katy(Garea)	Harris	77450	\$827,556	150	120	8	(214) 772-2400
04288	9% HTC		2004	07/28/04	Barwood Apartment	513 E. 6th Street	Kauffman	Kauffman	75142	\$173,148	48	48	3	(817) 732-1055
07069	9% HTC	04288	2007	10/12/06	Barwood Apartment	513 E. 6th Street	Kauffman	Kauffman	75142	\$7,000	0	0	0	(817) 732-1055
94005	9% HTC		1994	1994	Freestone Trails Apartments	213 West 4th St.	Keene	Johnson	76059	\$43,263	36	36	1	(817) 556-2752
96033	9% HTC	06673	1996	1996	Shenwood Arms Apartments	213 N. Val Verde Circle	Keene	Johnson	76059	\$39,740	56	56	4	(817) 641-6882
04491	4% HTC		2004	12/13/04	Evergreen at Keller Senior Apartment Com	400 Block of Bourland Road	Keller	Tarrant	76248	\$559,597	250	250	16	(972) 550-7800
98156	9% HTC		1998	1998	Karville Meadows Apartments	2300 Junction Hwy.	Karville	Kerr	76028	\$318,044	76	76	12	(713) 622-5844
00011	9% HTC		2000	2000	Heritage Oaks Apartments	2350 Junction Highway	Karville	Kerr	76028	\$449,938	76	76	8	(830) 886-5151
07242	9% HTC		2007	07/30/07	Paseo de Paz Apartments	400 Blk of Clearwater Paseo	Karville	Kerr	76028	\$712,276	76	73	6	(830) 257-5323
06135	9% HTC		2008	7/31/08	Gardens at Clearwater	400 Block of Clearwater Paseo	Karville	Kerr	76028	\$760,867	80	80	8	(830) 257-5323
08935	9% HTC	07242	2008	11/13/08	Paseo de Paz Apartments	400 Clearwater Paseo	Karville	Kerr	76028	\$37,516	0	0	0	(830) 257-5323
04194	9% HTC		2004	07/28/04	Lexington Court	3407 U.S. Highway 259 North	Kilgore	Gregg	75662	\$549,640	80	76	4	(979) 846-8878
08238	9% HTC		2008	7/31/08	Lexington Court Phase II	3509 US Hwy 259 N.	Kilgore	Gregg	75662	\$693,584	76	76	8	(979) 846-8878
97043	9% HTC		1997	1997	Village at Fox Creek (Via the Williamsburg	2900 Illinois Ave.	Kleene	Ball	76543	\$865,617	128	128	21	(254) 680-3301
98033	9% HTC		1999	1999	Veranda at Twin Creek	1101 Twin Creek Dr.	Kleene	Ball	76543	\$421,654	88	88	9	(254) 200-4533
03068	9% HTC		2003	07/30/03	Stone Ranch Apartments Homes	4400 East Ranger Avenue	Kleene	Ball	76543	\$583,608	152	129	12	(713) 626-9655
05164	9% HTC		2005	07/27/05	Ridge Pointe Apartments	1900 Bacon Ranch Road	Kleene	Ball	76542	\$1,013,602	172	164	9	(713) 626-9655
08050	9% HTC	05164	2008	10/12/06	Ridge Pointe Apartments	1600 Blk Bacon Ranch Rd.	Kleene	Ball	76547	\$97,664	0	0	0	(713) 877-0100
93004	9% HTC		1993	1993	Windwood II Apartments	100 Windwood Drive	Kingsland	Llano	78639	\$45,297	34	34	6	(915) 388-9222
00050	9% HTC		2000	2000	TownePark in Kingsland	101 Townpark Dr.	Kingsland	Llano	78639	\$586,577	76	76	8	(325) 388-8137
04004	9% HTC	FC	2004	09/11/03	Kingsland Trails Apartments	4800 Block of 2900	Kingsland	Llano	78639	\$444,394	76	60	8	(830) 693-4521
97027	9% HTC		1997	1997	Courts Of Las Palomas Apartments	600 General Cavazos Blvd.	Kingsville	Kleberg	78633	\$514,980	128	128	0	(361) 516-0114
02043	9% HTC		2002	07/29/02	King's Crossings	1700 Coral Ave.	Kingsville	Kleberg	78633	\$777,472	120	120	0	(713) 522-4141
07199	9% HTC		2007	07/30/07	Kingsville LULAC Manor Apartments	1220 N. 17th	Kingsville	Kleberg	78633	\$491,514	88	88	9	(210) 821-4308

Exhibit G

June 10th, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O Box 3941
Austin, Texas 78711-3941

Re: Challenge to Application by Goldshire Properties , Project #09166, Old Richmond Rd Townhowmes

§49.5.(b) Ineligibility; Disqualification and Debarment; Certain Applicant and Development Standards; Representation by Former Board Member or Other Person; Due Diligence, Sworn Affidavit; Appeals and Administrative Deficiencies for Ineligibility, Disqualification and Debarment.

Dear Ms. Meyer,

Please accept this letter as a challenge to any points awarded for application 09166.

The pre-application and application submitted by Goldshire properties clearly lists the current owner and seller of the property as **SHR Invests inc.** During our research concerning this application it was discovered that SHR Invests Inc forfeited it's charter and should not be representing itself as a corporation to do business in the State of Texas.

I have included documentation from the Secretary of State of Texas confirming this forfeiture on August 3rd, 2007. Please refer to page 9 of the Goldshire pre-application and page 188 of the Goldshire final application listing the seller of the property.

Thank you for your consideration regarding this matter.

Sincerely,
Donald J Dobesh Jr.

Vice President , Village of Oak Lake subdivision HOA

16311 Ember Hollow Lane,
Sugar Land Tx, 77498
Phone: 281-980-9147
Email: dondobesh@yahoo.com



**Forfeiture pursuant to Section 171.309 of the Texas Tax Code
of
SHR INVESTS CORPORATION**

File Number : 800542292

Certificate / Charter forfeited : August 03, 2007

The Secretary of State hereby determines and finds the following:

1. The Secretary of State has received certification from the Comptroller of Public Accounts under Section 171.302 of the Texas Tax Code that there are grounds for forfeiture of the charter or certificate of authority of the referenced entity.
2. The entity has not revived its forfeited corporate privileges within 120 days after the date that the corporation privileges were forfeited.
3. The Comptroller of Public Accounts has determined that the entity does not have assets from which a judgment for any tax, penalty, or court costs imposed under Chapter 171 of the Code may be satisfied.

It is therefore ordered that the entity's charter or certificate of authority be forfeited without judicial ascertainment and that the proper entry be made upon the permanent files and records of such entity to show such forfeiture as of the date hereof.



A handwritten signature in cursive script that reads "Phil Wilson".

Phil Wilson
Secretary of State

Sharon Gamble

From: Loree Conrad [lconrad10@earthlink.net]
Sent: Saturday, June 13, 2009 8:28 PM
To: robbye.meyer@tdhca.state.tx.us
Cc: sharon.gamble@tdhca.state.tx.us
Subject: Complaint re: Application #09166



Neal Singh.jpg (465 KB)



Neal Singh 2.jpg (244 KB)



Neal Singh 3.jpg (54 KB)

Dear Ms. Meyer,

I would like to file a formal complaint re: Goldshire Townhomes, application # 09166.

As I spoke with you on the phone on June 11, I am disturbed that the applicant Navdip S. Sobti is applying using that name. He legally changed his name on January 18, 2008 (a year before this application) to Neal Singh. In his application, he uses both names, Navdip Sobti, and Neal Singh, as though they are 2 different people. He has signed both names before a Notary Public as though it were 2 individuals, rather than 1.

I am not a lawyer, so I cannot comment on the legality of this, but common sense seems to dictate that if you have legally changed your name, then you must use that name, and that name only, when you are filing an application for federal funds, and certifying that all information is true.

I have attached the scanned images of the Court decree granting the name change.

I feel that this application should be disqualified, based on this information, and Navdip Sobti/Neal Singh should never be allowed to participate in the Tax Credit Program again.

Thank you,
Loree Conrad
16427 Ember Hollow Lane
Sugar Land, TX 77498
281-277-5422 home
281-799-7155 cell

CAUSE NO. 07-CV-159941

IN THE MATTER OF
NAVDIP SINGH SOBTI,
AN ADULT

§
§
§
§
§

IN THE DISTRICT COURT OF
FORT BEND COUNTY, TEXAS
387th JUDICIAL DISTRICT

DECREE GRANTING NAME CHANGE OF ADULT

On the date below written, this Court heard the petition of petitioner Navdip Singh Sobti for a decree changing his name. Petitioner appeared before the Court in person. The Court, having considered the pleadings and having heard the evidence presented, makes the following findings:

1. The petitioner's present name is Navdip Singh Sobti.
2. The petitioner's place of residence is 4823 Menlo Park Drive, Sugar Land, Fort Bend County, Texas.
3. The full name requested for the petitioner is Neal Singh.
4. Petitioner is a Asian male who was born on January 4, 1964.
5. The petitioner's Texas Driver's License Number is 18260179, issued on April 9, 2007. The petitioner's Social Security Number is [REDACTED]
6. There is no assigned Federal Bureau of Investigation number, state identification number, or any other reference number in a criminal history record system that identifies the petitioner.
7. The petitioner is not subject to the sex offender registration requirements of The Texas Code of Criminal Procedure.
8. Petitioner has not been charged with any offense above the grade of a Class C Misdemeanor.
9. The Petitioner does not have a final felony conviction.
10. The change of name requested by petitioner is in the interest of, or to the benefit of the petitioner, and is in the interest of the public.
11. Pursuant to Section 45.104 of the Texas Family Code, the change of name granted in this Order does not release the petitioner from any liability incurred in the petitioner's previous name, nor does it defeat any right the petitioner may have in his previous name.



IT IS THEREFORE ORDER ADJUDGE AND DECREED that the name of Navdip Singh

Sobti is changed to Neal Singh.

Signed this the 18 day of January, 2008.



JUDGE PRESIDING

APPROVED and REQUESTED:



FREDERICK P. FORLANO
3050 Post Oak Blvd., Suite 1425
Houston, Texas 77056-6523
(713) 621-6611
(713) 621-4060 - FAX
FPForlano@suite1170.com - Email
SBN: 07258700

ATTORNEY FOR PETITIONER

FILED

JAN 18 2008
AT 9:07 A.M.
Amie Rene Elliott
Clerk District Court, Fort Bend Co., TX



I, Annie Rebecca Elliott, District Clerk of Fort Bend County, Texas, do hereby certify that the foregoing is a true, correct and full copy of the instrument herein set out as appears of record in the District Court of Fort Bend County, Texas. This 10th day of June 2009



ANNIE REBECCA ELLIOTT, DISTRICT CLERK

By *Lisa J. J. J.* Deputy

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2009

Action Item

Presentation, Discussion and Possible Issuance of a list of Approved Applications (as of June 18) for Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of Texas Government Code.

Requested Action

Issue a list of Approved Applications (as of June 18) for Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of Texas Government Code from the 2009 State Housing Credit Ceiling.

Background

The Texas Department of Housing and Community Affairs’ (the “Department”) Board is required by §2306.6724(e) of Texas Government Code to “review the recommendations of department staff regarding applications and shall issue a list of approved applications each year in accordance with the qualified allocation plan no later than June 30.” Based on existing legal interpretation, attached hereto, this requirement is satisfied by staff recommending to the Board all existing approved applications, which include all active applications not currently withdrawn by the applicant or terminated by the Department. This statutory language does not require that the list approved by the Board during the June Board meeting be split into a preliminary determination of those applications that may be recommended for a commitment of housing tax credits. In July, as required by §2306.6724(f) of Texas Government Code, the Board “shall issue final commitments for allocations of housing tax credits each year in accordance with the qualified allocation plan not later than July 31.” At the July 30, 2009 Board meeting the list presented to the Board will clearly identify those applications being recommended for a Commitment Notice.

There are three lists for Board approval of all current approved applications from which the July 30, 2009 awards of housing tax credits will be selected. These include the At-Risk, Ike and Regional List. There were 186 Pre-Applications submitted reflecting a total request for housing tax credits of \$231,400,487.

Subsequently there were 140 full applications submitted with a total request for housing tax credits of \$165,285,249, of which 16 applications, totaling \$7,594,677 applied under the “At-Risk” and “USDA” set-asides; 66 applications, totaling \$71,983,522 applied in the Competitive Regions; and 58 applications, totaling \$85,707,050 applied in the Ike designated areas.

At this time, 12 applications have been withdrawn by the applicant and 5 have been terminated by the Department. Therefore, there are 123 approved applications currently competing for housing tax credits. Of the 123 applications, 12 face termination, pending Executive Director and/or Board action. **Not all of the 123 approved applications will receive a commitment of**

housing tax credits; the list merely reflects the pool from which awarded applications will be selected. The lists attached include the current score for each active application as well as relevant application information. In addition to the 123 approved applications currently competing for housing tax credits, the attached lists include applications that received forward commitments by the Board in 2008 out of the 2009 State Housing Tax Credit Ceiling. The Developments that received forward commitments are indicated by an “A” in the column titled “Status” as they have already received an award from the 2009 cycle. The approved applications to be considered by the Board for an award at the July 30, 2009 meeting are indicated by a “P” in the “Status” column excluding the applications that have TERM or WITH indicated in the “Notes” column on the right of the report.

At this time, not all applications have been reviewed for financial feasibility or compliance history; all applications are subject to those reviews. Through this review some applications may be found to be financially infeasible or ineligible based on compliance history, in which case they will be removed from the list of approved applications. Further, the credit amount reflected on this list is the requested credit amount and may change to reflect a recommended credit amount and/or may have conditions placed on the allocation at the time of the July 30, 2009 commitments. In addition to applications that may be removed from the list for issues of financial feasibility, applications may also be added to or removed from the list of approved applications by the Executive Director as determinations are made on appeals.

Staff Recommendation

Staff recommends that the Board issue the attached recommended list of approved applications for 2009 Housing Tax Credits pursuant to §2306.6724(e).

List of Approved Applications (as of June 18) for Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of Texas Government Code

Development Number	Development Name	Development City	Region	Status
09006	Cedar Street Apts	Brownfield	1	Forward Commitment
09101	Hampton Villages	Pampa	1	Pending Application
09113	Estacado Place Apts	Lubbock	1	Pending Application
09179	Emory Senior Living Apts	Lubbock	1	Pending Application
09315	Canyons Retirement Community	Amarillo	1	Pending Application
09320	Oxford Street Apts	Amarillo	1	Pending Application
09105	Villages at Snyder	Snyder	2	Pending Application
09110	Mustang Heights Apts	Sweetwater	2	Pending Application
09146	Oakwood Apts	Brownwood	2	Pending Application
09164	Gholson Hotel	Ranger	2	Pending Application
09175	Abilene Senior Village	Abilene	2	Pending Application
09007	Mill Stone Apts	Fort Worth	3	Forward Commitment
09010	Mineral Wells Pioneer Crossing	Mineral Wells	3	Forward Commitment
09023	Four Seasons at Clear Creek	Fort Worth	3	Forward Commitment
09030	Heritage Park Vista	Fort Worth	3	Additional Credits
09033	Residences at Eastland	Fort Worth	3	Additional Credits
09100	Crestmoor Park South Apts	Burleson	3	Pending Application
09108	Peachtree Seniors	Balch Springs	3	Pending Application
09115	Magnolia Trace	Dallas	3	Pending Application
09116	Tuscany Villas	Plano	3	Pending Application
09129	Napa Villas	Plano	3	Pending Application
09135	Lincoln Terrace	Fort Worth	3	Pending Application
09140	Village of Salado	Cedar Hill	3	Pending Application

09168	LifeNet Lofts	Dallas	3	Pending Application
09171	Evergreen at Wylie	Wylie	3	Pending Application
09172	Evergreen at Vista Ridge	Lewisville	3	Pending Application
09173	Evergreen at Sunnyvale	Sunnyvale	3	Pending Application
09189	Crestshire Village	Dallas	3	Pending Application
09200	Mariposa Pointe	Hutchins	3	Pending Application
09223	Kleberg Commons	Dallas	3	Pending Application
09237	Woodland Park at Decatur	Decatur	3	Pending Application
09264	Sedona Ranch	Fort Worth	3	Pending Application
09314	Taylor Farms	Dallas	3	Pending Application
09019	Timber Village Apts II	Marshall	4	Forward Commitment - Hurricane Ike Credits
09031	Lake View Apartment Homes	Tyler	4	Additional Credits - Hurricane Ike Credits
09260	Millie Street Apts	Longview	4	Pending Application
09261	Turner Street Apts	Palestine	4	Pending Application
09027	Timber Creek Senior Living	Beaumont	5	Additional Credits - Hurricane Ike Credits
09104	Stone Hearst Seniors	Beaumont	5	Pending Application
09162	Arbor Pines Apartment Homes	Orange	5	Pending Application
09183	Grace Lake Townhomes	Beaumont	5	Pending Application
09184	Oakmont Apts	Orange	5	Pending Application
09228	Lufkin Pioneer Crossing for Seniors	Lufkin	5	Pending Application
09247	Sterling Heights Apts	Beaumont	5	Pending Application
09000	Courtwood Apts	Eagle Lake	6	Pending Application
09001	Hillwood Apts	Weimar	6	Pending Application
09026	Jackson Village Retirement Center	Lake Jackson	6	Additional Credits - Hurricane Ike Credits
09102	Magnolia Trails	Magnolia	6	Pending Application
09103	Trebah Village	Katy	6	Pending Application
09120	Senior Villages of Huntsville	Huntsville	6	Pending Application
09132	Chelsea Senior Community	Houston	6	Pending Application
09142	Floral Gardens	Houston	6	Pending Application

09156	Park Lane Apts	Houston	6	Pending Application
09160	Stone Court Senior Residences	Houston	6	Pending Application
09161	Sterling Court Senior Residences	Houston	6	Pending Application
09166	Goldshire Townhomes	Sugar Land	6	Pending Application
09167	Fondren Ranch	Houston	6	Pending Application
09169	Orem Ranch	Houston	6	Pending Application
09170	South Acres Ranch II	Houston	6	Pending Application
09177	Orchard at Oak Forest	Houston	6	Pending Application
09185	Maplewood Village II	League City	6	Pending Application
09188	Casa Brazoria	Clute	6	Pending Application
09191	Sendero Pointe	Houston	6	Pending Application
09193	Sierra Meadows	Houston	6	Pending Application
09196	Golden Bamboo Village II	Houston	6	Pending Application
09201	Ventana Pointe	Houston	6	Pending Application
09232	Brazos Bend Villa	Richmond	6	Pending Application
09242	Beechnut Oaks	Houston	6	Pending Application
09248	Pearland Senior Village	Pearland	6	Pending Application
09249	Dixie Gardens	Houston	6	Pending Application
09254	Irvington Court	Houston	6	Pending Application
09265	Greenhouse Place	Houston	6	Pending Application
09266	Skytop Apts	Conroe	6	Pending Application
09267	Heritage Crossing	Santa Fe	6	Pending Application
09269	Eldridge Oaks	Houston	6	Pending Application
09270	Northline Apartment Homes	Houston	6	Pending Application
09272	Mason Apartment Homes	Houston	6	Pending Application
09276	Cypress Creek at Calder Drive	Dickinson	6	Pending Application
09280	Mariposa at Ella Blvd	Houston	6	Pending Application
09281	Mariposa at Keith Harrow	Houston	6	Pending Application
09287	Horizon Meadows Apts	La Marque	6	Pending Application

09311	Deerbrook Place Apts	Houston	6	Pending Application
09312	Villas at El Dorado Apts	Houston	6	Pending Application
09313	Hampshire Court Apts	Pasadena	6	Pending Application
09317	Champion Homes at Marina Landing	Galveston	6	Pending Application
09008	Huntington	Buda	7	Forward Commitment
09012	Park Ridge Apts	Llano	7	Forward Commitment
09034	Tuscany Park at Buda	Buda	7	Additional Credits
09130	M Station	Austin	7	Pending Application
09138	Belmont Senior Village	Leander	7	Pending Application
09268	Wildflower Terrace	Austin	7	Pending Application
09293	Villas of Shady Grove	Burnet	7	Pending Application
09294	Northgate/Rhomberg Apts	Burnet	7	Pending Application
09310	San Gabriel Crossing	Liberty Hill	7	Pending Application
09024	Costa Esmeralda	Waco	8	Forward Commitment
09118	Fairways at Sammons Park	Temple	8	Pending Application
09121	Red Oak Seniors	Waco	8	Pending Application
09126	Holland House Apts	Holland	8	Pending Application
09147	Village Place Apts	Lorena	8	Pending Application
09148	Whispering Oaks Apts	Goldthwaite	8	Pending Application
09149	Autumn Villas	Lorena	8	Pending Application
09150	Prairie Village Apts	Rogers	8	Pending Application
09163	Tremont Apartment Homes	Killeen	8	Pending Application
09165	Cherrywood Apts	West	8	Pending Application
09015	Sutton Homes	San Antonio	9	Forward Commitment
09187	Pleasanton Farms	San Antonio	9	Pending Application
09190	San Juan Square III	San Antonio	9	Pending Application
09192	Tierra Pointe	Karnes City	9	Pending Application
09198	Montabella Pointe	San Antonio	9	Pending Application
09202	Tesoro Hills	San Antonio	9	Pending Application

09230	Darson Marie Terrace	San Antonio	9	Pending Application
09304	Gardens at Clearwater Apts	Kerrville	9	Pending Application
09307	Medio Springs Ranch Apts	San Antonio	9	Pending Application
09158	Arrowsmith Apts	Corpus Christi	10	Pending Application
09211	Corban Townhomes	Corpus Christi	10	Pending Application
09245	Heights at Corral	Kingsville	10	Pending Application
09318	Hyatt Manor I and II Apts	Gonzales	10	Pending Application
09119	Legacy Villas	Eagle Pass	11	Pending Application
09180	Weslaco Hills Apts	Weslaco	11	Pending Application
09181	Bowie Garden Apts	Brownsville	11	Pending Application
09233	Casa Alton	Alton	11	Pending Application
09127	Sage Brush Village	Odessa	12	Pending Application
09136	Gateway to Eden	Eden	12	Pending Application
09299	Hillcrest Acres	Midland	12	Pending Application
09011	Canutillo Palms	El Paso	13	Forward Commitment
09013	Desert Villas	El Paso	13	Forward Commitment
09025	Ysleta del Sur Pueblo Homes I	Socorro	13	Forward Commitment
09028	Tres Palmas	El Paso	13	Additional Credits
09029	San Elizario Palms	San Elizario	13	Additional Credits
09032	Paseo Palms	El Paso	13	Additional Credits
09131	Presidio Palms	San Elizario	13	Pending Application
09306	Canyon Square Village	El Paso	13	Pending Application

List of Terminated Applications (as of June 18) Pending Executive Director and/or Board Action on Appeals

Development Number	Development Name	Development City	Region	Status
09112	Point Royale Apts	Victoria	10	Terminated Application, Pending Executive Director Appeal
09236	Woodland Park at Greenville Phase I	Greenville	3	Terminated Application, Pending Executive Director Appeal
09238	Woodland Park at Greenville II	Greenville	3	Terminated Application, Pending Executive Director Appeal
09316	Champion Homes at Bay Walk	Galveston	6	Terminated Application, Pending Executive Director Appeal
09225	Hacienda Del Sol	Dallas	3	Terminated Application, Pending Executive Director Appeal
09308	Village of Kaufman	Kaufman	3	Terminated Application, Pending Board Appeal
09128	Willow Meadow Place	Houston	6	Terminated Application, Pending Board Appeal
09274	Windfern Pointe Apts	Houston	6	Terminated Application, Pending Executive Director Appeal
09159	Malibu Apts	Austin	7	Terminated Application, Pending Executive Director Appeal
09107	Mexia Gardens	Mexia	8	Terminated Application, Pending Board Appeal
09288	Chaminade Apts	San Antonio	9	Terminated Application, Pending Executive Director Appeal
09319	Casa Messina	Edcouch	11	Terminated Application, Pending Board Appeal

**Presentation, Discussion and Issuance of a List of Approved Applications
2009 Competitive HTC At-Risk Set-Aside Applications Sorted by Awarded Score as of June 25, 2009**

Estimated State Ceiling to be Allocated: \$8,392,806*

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³			LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁷	
09204	6 N	Arbor Court Apts	802 Seminar Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	232	232	G	RH	<input checked="" type="checkbox"/>	\$844,882	Matthew Finkle	<input type="checkbox"/>	0.0	TERM	
Total:									232	232				\$844,882					
09135	3 P	Lincoln Terrace	4714 Horne St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	72	72	G	RH	<input checked="" type="checkbox"/>	\$968,585	Barbara Holston	<input type="checkbox"/>	215.0	REA	
09288	9 P	Chaminade Apts	330 W. Cheryl Dr.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	194	200	G	RH	<input checked="" type="checkbox"/>	\$1,123,738	Rod Radle	<input type="checkbox"/>	210.0	REA-APP	
09165	8 P	Cherrywood Apts	701 W. Tokio Rd.	West	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	44	44	E	RH	<input checked="" type="checkbox"/>	\$290,139	Pete Potterpin	<input checked="" type="checkbox"/>	203.0	REA	
09148	8 P	Whispering Oaks Apartments	1209 West 8th	Goldthwaite	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	E	RH	<input checked="" type="checkbox"/>	\$163,083	Patrick A. Barbolla	<input checked="" type="checkbox"/>	187.0	REA	
09150	8 P	Prairie Village Apts	611 Paul St.	Rogers	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	G	RH	<input checked="" type="checkbox"/>	\$150,471	Patrick A. Barbolla	<input checked="" type="checkbox"/>	187.0	REA	
09146	2 P	Oakwood Apts	3501 Rhodes Rd.	Brownwood	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	47	48	G	RH	<input checked="" type="checkbox"/>	\$275,731	Patrick A. Barbolla	<input checked="" type="checkbox"/>	185.0	REA	
09100	3 P	Crestmoor Park South Apts	514 SE Gardens	Burleson	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	68	68	G	RH	<input checked="" type="checkbox"/>	\$468,098	Joe Chamy	<input checked="" type="checkbox"/>	183.0	REA	
09232	6 P	Brazos Bend Villa	2020 Rocky Falls Rd.	Richmond	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	120	120	G	RH	<input checked="" type="checkbox"/>	\$1,368,982	Kenneth Tann	<input type="checkbox"/>	177.0	REA-IKE	
09294	7 P	Northgate Apts and Rhomberg Apts	105 Northgate Circle & 806 N. Rhomberg	Burnet	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	60	60	G	RH	<input checked="" type="checkbox"/>	\$319,092	Dennis Hoover	<input checked="" type="checkbox"/>	177.0	REA	
09149	8 P	Autumn Villas	100 Autumn Villas Dr.	Lorena	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	16	16	E	RH	<input checked="" type="checkbox"/>	\$106,245	Patrick A. Barbolla	<input checked="" type="checkbox"/>	177.0	REA	
09147	8 P	Village Place Apts	111 Village Place Dr.	Lorena	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	32	32	G	RH	<input checked="" type="checkbox"/>	\$205,533	Patrick A. Barbolla	<input checked="" type="checkbox"/>	173.0	REA	
09318	10 P	Hyatt Manor I and II Apts	1701 Waco St.	Gonzales	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	65	65	G	RH	<input checked="" type="checkbox"/>	\$350,058	Dennis Hoover	<input checked="" type="checkbox"/>	162.0	REA	
09126	8 P	Holland House Apts	616 Josephine St.	Holland	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	68	68	G	RH	<input checked="" type="checkbox"/>	\$513,496	Warren Maupin	<input checked="" type="checkbox"/>	160.0	REA	
09000	6 P	Courtwood Apartments	400 S. Austin Rd.	Eagle Lake	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	50	50	E	RH	<input checked="" type="checkbox"/>	\$295,095	Ronald Potterpin	<input checked="" type="checkbox"/>	125.0	REA	
09001	6 P	Hillwood Apartments	308 N. East St.	Weimar	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24	24	E	RH	<input checked="" type="checkbox"/>	\$151,449	Ronald Potterpin	<input checked="" type="checkbox"/>	125.0	REA	
Total:									908	915				\$6,749,795					
16 Total Applications		Sum of Awarded Credits:		Sum of Pending Credits:				1,140 1,147				\$7,594,677							
				\$6,749,795															

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**Presentation, Discussion and Issuance of a List of Approved Applications
2009 Competitive HTC Hurricane Ike Counties Applications Sorted by Awarded Score as of June 25, 2009**

Estimated State Ceiling to be Allocated: \$29,812,320*

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides ³	LI	Total	Target ⁴	Housing ⁵	ACQ	Credit	Owner Contact	TDHCA	Awd	Notes
							USDA	NP	Units	Pop	Activity		Request		HOME	Score	
	09019	4 A	Timber Village Apartments II	2707 Norwood St.	Marshall	Rural	<input type="checkbox"/>	<input type="checkbox"/>	72	72	NC	<input type="checkbox"/>	\$817,794	Rick J. Deyoe	<input checked="" type="checkbox"/>	301.0	FWD-IKE
	09031	4 A	Lake View Apartment Homes	N. Broadway at Loop 323	Tyler	Urban	<input type="checkbox"/>	<input type="checkbox"/>	134	140	NC	<input type="checkbox"/>	\$281,675	Michael Lankford	<input type="checkbox"/>	300.0	AC-IKE
	09027	5 A	Timber Creek Senior Living	Proposed Sienna Trails Dr. & Timber Creek Loop	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	115	120	NC	<input type="checkbox"/>	\$147,561	Ofelia Elizondo	<input type="checkbox"/>	300.0	AC-IKE
	09026	6 A	Jackson Village Retirement Center	200 Abner Jackson Blvd.	Lake Jackson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	96	NC	<input type="checkbox"/>	\$116,848	Ofelia Elizondo	<input type="checkbox"/>	300.0	AC-IKE
							Total:		413	428			\$1,363,878				
	09309	5 N	Fox Run Apartments	2600 Allie Payne Rd.	Orange	Rural	<input type="checkbox"/>	<input type="checkbox"/>	70	70	RH	<input checked="" type="checkbox"/>	\$614,960	Mark S. Moorhouse	<input type="checkbox"/>	0.0	TERM
	09250	6 N	Savile Manor	12505 Savile Ln.	Jersey Village	Urban	<input type="checkbox"/>	<input type="checkbox"/>	76	76	NC	<input type="checkbox"/>	\$889,000	H. Elizabeth Young	<input type="checkbox"/>	0.0	WITH
	09239	6 N	Gosling Oaks Apts	Gosling Rd. S. of FM 2920	Spring	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	NC	<input type="checkbox"/>	\$1,950,152	Les Kilday	<input type="checkbox"/>	0.0	WITH
	09279	6 N	Waterford Place Apts	3125 Crestdale	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	464	546	RH	<input checked="" type="checkbox"/>	\$2,665,096	Ryan McCord	<input type="checkbox"/>	0.0	TERM
	09204	6 N	Arbor Court Apts	802 Seminar Dr.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	232	232	RH	<input checked="" type="checkbox"/>	\$844,882	Matthew Finkle	<input type="checkbox"/>	0.0	TERM
	09285	6 N	Cypress Creek at FM 1266	SWQ of 27th St. and FM 1266	Dickinson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	180	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	0.0	WITH
	09141	6 N	Ashton Park	Approx. 14520 Wunderlich Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	NC	<input type="checkbox"/>	\$1,999,510	Uwe Nahuina	<input type="checkbox"/>	0.0	WITH
	09300	6 N	The Wilshire Seniors	Grand Pkwy., in the ETJ of Richmond, Ft. Bend County, TX	Greatwood	Urban	<input type="checkbox"/>	<input type="checkbox"/>	142	142	NC	<input type="checkbox"/>	\$1,704,000	Lisa Vanzant	<input type="checkbox"/>	0.0	WITH
	09305	6 N	Ley Roads Villas	7600 E. Houston	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	128	128	RH	<input type="checkbox"/>	\$1,493,253	Amay Inamdar	<input type="checkbox"/>	0.0	WITH
	09284	6 N	Cypress Creek at Keith Harrow	SWQ of Keith Harrow Blvd. & Hwy 6	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	180	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	0.0	WITH
							Total:		1,788	1,870			\$16,160,853				
	09102	6 P	Magnolia Trails	31000 Blk of Nichols Sawmill Rd. (W. side)	Magnolia	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	80	NC	<input type="checkbox"/>	\$805,336	David Mark Koogler	<input type="checkbox"/>	212.0	REA-IKE

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Region	File #	Status	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁷
	09265	6 P	Greenhouse Place	SEQ West & Greenhouse	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	140	140	E	NC	<input type="checkbox"/>	\$1,461,953	Manish Verma	<input type="checkbox"/>	210.0	REA-IKE
	09142	6 P	Floral Gardens	NEQ of Beltway 8 & Fondren Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$1,449,584	Uwe Nahuina	<input type="checkbox"/>	210.0	REA-IKE
	09132	6 P	Chelsea Senior Community	6900 Blk of TC Jester & W. Little York Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	150	150	E	NC	<input type="checkbox"/>	\$1,968,604	Cherno M. Njie	<input type="checkbox"/>	209.0	REA-IKE
	09274	6 P	Windfern Pointe Apts	9515 W. Gulf Bank Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	200	200	G	RH	<input checked="" type="checkbox"/>	\$1,202,145	J. Douglas Rippetto, Jr.	<input type="checkbox"/>	208.0	REA-APP
	09272	6 P	Mason Apartment Homes	Mason Rd. b/t Franz & Morton Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,068,324	Kenneth Cash	<input type="checkbox"/>	207.0	REA-IKE
	09103	6 P	Trebah Village	19000 Blk of West Little York Rd. (S. side)	Katy	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	121	129	E	NC	<input type="checkbox"/>	\$1,244,034	David Mark Koogler	<input type="checkbox"/>	204.0	REA-IKE
	09280	6 P	Mariposa at Ella Blvd	Approx. 0.1 mi SE of Southridge Rd. on Ella Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	204.0	REA-IKE
	09254	6 P	Irvington Court	4004 Irvington Blvd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	115	144	G	NC	<input type="checkbox"/>	\$1,343,499	Jason Holoubek	<input type="checkbox"/>	204.0	REA-IKE
	09281	6 P	Mariposa at Keith Harrow	SWQ of Keith Harrow Blvd. & Hwy 6	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	204.0	REA-IKE
	09267	6 P	Heritage Crossing	NWC of 11th St. & FM 646	Santa Fe	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	68	72	E	NC	<input type="checkbox"/>	\$851,779	Ron Williams	<input checked="" type="checkbox"/>	203.0	REA-IKE
	09120	6 P	Senior Villages of Huntsville	140 Essex Blvd.	Huntsville	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$543,038	R.J. Collins	<input type="checkbox"/>	203.0	REA-IKE
	09270	6 P	Northline Apartment Homes	N. Side of W. Grenfell Ln. & W. Side of Northline Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$1,988,105	Kenneth Cash	<input type="checkbox"/>	203.0	REA-IKE
	09104	5 P	Stone Hearst Seniors	1650 E. Lucas Dr.	Beaumont	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$543,750	R.J. Collins	<input type="checkbox"/>	202.0	REA-IKE
	09193	6 P	Sierra Meadows	BW 8 & E. of Wilson Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	85	90	E	NC	<input type="checkbox"/>	\$1,182,413	Paula B. Burns	<input type="checkbox"/>	202.0	REA-IKE
	09248	6 P	Pearland Senior Village	8100 Blk of Broadway St. (S. side)	Pearland	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	126	126	E	NC	<input type="checkbox"/>	\$1,537,571	Doak Brown	<input checked="" type="checkbox"/>	200.0	REA-IKE
	09188	6 P	Casa Brazoria	152nd Blk of Brazoswood Dr.	Clute	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$892,500	Vincent A. Marquez	<input type="checkbox"/>	200.0	REA-IKE
	09160	6 P	Stone Court Senior Residences	NEC of Smithstone Dr. & Somerall Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$1,027,552	Michael Robinson	<input type="checkbox"/>	200.0	REA-IKE
	09161	6 P	Sterling Court Senior Residences	NWC of Minnesota & Alameda Genoa	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	140	140	E	NC	<input type="checkbox"/>	\$1,849,413	Michael Robinson	<input type="checkbox"/>	200.0	REA-IKE

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Region	File #	Status	Development Name	Address	City	Allocation ²	Set-Asides ³	LI	Total	Target ⁴	Housing ⁵	ACQ ⁶	Credit	Owner	Contact	TDHCA	Awd	Notes
							USDA NP AR	Units	Units	Pop	Activity		Request			HOME	Score	
	09170	6 P	South Acres Ranch II	E. Side of 11400 Blk of Scott St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	48	49	G	NC	<input type="checkbox"/>	\$1,013,194	W. Barry Kahn		<input type="checkbox"/>	200.0	REA-IKE
	09201	6 P	Ventana Pointe	Red Oak & Butterfield Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	<input type="checkbox"/>	\$1,091,199	Vincent A. Marquez		<input type="checkbox"/>	199.0	REA-APP
	09191	6 P	Sendero Pointe	S. Side of Addicks Satsuma approx. 10m E. of Hwy 6	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,065,000	Thomas W. Troll		<input type="checkbox"/>	199.0	REA-IKE
	09287	6 P	Horizon Meadows Apts	Approx. 8.7 acres SWC of Main St. & Bayou Rd.	La Marque	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	96	96	G	NC	<input type="checkbox"/>	\$1,294,092	Rick J. Deyoe		<input checked="" type="checkbox"/>	199.0	REA-IKE
	09242	6 P	Beechnut Oaks	NWC of Beechnut & Eldridge Pkwy.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	<input type="checkbox"/>	\$1,686,794	Les Kilday		<input type="checkbox"/>	198.0	REA-IKE
	09184	5 P	Oakmont Apts	711 Interstate 10 East	Orange	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$921,300	K.T. (Ike) Akbari		<input type="checkbox"/>	197.0	REA-IKE
	09316	6 P	Champion Homes at Bay Walk	7200 Heards Ln.	Galveston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	192	192	G	RH	<input checked="" type="checkbox"/>	\$1,443,759	Saleem Jafar		<input type="checkbox"/>	197.0	APP-IKE
	09266	6 P	Skytop Apts	2455 N. Frazier	Conroe	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	174	192	G	NC	<input type="checkbox"/>	\$2,000,000	Richard Bowe		<input type="checkbox"/>	195.0	REA-IKE
	09269	6 P	Eldridge Oaks	8.5 acres on N. Eldridge Pkwy., N. of FM 529	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	160	160	G	NC	<input type="checkbox"/>	\$1,828,649	Kenneth Cash		<input type="checkbox"/>	194.0	REA-IKE
	09317	6 P	Champion Homes at Marina Landing	7302 Heards Ln.	Galveston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	256	256	G	RH	<input checked="" type="checkbox"/>	\$1,643,824	Saleem Jafar		<input type="checkbox"/>	193.0	PA-IKE
	09162	5 P	Arbor Pines Apartment Homes	W. of MLK Dr. near to Tulane Rd.	Orange	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	76	76	E	NC	<input type="checkbox"/>	\$915,220	Marc Caldwell		<input type="checkbox"/>	192.0	PA-IKE
	09228	5 P	Lufkin Pioneer Crossing for Seniors	1404 Old Gobblers Knob Rd.	Lufkin	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$1,213,676	Noor Jooma		<input checked="" type="checkbox"/>	192.0	REA-IKE
	09183	5 P	Grace Lake Townhomes	4060 West Cardinal Drive	Beaumont	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	128	128	G	NC	<input type="checkbox"/>	\$1,287,056	K.T. (Ike) Akbari		<input type="checkbox"/>	189.0	REA-IKE
	09177	6 P	Orchard at Oak Forest	NEQ of Brinkman St. & 34th St.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	118	118	E	NC	<input type="checkbox"/>	\$1,645,603	Stephan Fairfield		<input type="checkbox"/>	185.0	REA-IKE
	09196	6 P	Golden Bamboo Village II	E. Side of 12000 N. Gessner Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	116	116	G	NC	<input type="checkbox"/>	\$1,621,465	Michael Nguyen		<input type="checkbox"/>	185.0	REA-IKE
	09260	4 P	Millie Street Apts	SEC of Millie St. & Green St.	Longview	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	59	60	G	NC	<input type="checkbox"/>	\$665,000	Justin Zimmerman		<input type="checkbox"/>	184.0	REA-IKE
	09247	5 P	Sterling Heights Apts	N. Side of Phelan Blvd. & W. of Major Dr.	Beaumont	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	96	96	G	NC	<input type="checkbox"/>	\$1,293,919	Rick J. Deyoe		<input type="checkbox"/>	184.0	REA-IKE
	09276	6 P	Cypress Creek at Calder Drive	N. Side of FM 517 approx. 1/2 mi W. of FM 646	Dickinson	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	180	180	G	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw		<input type="checkbox"/>	181.0	PA-IKE

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							USDA	NP	AR	Units	Units	Pop	Activity		Request		HOME	Score		
	09232	6 P	Brazos Bend Villa	2020 Rocky Falls Rd.	Richmond	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	120	120	G	RH	<input checked="" type="checkbox"/>	\$1,368,982	Kenneth Tann	<input type="checkbox"/>	177.0	REA-IKE	
	09249	6 P	Dixie Gardens	1216 Dixie Farm Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148	148	I	NC	<input type="checkbox"/>	\$2,000,000	H. Elizabeth Young	<input type="checkbox"/>	177.0	PA-IKE	
	09166	6 P	Goldshire Townhomes	16827 Old Richmond Rd.	Sugar Land	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	150	150	G	NC	<input type="checkbox"/>	\$2,000,000	Navdip S. Sobti	<input type="checkbox"/>	169.0	REA-IKE	
	09185	6 P	Maplewood Village II	550 Hobbs Rd.	League City	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input checked="" type="checkbox"/>	\$1,149,880	Thomas H. Scott	<input checked="" type="checkbox"/>	165.0	PA-IKE	
	09156	6 P	Park Lane Apts	7515 Cook Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	144	144	G	NC	<input type="checkbox"/>	\$1,968,935	Brian Cogburn	<input type="checkbox"/>	164.0	PA-IKE	
	09128	6 P	Willow Meadow Place	10630 Beechnut	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	328	328	G	RH	<input type="checkbox"/>	\$1,884,462	M. Dale Dodson	<input type="checkbox"/>	164.0	APP-IKE	
	09167	6 P	Fondren Ranch	15800 Blk of Fondren at Fort Bend Tollway	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	95	95	G	NC	<input type="checkbox"/>	\$1,986,745	W. Barry Kahn	<input type="checkbox"/>	160.0	REA-IKE	
	09169	6 P	Orem Ranch	W. Side of 12500 Blk of Alameda	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	81	G	NC	<input type="checkbox"/>	\$1,597,843	W. Barry Kahn	<input type="checkbox"/>	160.0	PA-IKE	
	09312	6 P	Villas at El Dorado Apts	200 Blk of W. El Dorado Blvd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	Ken Brinkley	<input type="checkbox"/>	155.0	PA-IKE	
	09313	6 P	Hampshire Court Apts	3400 Blk of S. Burke Dr. near Vista Rd.	Pasadena	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	J. Steve Ford	<input type="checkbox"/>	150.0	PA-IKE	
	09311	6 P	Deerbrook Place Apts	19700 Blk of the W. Side of Deerbrook Park Blvd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	William D. Henson	<input type="checkbox"/>	141.0	APP-IKE	
							Total:			6,002	6,073				\$69,546,197					
62 Total Applications			Sum of Awarded Credits:		Sum of Pending Credits:				8,203	8,371				\$87,070,928						
			\$1,363,878		\$69,546,197															

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**Presentation, Discussion and Issuance of a List of Approved Applications
2009 Competitive HTC Regional Applications Sorted by Region as of June 25, 2009**

Estimated State Ceiling to be Allocated: \$47,559,234*

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁷	
Region: 1																	
Allocation Information for Region 1:		Total Credits Available for Region: \$1,641,008					Urban Allocation:			\$824,355		Rural Allocation:		\$816,653			
Applications Submitted in Region 1: Urban																	
09315	1 P	Canyons Retirement Community	2200 W. 7th Ave.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	106	111	E	RH	<input checked="" type="checkbox"/>	\$1,025,960	Jan Thompson	<input type="checkbox"/>	217.0	REA	
09179	1 P	Emory Senior Living Apts	500 Blk of N. MLK Blvd. and Emory St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	102	102	E	NC	<input type="checkbox"/>	\$986,330	John Czapski	<input type="checkbox"/>	204.0	REA	
09320	1 P	Oxford Street Apts	Ventura Dr. and Viking Dr.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	128	128	G	NC	<input type="checkbox"/>	\$1,330,000	Justin Zimmerman	<input type="checkbox"/>	180.0	PA	
09113	1 P	Estacado Place Apts	Intersection of MLK & Loop 289	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,388,828	G. Granger MacDonald	<input type="checkbox"/>	160.0	PA	
							Total:	456	461			\$4,731,118					
							Total:	456	461			\$4,731,118					
Applications Submitted in Region 1: Rural																	
09006	1 A	Cedar Street Apartments	N. Cedar St. N. of Hwy 380	Brownfield	Rural	<input type="checkbox"/> <input type="checkbox"/>	48	48	G	NC	<input type="checkbox"/>	\$510,685	Justin Zimmerman	<input type="checkbox"/>	301.0	FWD	
							Total:	48	48			\$510,685					
09101	1 P	Hampton Villages	1517 W. Alcock St.	Pampa	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	<input type="checkbox"/>	\$1,336,962	Tim Lang	<input type="checkbox"/>	200.0	REA	
							Total:	76	76			\$1,336,962					
							Total:	124	124			\$1,847,647					
6 Applications in Region					Region Total:		580	585			\$6,578,765						

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Applications=TERM, Withdrawn Applications=WITH, Hurricane Ike County=IKE, Application is under appeal and the conditional score reflects self score plus points for (i)(2), (i)(6) and (i)(18)=APP1,

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Region: 2

Allocation Information for Region 2:	Total Credits Available for Region:	\$968,180	Urban Allocation:	\$389,640	Rural Allocation:	\$578,541
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Applications Submitted in Region 2:		Urban															
09175	2 P	Abilene Senior Village	Lot 2 at Covenant Dr. & Memorial Dr.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	92	E	NC	<input type="checkbox"/>	\$1,129,224	Bonita Williams	<input type="checkbox"/>	210.0	REA
								Total:	92	92			\$1,129,224				
								Total:	92	92			\$1,129,224				

Applications Submitted in Region 2:		Rural															
09164	2 P	Gholson Hotel	215 Main St.	Ranger	Rural	<input type="checkbox"/>	<input type="checkbox"/>	50	50	E	RH	<input checked="" type="checkbox"/>	\$373,238	Chad Asarch	<input type="checkbox"/>	222.0	REA
09105	2 P	Villages at Snyder	1001 37th St.	Snyder	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	I	NC	<input type="checkbox"/>	\$1,221,403	Jay Collins	<input type="checkbox"/>	198.0	REA
09110	2 P	Mustang Heights Apartments	Intersection of Arizona Ave. & I-20 frontage Rd.	Sweetwater	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$952,875	Leslie Clark	<input type="checkbox"/>	160.0	PA
								Total:	210	210			\$2,547,516				
								Total:	210	210			\$2,547,516				

4 Applications in Region	Region Total:	302	302			\$3,676,740
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Thursday, June 18, 2009

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
3								Units	Units	Pop	Activity	Request	HOME	Score	

Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$10,919,006	Urban Allocation: \$9,742,625	Rural Allocation: \$1,176,381
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Applications Submitted in Region 3:			Urban															
09007	3 A	Mill Stone Apartments	8600 Randoll Mill Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>		144	144	G	NC	<input type="checkbox"/>	\$1,410,399	Bert Magill	<input type="checkbox"/>	301.0	FWD
09023	3 A	Four Seasons at Clear Creek	Oak Grove Shelby & S. Race St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>		92	96	G	NC	<input type="checkbox"/>	\$921,081	Susan R. Sheeran	<input type="checkbox"/>	301.0	FWD
09030	3 A	Heritage Park Vista	8500 Ray White Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>		135	140	E	NC	<input type="checkbox"/>	\$161,776	Dan Allgeier	<input type="checkbox"/>	300.0	AC
09033	3 A	Residences at Eastland	5500 Eastland St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>		140	146	G		<input type="checkbox"/>	\$99,820	Dan Allgeier	<input type="checkbox"/>	300.0	AC
									Total:	511	526			\$2,593,076				
09157	3 N	The Plaza	1011 S. Akard St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>		148	156	G	ADR	<input type="checkbox"/>	\$1,632,996	John Greenan	<input type="checkbox"/>	0.0	WITH
									Total:	148	156			\$1,632,996				
09108	3 P	Peachtree Seniors	5009 Peachtree/11209 Rylie Crest Dr.	Balch Springs	Urban	<input type="checkbox"/>	<input type="checkbox"/>		144	144	E	NC	<input type="checkbox"/>	\$1,926,574	Ron Pegram	<input type="checkbox"/>	214.0	REA
09200	3 P	Mariposa Pointe	E. Side JJ Lemmon Rd .3m N. of Lancaster Hutchins Rd.	Hutchins	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>		128	128	G	NC	<input type="checkbox"/>	\$1,550,426	Cynthia Mickens-Smith	<input type="checkbox"/>	210.0	REA
09225	3 P	Hacienda Del Sol	9200 Mountain Cabin Rd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>		55	55	G	NC	<input type="checkbox"/>	\$1,067,103	Jeffrey S. Spicer	<input type="checkbox"/>	209.0	APP
09140	3 P	Village of Salado	9.549 acres at approx. 201 N. Joe Wilson Rd.	Cedar Hill	Urban	<input type="checkbox"/>	<input type="checkbox"/>		83	83	G	NC	<input type="checkbox"/>	\$1,599,958	Uwe Nahuina	<input type="checkbox"/>	205.0	REA
09172	3 P	Evergreen at Vista Ridge	NEQ of Highland Dr. and Rockbrook Dr.	Lewisville	Urban	<input type="checkbox"/>	<input type="checkbox"/>		120	120	E	NC	<input type="checkbox"/>	\$1,513,526	Brad Forslund	<input checked="" type="checkbox"/>	200.0	REA
09115	3 P	Magnolia Trace	S. of Crouch Rd. & W. of Lancaster Rd.	Dallas	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>		112	112	E	NC	<input type="checkbox"/>	\$1,000,000	Ted Stokely	<input type="checkbox"/>	200.0	REA
09116	3 P	Tuscany Villas	7200 Blk of Chase Oaks Blvd.	Plano	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>		90	90	E	NC	<input type="checkbox"/>	\$1,000,000	Ted Stokely	<input type="checkbox"/>	198.0	REA
09173	3 P	Evergreen at Sunnyvale	SEQ of S. Collins Rd. and Clay Rd.	Sunnyvale	Urban	<input type="checkbox"/>	<input type="checkbox"/>		120	120	E	NC	<input type="checkbox"/>	\$1,488,862	Brad Forslund	<input checked="" type="checkbox"/>	198.0	PA
09264	3 P	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>		200	208	G	NC	<input type="checkbox"/>	\$1,975,000	Manish Verma	<input type="checkbox"/>	196.0	PA

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Thursday, June 18, 2009

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides ³	LI	Total	Target ⁴	Housing ⁵	ACQ	Credit	Owner Contact	TDHCA	Awd	Notes
							USDA NP	Units	Units	Pop	Activity		Request		HOME	Score	
	09189	3 P	Crestshire Village	2300 N. St. Augustine Dr.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	74	74	G	NC	<input type="checkbox"/>	\$1,128,274	J. Eugene Thomas	<input type="checkbox"/>	195.0	PA
	09223	3 P	Kleberg Commons	12700 Kleberg Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	200	E	NC	<input type="checkbox"/>	\$2,000,000	Rodney Holloman	<input type="checkbox"/>	193.0	PA
	09171	3 P	Evergreen at Wylie	SEQ of FM 544 & McCreary Rd.	Wylie	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	E	NC	<input type="checkbox"/>	\$1,877,903	Brad Forslund	<input checked="" type="checkbox"/>	190.0	PA
	09314	3 P	Taylor Farms	32 Pinnacle Park Blvd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	160	G	NC	<input type="checkbox"/>	\$1,879,930	Jason Hutton	<input type="checkbox"/>	176.0	APP
	09168	3 P	LifeNet Lofts	2621 Jeffries St. and 2600 Block of Merlin St.	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	125	125	G	NC	<input type="checkbox"/>	\$1,000,295	Liam Mulvaney	<input type="checkbox"/>	176.0	REA
	09129	3 P	Napa Villas	NW corner Town Square Dr. & Gratitude Trl.	Plano	Urban	<input type="checkbox"/> <input type="checkbox"/>	123	123	E	NC	<input type="checkbox"/>	\$1,641,929	Dan Allgeier	<input type="checkbox"/>	133.0	PA
								Total:	1,874	1,898			\$22,649,780				
								Total:	2,533	2,580			\$26,875,852				

Applications Submitted in Region 3: Rural

09010	3 A	Mineral Wells Pioneer Crossing	2509 E. Hubbard	Mineral Wells	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$855,825	Noor Jooma	<input checked="" type="checkbox"/>	301.0	FWD	
								Total:	80	80			\$855,825				
09253	3 N	Harbin Street Apts	SEC of Lockhart Rd. & W. Washington St.	Stephenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	59	60	G	NC	<input type="checkbox"/>	\$665,000	Justin Zimmerman	<input type="checkbox"/>	0.0	WITH	
09227	3 N	Mineral Wells Pioneer Crossing for Seniors	805 SE 14th Ave.	Mineral Wells	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$515,678	Noor Jooma	<input checked="" type="checkbox"/>	0.0	TERM	
09111	3 N	Meadow View Apts	S. Harbin St.	Stephenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$955,241	Lucille Jones	<input type="checkbox"/>	0.0	WITH	
								Total:	175	176			\$2,135,919				
09308	3 P	Village of Kaufman	421 E. 7th St.	Kaufman	Rural	<input type="checkbox"/> <input type="checkbox"/>	68	68	I	RH	<input type="checkbox"/>	\$634,777	Mark S. Moorhouse	<input type="checkbox"/>	203.0	APP1	
09236	3 P	Woodland Park at Greenville Phase I	2100 E. Trader Rd.	Greenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	74	74	E	NC	<input type="checkbox"/>	\$621,666	Mark E. Feaster	<input type="checkbox"/>	156.0	APP	
09237	3 P	Woodland Park at Decatur	3108 S. Murvil St.	Decatur	Rural	<input type="checkbox"/> <input type="checkbox"/>	72	72	E	NC	<input type="checkbox"/>	\$576,558	Mark E. Feaster	<input type="checkbox"/>	150.0	PA	
09238	3 P	Woodland Park at Greenville II	2100 E. Traders Rd.	Greenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	40	40	E	NC	<input type="checkbox"/>	\$323,728	Mark E. Feaster	<input type="checkbox"/>	146.0	REA-APP	

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Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Housing ⁵ Activity	ACQ ⁶	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁷
						Total:	254	254				\$2,156,729				
						Total:	509	510				\$5,148,473				
28 Applications in Region						Region Total:	3,042	3,090				\$32,024,325				

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
4								Units	Units	Pop	Activity	Request	HOME	Score	

Region: 4

Allocation Information for Region 4:	Total Credits Available for Region:	\$1,686,295	Urban Allocation:	\$635,648	Rural Allocation:	\$1,050,647
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Applications Submitted in Region 4:		Urban															
09031	4 A	Lake View Apartment Homes	N. Broadway at Loop 323	Tyler	Urban	<input type="checkbox"/>	<input type="checkbox"/>	134	140	E	NC	<input type="checkbox"/>	\$281,675	Michael Lankford	<input type="checkbox"/>	300.0	AC-IKE
								Total:	134	140			\$281,675				
09260	4 P	Millie Street Apts	SEC of Millie St. & Green St.	Longview	Urban	<input type="checkbox"/>	<input type="checkbox"/>	59	60	G	NC	<input type="checkbox"/>	\$665,000	Justin Zimmerman	<input type="checkbox"/>	184.0	REA-IKE
								Total:	59	60			\$665,000				
								Total:	193	200			\$946,675				
Applications Submitted in Region 4:		Rural															
09019	4 A	Timber Village Apartments II	2707 Norwood St.	Marshall	Rural	<input type="checkbox"/>	<input type="checkbox"/>	72	72	G	NC	<input type="checkbox"/>	\$817,794	Rick J. Deyoe	<input checked="" type="checkbox"/>	301.0	FWD-IKE
								Total:	72	72			\$817,794				
09261	4 P	Turner Street Apts	NWC of State Hwy 155 & Turner St.	Palestine	Rural	<input type="checkbox"/>	<input type="checkbox"/>	59	60	G	NC	<input type="checkbox"/>	\$665,000	Justin Zimmerman	<input type="checkbox"/>	186.0	REA
								Total:	59	60			\$665,000				
								Total:	131	132			\$1,482,794				
4 Applications in Region						Region Total:		324	332			\$2,429,469					

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
5							USDA NP	Units	Units	Pop	Activity	Request	HOME	Score	

Region: 5	Allocation Information for Region 5:	Total Credits Available for Region: \$1,200,564	Urban Allocation: \$437,544	Rural Allocation: \$763,020
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Applications Submitted in Region 5:		Urban																
09027	5 A	Timber Creek Senior Living	Proposed Sienna Trails Dr. & Timber Creek Loop	Beaumont	Urban		<input type="checkbox"/>	<input type="checkbox"/>	115	120	E	NC	<input type="checkbox"/>	\$147,561	Ofelia Elizondo	<input type="checkbox"/>	300.0	AC-IKE
									Total:	115	120			\$147,561				
09104	5 P	Stone Hearst Seniors	1650 E. Lucas Dr.	Beaumont	Urban		<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$543,750	R.J. Collins	<input type="checkbox"/>	202.0	REA-IKE
09183	5 P	Grace Lake Townhomes	4060 West Cardinal Drive	Beaumont	Urban		<input type="checkbox"/>	<input type="checkbox"/>	128	128	G	NC	<input type="checkbox"/>	\$1,287,056	K.T. (Ike) Akbari	<input type="checkbox"/>	189.0	REA-IKE
09247	5 P	Sterling Heights Apts	N. Side of Phelan Blvd. & W. of Major Dr.	Beaumont	Urban		<input type="checkbox"/>	<input type="checkbox"/>	96	96	G	NC	<input type="checkbox"/>	\$1,293,919	Rick J. Deyoe	<input type="checkbox"/>	184.0	REA-IKE
									Total:	260	260			\$3,124,725				
									Total:	375	380			\$3,272,286				
Applications Submitted in Region 5:		Rural																
09309	5 N	Fox Run Apartments	2600 Allie Payne Rd.	Orange	Rural		<input type="checkbox"/>	<input type="checkbox"/>	70	70	G	RH	<input checked="" type="checkbox"/>	\$614,960	Mark S. Moorhouse	<input type="checkbox"/>	0.0	TERM
									Total:	70	70			\$614,960				
09184	5 P	Oakmont Apts	711 Interstate 10 East	Orange	Rural		<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$921,300	K.T. (Ike) Akbari	<input type="checkbox"/>	197.0	REA-IKE
09228	5 P	Lufkin Pioneer Crossing for Seniors	1404 Old Gobblers Knob Rd.	Lufkin	Rural		<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$1,213,676	Noor Jooma	<input checked="" type="checkbox"/>	192.0	REA-IKE
09162	5 P	Arbor Pines Apartment Homes	W. of MLK Dr. near to Tulane Rd.	Orange	Rural		<input type="checkbox"/>	<input type="checkbox"/>	76	76	E	NC	<input type="checkbox"/>	\$915,220	Marc Caldwell	<input type="checkbox"/>	192.0	PA-IKE
									Total:	236	236			\$3,050,196				
									Total:	306	306			\$3,665,156				
8 Applications in Region									Region Total:	681	686			\$6,937,442				

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Thursday, June 18, 2009

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
6								Units	Units	Pop	Activity	Request	HOME	Score	

Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$11,596,095	Urban Allocation: \$10,472,581	Rural Allocation: \$1,123,514
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Applications Submitted in Region 6:		Urban															
09026	6 A	Jackson Village Retirement Center	200 Abner Jackson Blvd.	Lake Jackson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	96	E	NC	<input type="checkbox"/>	\$116,848	Ofelia Elizondo	<input type="checkbox"/>	300.0	AC-IKE
						Total:	92	96				\$116,848					
09141	6 N	Ashton Park	Approx. 14520 Wunderlich Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	<input type="checkbox"/>	\$1,999,510	Uwe Nahuina	<input type="checkbox"/>	0.0	WITH
09305	6 N	Ley Roads Villas	7600 E. Houston	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	128	128	G	RH	<input type="checkbox"/>	\$1,493,253	Amay Inamdar	<input type="checkbox"/>	0.0	WITH
09300	6 N	The Wilshire Seniors	Grand Pkwy., in the ETJ of Richmond, Ft. Bend County, TX	Greatwood	Urban	<input type="checkbox"/>	<input type="checkbox"/>	142	142	E	NC	<input type="checkbox"/>	\$1,704,000	Lisa Vanzant	<input type="checkbox"/>	0.0	WITH
09285	6 N	Cypress Creek at FM 1266	SWQ of 27th St. and FM 1266	Dickinson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	180	G	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	0.0	WITH
09284	6 N	Cypress Creek at Keith Harrow	SWQ of Keith Harrow Blvd. & Hwy 6	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	180	G	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	0.0	WITH
09239	6 N	Gosling Oaks Apts	Gosling Rd. S. of FM 2920	Spring	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	G	NC	<input type="checkbox"/>	\$1,950,152	Les Kilday	<input type="checkbox"/>	0.0	WITH
09279	6 N	Waterford Place Apts	3125 Crestdale	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	464	546	G	RH	<input checked="" type="checkbox"/>	\$2,665,096	Ryan McCord	<input type="checkbox"/>	0.0	TERM
09250	6 N	Savile Manor	12505 Savile Ln.	Jersey Village	Urban	<input type="checkbox"/>	<input type="checkbox"/>	76	76	E	NC	<input type="checkbox"/>	\$889,000	H. Elizabeth Young	<input type="checkbox"/>	0.0	WITH
						Total:	1,486	1,568				\$14,701,011					
09142	6 P	Floral Gardens	NEQ of Beltway 8 & Fondren Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	<input type="checkbox"/>	\$1,449,584	Uwe Nahuina	<input type="checkbox"/>	210.0	REA-IKE
09265	6 P	Greenhouse Place	SEQ West & Greenhouse	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	140	140	E	NC	<input type="checkbox"/>	\$1,461,953	Manish Verma	<input type="checkbox"/>	210.0	REA-IKE
09132	6 P	Chelsea Senior Community	6900 Blk of TC Jester & W. Little York Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	<input type="checkbox"/>	\$1,968,604	Cherno M. Njie	<input type="checkbox"/>	209.0	REA-IKE
09274	6 P	Windfern Pointe Apts	9515 W. Gulf Bank Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	200	G	RH	<input checked="" type="checkbox"/>	\$1,202,145	J. Douglas Rippetto, Jr.	<input type="checkbox"/>	208.0	REA-APP

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Thursday, June 18, 2009

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁷
	09272	6 P	Mason Apartment Homes	Mason Rd. b/t Franz & Morton Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,068,324	Kenneth Cash	<input type="checkbox"/>	207.0	REA-IKE
	09280	6 P	Mariposa at Ella Blvd	Approx. 0.1 mi SE of Southridge Rd. on Ella Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	204.0	REA-IKE
	09103	6 P	Trebah Village	19000 Blk of West Little York Rd. (S. side)	Katy	Urban	<input type="checkbox"/> <input type="checkbox"/>	121	129	E	NC	<input type="checkbox"/>	\$1,244,034	David Mark Koogler	<input type="checkbox"/>	204.0	REA-IKE
	09254	6 P	Irvington Court	4004 Irvington Blvd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	115	144	G	NC	<input type="checkbox"/>	\$1,343,499	Jason Holoubek	<input type="checkbox"/>	204.0	REA-IKE
	09281	6 P	Mariposa at Keith Harrow	SWQ of Keith Harrow Blvd. & Hwy 6	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	204.0	REA-IKE
	09270	6 P	Northline Apartment Homes	N. Side of W. Grenfell Ln. & W. Side of Northline Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$1,988,105	Kenneth Cash	<input type="checkbox"/>	203.0	REA-IKE
	09267	6 P	Heritage Crossing	NWC of 11th St. & FM 646	Santa Fe	Urban	<input type="checkbox"/> <input type="checkbox"/>	68	72	E	NC	<input type="checkbox"/>	\$851,779	Ron Williams	<input checked="" type="checkbox"/>	203.0	REA-IKE
	09193	6 P	Sierra Meadows	BW 8 & E. of Wilson Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	85	90	E	NC	<input type="checkbox"/>	\$1,182,413	Paula B. Burns	<input type="checkbox"/>	202.0	REA-IKE
	09248	6 P	Pearland Senior Village	8100 Blk of Broadway St. (S. side)	Pearland	Urban	<input type="checkbox"/> <input type="checkbox"/>	126	126	E	NC	<input type="checkbox"/>	\$1,537,571	Doak Brown	<input checked="" type="checkbox"/>	200.0	REA-IKE
	09160	6 P	Stone Court Senior Residences	NEC of Smithstone Dr. & Somerall Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$1,027,552	Michael Robinson	<input type="checkbox"/>	200.0	REA-IKE
	09161	6 P	Sterling Court Senior Residences	NWC of Minnesota & Alameda Genoa	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	140	140	E	NC	<input type="checkbox"/>	\$1,849,413	Michael Robinson	<input type="checkbox"/>	200.0	REA-IKE
	09170	6 P	South Acres Ranch II	E. Side of 11400 Blk of Scott St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	48	49	G	NC	<input type="checkbox"/>	\$1,013,194	W. Barry Kahn	<input type="checkbox"/>	200.0	REA-IKE
	09188	6 P	Casa Brazoria	152nd Blk of Brazoswood Dr.	Clute	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	G	NC	<input type="checkbox"/>	\$892,500	Vincent A. Marquez	<input type="checkbox"/>	200.0	REA-IKE
	09287	6 P	Horizon Meadows Apts	Approx. 8.7 acres SWC of Main St. & Bayou Rd.	La Marque	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	G	NC	<input type="checkbox"/>	\$1,294,092	Rick J. Deyoe	<input checked="" type="checkbox"/>	199.0	REA-IKE
	09201	6 P	Ventana Pointe	Red Oak & Butterfield Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	96	96	E	NC	<input type="checkbox"/>	\$1,091,199	Vincent A. Marquez	<input type="checkbox"/>	199.0	REA-APP
	09191	6 P	Sendero Pointe	S. Side of Addicks Satsuma approx. 10m E. of Hwy 6	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,065,000	Thomas W. Troll	<input type="checkbox"/>	199.0	REA-IKE

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	09242	6 P	Beechnut Oaks	NWC of Beechnut & Eldridge Pkwy.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	<input type="checkbox"/>	\$1,686,794	Les Kilday	<input type="checkbox"/>	198.0	REA-IKE
	09316	6 P	Champion Homes at Bay Walk	7200 Heards Ln.	Galveston	Urban	<input type="checkbox"/> <input type="checkbox"/>	192	192	G	RH	<input checked="" type="checkbox"/>	\$1,443,759	Saleem Jafar	<input type="checkbox"/>	197.0	APP-IKE
	09266	6 P	Skytop Apts	2455 N. Frazier	Conroe	Urban	<input type="checkbox"/> <input type="checkbox"/>	174	192	G	NC	<input type="checkbox"/>	\$2,000,000	Richard Bowe	<input type="checkbox"/>	195.0	REA-IKE
	09269	6 P	Eldridge Oaks	8.5 acres on N. Eldridge Pkwy., N. of FM 529	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	160	160	G	NC	<input type="checkbox"/>	\$1,828,649	Kenneth Cash	<input type="checkbox"/>	194.0	REA-IKE
	09317	6 P	Champion Homes at Marina Landing	7302 Heards Ln.	Galveston	Urban	<input type="checkbox"/> <input type="checkbox"/>	256	256	G	RH	<input checked="" type="checkbox"/>	\$1,643,824	Saleem Jafar	<input type="checkbox"/>	193.0	PA-IKE
	09177	6 P	Orchard at Oak Forest	NEQ of Brinkman St. & 34th St.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	118	118	E	NC	<input type="checkbox"/>	\$1,645,603	Stephan Fairfield	<input type="checkbox"/>	185.0	REA-IKE
	09196	6 P	Golden Bamboo Village II	E. Side of 12000 N. Gessner Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	116	116	G	NC	<input type="checkbox"/>	\$1,621,465	Michael Nguyen	<input type="checkbox"/>	185.0	REA-IKE
	09276	6 P	Cypress Creek at Calder Drive	N. Side of FM 517 approx. 1/2 mi W. of FM 646	Dickinson	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	G	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	181.0	PA-IKE
	09249	6 P	Dixie Gardens	1216 Dixie Farm Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	148	I	NC	<input type="checkbox"/>	\$2,000,000	H. Elizabeth Young	<input type="checkbox"/>	177.0	PA-IKE
	09166	6 P	Goldshire Townhomes	16827 Old Richmond Rd.	Sugar Land	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	G	NC	<input type="checkbox"/>	\$2,000,000	Navdip S. Sobti	<input type="checkbox"/>	169.0	REA-IKE
	09185	6 P	Maplewood Village II	550 Hobbs Rd.	League City	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input checked="" type="checkbox"/>	\$1,149,880	Thomas H. Scott	<input checked="" type="checkbox"/>	165.0	PA-IKE
	09128	6 P	Willow Meadow Place	10630 Beechnut	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	328	328	G	RH	<input type="checkbox"/>	\$1,884,462	M. Dale Dodson	<input type="checkbox"/>	164.0	APP-IKE
	09156	6 P	Park Lane Apts	7515 Cook Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	<input type="checkbox"/>	\$1,968,935	Brian Cogburn	<input type="checkbox"/>	164.0	PA-IKE
	09169	6 P	Orem Ranch	W. Side of 12500 Blk of Alameda	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	81	G	NC	<input type="checkbox"/>	\$1,597,843	W. Barry Kahn	<input type="checkbox"/>	160.0	PA-IKE
	09167	6 P	Fondren Ranch	15800 Blk of Fondren at Fort Bend Tollway	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	95	95	G	NC	<input type="checkbox"/>	\$1,986,745	W. Barry Kahn	<input type="checkbox"/>	160.0	REA-IKE
	09312	6 P	Villas at El Dorado Apts	200 Blk of W. El Dorado Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	Ken Brinkley	<input type="checkbox"/>	155.0	PA-IKE

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09313	6 P	Hampshire Court Apts	3400 Blk of S. Burke Dr. near Vista Rd.	Pasadena	Urban	<input type="checkbox"/> <input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	J. Steve Ford	<input type="checkbox"/>	150.0	PA-IKE
09311	6 P	Deerbrook Place Apts	19700 Blk of the W. Side of Deerbrook Park Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	William D. Henson	<input type="checkbox"/>	141.0	APP-IKE
						Total: 5,215 5,281				\$59,988,920						
						Total: 6,793 6,945				\$74,806,779						
Applications Submitted in Region 6:		Rural														
09102	6 P	Magnolia Trails	31000 Blk of Nichols Sawmill Rd. (W. side)	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	80	E	NC	<input type="checkbox"/>	\$805,336	David Mark Koogler	<input type="checkbox"/>	212.0	REA-IKE
09120	6 P	Senior Villages of Huntsville	140 Essex Blvd.	Huntsville	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$543,038	R.J. Collins	<input type="checkbox"/>	203.0	REA-IKE
						Total: 112 116				\$1,348,374						
						Total: 112 116				\$1,348,374						
49 Applications in Region						Region Total: 6,905 7,061				\$76,155,153						

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Applications=TERM, Withdrawn Applications=WITH, Hurricane Ike County=IKE, Application is under appeal and the conditional score reflects self score plus points for (i)(2), (i)(6) and (i)(18)=APP1,

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
7								Units	Units	Pop	Activity	Request	HOME	Score	

Region: 7

Allocation Information for Region 7:	Total Credits Available for Region:	\$3,154,747	Urban Allocation:	\$2,531,326	Rural Allocation:	\$623,421
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Applications Submitted in Region 7:		Urban															
09008	7 A	Huntington	FM 118, 1550' N. of FM 2001	Buda	Urban	<input type="checkbox"/>	<input type="checkbox"/>	116	120	E	NC	<input type="checkbox"/>	\$1,014,586	Ofelia Elizondo	<input type="checkbox"/>	301.0	FWD
09034	7 A	Tuscany Park at Buda	FM 2001 E of IH35	Buda	Urban	<input type="checkbox"/>	<input type="checkbox"/>	170	176	G		<input type="checkbox"/>	\$131,841	Mark Musemeche	<input type="checkbox"/>	300.0	AC
Total:								286	296			\$1,146,427					
09159	7 P	Malibu Apts	8600 N. Lamar Blvd.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	428	476	G	RH	<input checked="" type="checkbox"/>	\$2,417,862	Joe McLaughlin	<input type="checkbox"/>	215.0	REA-APP
09130	7 P	M Station	2906 E. MLK Jr. Blvd.	Austin	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	135	150	G	NC	<input type="checkbox"/>	\$1,836,091	Walter Moreau	<input type="checkbox"/>	211.0	REA
09268	7 P	Wildflower Terrace	NEC of Berkman Dr. & Tom Miller St.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	171	201	E	NC	<input type="checkbox"/>	\$2,000,000	Diana McIver	<input type="checkbox"/>	211.0	REA
09138	7 P	Belmont Senior Village	12.3 acres of Lots 1-3 Blk A, Replat of Lots 1-9, Blk "A" of Leander 2243 subdivision	Leander	Urban	<input type="checkbox"/>	<input type="checkbox"/>	168	192	E	NC	<input type="checkbox"/>	\$2,000,000	Colby Denison	<input checked="" type="checkbox"/>	208.0	REA-APP
Total:								902	1,019			\$8,253,953					
Total:								1,188	1,315			\$9,400,380					

Applications Submitted in Region 7:		Rural															
09012	7 A	Park Ridge Apartments	SEC of Legend Hills Blvd. & RM 152	Llano	Rural	<input type="checkbox"/>	<input type="checkbox"/>	62	64	G	NC	<input type="checkbox"/>	\$697,017	Mark Mayfield	<input checked="" type="checkbox"/>	301.0	FWD
Total:								62	64			\$697,017					
09310	7 P	San Gabriel Crossing	155 Hillcrest Ln.	Liberty Hill	Rural	<input type="checkbox"/>	<input type="checkbox"/>	71	76	G	NC	<input type="checkbox"/>	\$928,369	Mark Mayfield	<input type="checkbox"/>	199.0	REA
09293	7 P	Villas of Shady Grove	North FM 963 at Hill St. and Rhomberg St.	Burnet	Rural	<input type="checkbox"/>	<input type="checkbox"/>	72	80	G	NC	<input type="checkbox"/>	\$859,980	Dennis Hoover	<input checked="" type="checkbox"/>	179.0	PA
Total:								143	156			\$1,788,349					
Total:								205	220			\$2,485,366					
9 Applications in Region						Region Total:			1,393	1,535			\$11,885,746				

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
8							USDA NP	Units	Units	Pop	Activity	Request	HOME	Score	

Region: 8

Allocation Information for Region 8:	Total Credits Available for Region:	\$2,257,515	Urban Allocation:	\$1,601,841	Rural Allocation:	\$655,674
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Applications Submitted in Region 8:		Urban															
09024	8 A	Costa Esmeralda	Gurley Ln. & S. 16th St.	Waco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	112	112	G	NC	<input type="checkbox"/>	\$1,086,058	Mark Mayfield	<input type="checkbox"/>	301.0	FWD
								Total:	112	112			\$1,086,058				
09163	8 P	Tremont Apartment Homes	1600 Bacon Ranch Rd.	Killeen	Urban	<input type="checkbox"/>	<input type="checkbox"/>	112	112	E	NC	<input type="checkbox"/>	\$1,348,789	Jeff Gannon	<input type="checkbox"/>	210.0	REA
09118	8 P	Fairways at Sammons Park	SWC of W. Adams & 43rd St.	Temple	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	92	E	NC	<input type="checkbox"/>	\$1,000,000	Clifton Phillips	<input type="checkbox"/>	204.0	REA
09121	8 P	Red Oak Seniors	920 S. Loop 340	Waco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$543,337	R.J. Collins	<input type="checkbox"/>	204.0	REA
								Total:	240	240			\$2,892,126				
								Total:	352	352			\$3,978,184				
Applications Submitted in Region 8:		Rural															
09107	8 P	Mexia Gardens	NEC N. Bailey St. & E. Sumpter	Mexia	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$766,818	Richard L. Brown	<input type="checkbox"/>	162.0	APP
								Total:	80	80			\$766,818				
								Total:	80	80			\$766,818				
5 Applications in Region							Region Total:		432	432			\$4,745,002				

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Region:	9
Allocation Information for Region 9:	Total Credits Available for Region: \$3,390,605
	Urban Allocation: \$2,741,959
	Rural Allocation: \$648,646

Applications Submitted in Region 9:		Urban															
09015	9 A	Sutton Homes	909 Runnels	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	186	194	G	RH	<input checked="" type="checkbox"/>	\$1,650,000	Ryan Wilson	<input type="checkbox"/>	301.0	FWD
								Total:	186	194			\$1,650,000				
09190	9 P	San Juan Square III	300 Gante Walk	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	32	32	G	RH	<input type="checkbox"/>	\$659,417	David Casso	<input type="checkbox"/>	220.0	REA
09198	9 P	Montabella Pointe	W. Side of Foster Rd. and S. Side of FM 78	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	144	144	G	NC	<input type="checkbox"/>	\$1,731,393	Gilbert Piette	<input type="checkbox"/>	210.0	REA
09230	9 P	Darson Marie Terrace	3142 Weir Ave.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	56	57	E	NC	<input type="checkbox"/>	\$705,442	Richard Washington	<input type="checkbox"/>	207.0	REA
09187	9 P	Pleasanton Farms	SE Loop 410 & Pleasanton Rd.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	165	165	G	NC	<input type="checkbox"/>	\$2,000,000	Mike Sugrue	<input type="checkbox"/>	163.0	PA
09307	9 P	Medio Springs Ranch Apts	1530 Marbach Oaks	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	200	252	G	NC	<input type="checkbox"/>	\$1,340,000	Stephen J. Poppoon	<input type="checkbox"/>	158.0	PA
09202	9 P	Tesoro Hills	Sweet Maiden Dr. at Tesoro Hills	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	158	158	G	NC	<input type="checkbox"/>	\$2,000,000	Mike Sugrue	<input type="checkbox"/>	150.0	PA
								Total:	755	808			\$8,436,252				
								Total:	941	1,002			\$10,086,252				
Applications Submitted in Region 9:		Rural															
09192	9 P	Tierra Pointe	W. of Hwy 181/123 & S. of Vista Rd.	Karnes City	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	76	80	G	NC	<input type="checkbox"/>	\$1,066,353	Susan R. Sheeran	<input type="checkbox"/>	195.0	REA
09304	9 P	Gardens at Clearwater Apts	400 Blk of Clearwater Paseo	Kerville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$903,549	Lucille Jones	<input type="checkbox"/>	179.0	PA
								Total:	156	160			\$1,969,902				
								Total:	156	160			\$1,969,902				
9 Applications in Region								Region Total:	1,097	1,162			\$12,056,154				

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Region: 10

Allocation Information for Region 10:	Total Credits Available for Region:	\$1,758,751	Urban Allocation:	\$1,020,872	Rural Allocation:	\$737,879
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Applications Submitted in Region 10:		Urban																	
09009	10 N	Oasis at the Park	420 N. Port	Corpus Christi	Urban		<input checked="" type="checkbox"/>	80	80	G	ADR	<input type="checkbox"/>	\$292,131	David Marquez	<input type="checkbox"/>	0.0	TERM		
09199	10 N	Costa Tarragona II	2240 N. Padre Island Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	G	NC	<input type="checkbox"/>	\$1,382,476	John D. Bell	<input type="checkbox"/>	0.0	TERM		
Total:								176	176									\$1,674,607	
09158	10 P	Arrowsmith Apts	5701 Williams Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	70	70	G	RH	<input checked="" type="checkbox"/>	\$457,518	Chad Asarch	<input type="checkbox"/>	217.0	REA		
09211	10 P	Corban Townhomes	1455 Southgate	Corpus Christi	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	128	128	G	NC	<input type="checkbox"/>	\$1,594,705	Richard J. Franco	<input type="checkbox"/>	194.0	REA		
09112	10 P	Point Royale Apts	4100 Blk N. John Stockbauer	Victoria	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	<input type="checkbox"/>	\$1,424,896	T. Justin MacDonald	<input type="checkbox"/>	161.0	APP		
Total:								318	318									\$3,477,119	
Total:								494	494									\$5,151,726	
Applications Submitted in Region 10:		Rural																	
09245	10 P	Heights at Corral	1000 W. Corral Ave.	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	RH	<input checked="" type="checkbox"/>	\$894,750	Socorro ("Cory") Hinojosa	<input checked="" type="checkbox"/>	217.0	REA		
Total:								80	80									\$894,750	
Total:								80	80									\$894,750	
6 Applications in Region								Region Total:	574	574									\$6,046,476

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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region:	\$6,046,163	Urban Allocation:	\$4,244,301	Rural Allocation:	\$1,801,862
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Applications Submitted in Region 11:		Urban														
09257	11 N Homes at Tropical Gardens	2606 Boca Chica Blvd.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	108	108	G	RH	<input checked="" type="checkbox"/>	\$1,577,046	Saleem Jafar	<input type="checkbox"/>	0.0	WITH
09221	11 N Aiden Pointe	Sioux Rd., W. of Cesar Chavez	San Juan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	NC	<input type="checkbox"/>	\$1,572,930	Donald Pace	<input type="checkbox"/>	0.0	WITH
Total:							208	208				\$3,149,976				
09180	11 P Weslaco Hills Apts	1900 Blk of W. Business 83	Weslaco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	<input type="checkbox"/>	\$1,301,449	Steve Lollis	<input type="checkbox"/>	205.0	REA
09181	11 P Bowie Garden Apts	4700 Blk of Bowie Rd.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	86	86	G	NC	<input type="checkbox"/>	\$970,564	John Czapski	<input type="checkbox"/>	203.0	REA
Total:							206	206				\$2,272,013				
Total:							414	414				\$5,421,989				
Applications Submitted in Region 11:		Rural														
09119	11 P Legacy Villas	S. Side of 2nd St. and W. Side of US 57	Eagle Pass	Rural	<input type="checkbox"/>	<input type="checkbox"/>	64	64	G	NC	<input type="checkbox"/>	\$1,000,000	Clifton Phillips	<input type="checkbox"/>	203.0	REA
09233	11 P Casa Alton	NWC of Trosper Rd. & proposed Oxford St.	Alton	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	73	76	G	NC	<input type="checkbox"/>	\$922,271	Jean Latsha	<input type="checkbox"/>	202.0	REA
09319	11 P Casa Messina	7766 Mile 16 Rd. North	Edcouch	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	72	76	G	NC	<input type="checkbox"/>	\$172,919	Jean Latsha	<input type="checkbox"/>	163.0	APP1
Total:							209	216				\$2,095,190				
Total:							209	216				\$2,095,190				
7 Applications in Region							Region Total:	623	630				\$7,517,179			

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Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	ACQ ⁶	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁷
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Region: 12

Allocation Information for Region 12:	Total Credits Available for Region:	\$815,113	Urban Allocation:	\$226,054	Rural Allocation:	\$589,060
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Applications Submitted in Region 12:		Urban														
09127	12 P	Sage Brush Village	3500 West 8th St.	Odessa	Urban	<input type="checkbox"/>	<input type="checkbox"/>	112	112	G	NC	<input type="checkbox"/>	\$1,284,235	Randy Stevenson	<input type="checkbox"/>	204.0 REA
09299	12 P	Hillcrest Acres	19.9 acres b/w Cuthbert Ave. & Princeton Ave., W. of Midland Dr.	Midland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	93	93	G	NC	<input type="checkbox"/>	\$1,191,077	Max Schleder	<input type="checkbox"/>	197.0 REA
								Total:	205	205			\$2,475,312			
-----								Total:	205	205			\$2,475,312	-----		
Applications Submitted in Region 12:		Rural														
09136	12 P	Gateway to Eden	Grant/Rudder Streets & Kelly Street	Eden	Rural	<input type="checkbox"/>	<input type="checkbox"/>	20	20	G		<input type="checkbox"/>	\$476,746	Ethan Horne	<input checked="" type="checkbox"/>	172.0 REA
								Total:	20	20			\$476,746			
-----								Total:	20	20			\$476,746	-----		
3 Applications in Region						Region Total:		225	225			\$2,952,058				

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Credit	TDHCA	Awd	Notes
							USDA NP	Units	Units	Pop	Activity	Request	HOME	Score	

Region: 13

Allocation Information for Region 13:	Total Credits Available for Region:	\$2,125,193	Urban Allocation:	\$1,500,082	Rural Allocation:	\$625,111
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Applications Submitted in Region 13:		Urban															
09013	13 A	Desert Villas	SWQ of Alameda Ave. & Coronado Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	94	94	G	NC	<input type="checkbox"/>	\$1,085,932	Ike J. Monty	<input type="checkbox"/>	301.0	FWD
09011	13 A	Canutillo Palms	S. & Adjacent to Canutillo High School, 200' W. of I-10	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$1,391,908	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	301.0	FWD
09025	13 A	Ysleta del Sur Pueblo Homes I	Tomas Granillo St.	Socorro	Urban	<input type="checkbox"/>	<input type="checkbox"/>	60	60	G	NC	<input type="checkbox"/>	\$781,794	Albert Joseph	<input type="checkbox"/>	301.0	FWD
09028	13 A	Tres Palmas	Rich Beem, Approx. 300' N. of Montana St.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	<input type="checkbox"/>	\$187,790	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	300.0	AC
09032	13 A	Paseo Palms	910 Sun Fire Blvd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	180	G		<input type="checkbox"/>	\$195,464	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	300.0	AC
								Total:	678	678			\$3,642,888				
09306	13 P	Canyon Square Village	8622 & 8624 N. Loop Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	104	104	G	NC	<input type="checkbox"/>	\$1,264,047	Ike J. Monty	<input type="checkbox"/>	156.0	REA
								Total:	104	104			\$1,264,047				
								Total:	782	782			\$4,906,935				
Applications Submitted in Region 13:		Rural															
09029	13 A	San Elizario Palms	13800 Blk of Socorro Rd. near Herring Rd.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$71,980	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	300.0	AC
								Total:	80	80			\$71,980				
09131	13 P	Presidio Palms	Near the intersection of Gonzalez & Alarcon Rd.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	<input type="checkbox"/>	\$930,115	R.L. (Bobby) Bowling, IV	<input type="checkbox"/>	173.0	REA
								Total:	80	80			\$930,115				
								Total:	160	160			\$1,002,095				
8 Applications in Region								Region Total:	942	942			\$5,909,030				

146	Total Applications	Sum of Awarded Credits:	Sum of Pending Credits:	17,120	17,556	\$178,913,539
		\$13,617,834	\$141,386,236			

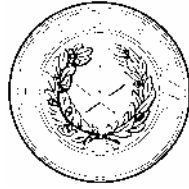
1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Pending/ Non-Awarded Applications=P, Not Pending Applications=N
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP. Only USDA applications proposing New Construction are reflected on this log. USDA applications proposing Rehabilitation will be attributed to, and come from, the At-Risk Set-Aside, and are located on the "At-Risk" log.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested
7 = Notes: 2008 Applications Awarded from the 2009 Ceiling=FWD, Developments Previously Awarded Additional Credits from the 2009 Ceiling=AC, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Hurricane Ike County=IKE, Application is under appeal and the conditional score reflects self score plus points for (i)(2), (i)(6) and (i)(18)=APP1, Application is under appeal and the score awarded is conditional=APP, Pending/Active Application being reviewed by Real Estate Analysis however does not imply a staff recommendation=REA.
* = The State Housing Credit Ceiling is an estimated amount based on 2009 population figures. This number represents the estimated 85% of the State Housing Credit Ceiling that must be allocated regionally. The remaining estimated 15% must be allocated under the At-Risk Set-Aside and must be deducted from the State Housing Credit Ceiling prior to the application of the regional allocation formula.

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Thursday, June 18, 2009

**To Be Posted
three days
prior to the meeting**

None at this time

REPORT ITEMS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Michael Gerber
From: Gordon Anderson
cc: Tim Irvine, Michael Lyttle
Date: June 15, 2009
Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for May 2009. The information provided focuses primarily on activities Executive and staff have taken on voluntarily; however, also included are mandated activities such as TEFRA and tax credit public hearings. This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, May 2009

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Weatherization Assistance Program NOFA Training	San Antonio	May 3	Community Affairs	Training
First Thursday Income Eligibility Training	Austin	May 4	Portfolio Management & Compliance	Training
NSP and HOME Environmental Training	Austin	May 4	Neighborhood Stabilization, HOME	Training
ARRA Round Table	Austin	May 4	Housing Resource Center	Participant
TANF – Homelessness Prevention & Rapid Re-Housing Round Table	Austin	May 6	Housing Resource Center	Participant
Ike Application TA Visit with Galveston Co.	Galveston	May 7	Disaster Recovery	Technical Assistance
Ike Application TA Visit with Chambers Co.	Anahuac	May 7	Disaster Recovery	Technical Assistance
Homelessness Prevention & Rapid Re-Housing Workshop	Austin	May 7	Housing Resource Center	Training
Weatherization Assistance Program NOFA Training	Dallas	May 8	Community Affairs	Training
Round II TA Visit with Sabine Pass Recovery Organization	Sabine Pass	May 12	Disaster Recovery	Technical Assistance
Community Resource Coordinating Group	Austin	May 14	Housing Resource Center	Participant
Disability Advisory Workgroup	Austin	May 15	Housing Resource Center	Participant
Manufactured Housing Licensing Education Class	Austin	May 18	Manufactured Housing	Training
ARRA Community Services Block Grant Program Public Hearing	Austin	May 19	Community Affairs, Housing Resource Center	Public Hearing
Texas Assoc. of Community Action Agencies 2009 Conference	Austin	May 20	Executive, Community Affairs, Housing Resource Center	Remarks, Participant
Ike Application TA Visit with Liberty Co.	Liberty	May 22	Disaster Recovery	Technical Assistance
Ike Application TA Visit with Montgomery Co.	Conroe	May 22	Disaster Recovery	Technical Assistance
Manufactured Housing Division/Licensing Education Workshop	Austin	May 24	Manufactured Housing	Training
Aging Texas Well Advisory Council	Austin	May 27	Housing Resource Center	Participant