

# BOARD MEETING OF JULY 11, 2013

**J. Paul Ozer, Chair**



Juan Muñoz, Vice-Chair  
Leslie Bingham Escareño, Member  
J. Mark McWatters, Member  
Tom Gann, Member  
Lowell Keig, Member



**REPORT ITEMS:**

The Board accepts the following reports:

- 1. Report on Plans related to the 2014 Qualified Allocation Plan and other Multifamily Rules **Cameron Dorsey**  
Dir. Multifamily Finance
- 2. Report on Challenges Made in Accordance with §11.10 of the 2013 Qualified Allocation Plan (QAP) Concerning 2013 Housing Tax Credit (HTC) Applications **Cameron Dorsey**  
Dir. Multifamily Finance
- 3. Report on the Status of the Community Services Agency of South Texas contracts **Michael DeYoung**  
Assist. DED, Network &  
Customer Service
- 4. TDHCA Outreach Activities, June 2013 **Michael Lyttle**  
Chief of External Affairs

**ACTION ITEMS:**

**ITEM 2: ASSET MANAGEMENT:**

Presentation, Discussion, and Possible Action on approval of Material LURA Amendments

**Cari Garcia**  
Dir. Asset Management

96134 Sabine Park Meadows Orange

**ITEM 3: APPEALS:**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting Rules

**Cameron Dorsey**  
Dir. Multifamily Finance

13022	Liberty Manor	Liberty Hill
13023	Patriot's Crossing	Dallas
13046	La Esperanza Del Rio	Rio Grande City
13053	Heritage Plaza	Montgomery
13068	Mayorca Villas	Brownsville
13088	Riverwood Apartments	Three Rivers
13177	Rosewood Apartments	Three Rivers
13113	Reserve at Arcola Senior Living	Arcola
13139	Stonebridge of Plainview	Plainview
13159	4800 Berkman	Austin
13166	Artspace El Paso Lofts	El Paso

**PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS. PUBLIC COMMENT MAY INCLUDE REQUESTS THAT THE BOARD PLACE SPECIFIC MATTERS ON FUTURE AGENDAS FOR CONSIDERATION.**

**EXECUTIVE SESSION**

The Board may go into Executive Session (close its meeting to the public) with regard to any posted item.

**J. Paul Oxe**  
Chairman

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

2. Pursuant to Tex. Gov't. Code, §551.071(1) the Board may go into Executive Session to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al.*, before the United States Court of Appeals for the Fifth Circuit.
3. Pursuant to Tex. Gov't. Code, §551.071(2) the Board may go into Executive Session for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551:
  - a) *Attorney General Opinion No. GA-1009 (2013)*
  - b) *Legal Matters relating to provisions in bond subordination agreements*
4. Pursuant to Tex. Gov't. Code, §551.072 the Board may go into Executive Session to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Board may go into Executive Session to receive reports from or discuss with the internal auditor, fraud prevention coordinator, or ethics advisor issues related to fraud, waste or abuse.

#### **OPEN SESSION**

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

#### **ADJOURN**

*To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Michele Atkins, 512-475-3930; TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information.*

*Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989, at least three (3) days before the meeting so that appropriate arrangements can be made.*

*Non-English speaking individuals who require interpreters for this meeting should contact Jorge Reyes, 512-475-4577 at least three (3) 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.*

1a

**BOARD ACTION REQUEST**

**BOARD SECRETARY**

**JULY 11, 2013**

Presentation, Discussion, and Possible Action regarding the Board Meeting Minutes Summary for June 13, 2013.

**RECOMMENDED ACTION**

Approve Board Meeting Minutes Summary for June 13, 2013.

**RESOLVED**, that the Board Meeting Minutes Summary for June 13, 2013, is hereby approved as presented.

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

**June 13, 2013; 9:00 a.m.**

Dewitt C. Greer Building  
Ric Williamson Hearing Room, 125 E. 11<sup>th</sup> Street, Austin, TX

**SUMMARY OF MINUTES**

**Call to Order, Roll Call, Certification of Quorum**

The Board Meeting of the Texas Department of Housing and Community Affairs of June 13, 2013, was called to order by J. Paul Oxeer, Chair, at 9:04 a.m. It was held at 125 E. 11<sup>th</sup> Street, Austin, Texas. Roll call certified a quorum was present, clarified that a majority for purposes of Board action is a majority of a quorum.

**Members Present:**

J. Paul Oxeer, Chair  
Juan Muñoz, Vice-Chair  
J. Mark McWatters  
Tom H. Gann

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

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

**Adoption of Resolution No. 13-035 recognizing June as Home Ownership Month and announcement of Lenders and Loan Officers of the Year; passed unanimously.**

<b>Award</b>	<b>Company</b>	<b>Name</b>	<b>Title</b>	<b>City</b>
Lender of the Year	Cornerstone Home Lending	Bob Heckler	Sr. Vice President	NA
Lender of the Year	DHI Mortgage Company	Patricia Wagner	Branch Manager	NA
Lender of the Year	Ameripro Funding, Inc.	Chad Overhauser	President	NA
Lender of the Year	Rocky Mountain Mortgage Company	Adrian Quintela	Loan Officer	NA
Loan Officer of the Year	Cornerstone Home Lending	Dan Regan for Andy Woodside	NA	Houston
Loan Officer of the Year	NTFN, Inc. dba Premier Nationwide Lending	Kim Lewis	NA	Flower Mound

**CONSENT AGENDA**

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

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

***EXECUTIVE:***

- a) Presentation, Discussion, and Possible Action on the Board Minutes Summary for May 9, 2013
- b) Presentation, Discussion, and Possible Action to approve the dissolution of certain Governing Board committees and designation of Governing Board liaisons for certain management activities

**RULES:**

- c) Presentation, Discussion, and Possible Action on the re-adoption of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.4, concerning Protest Procedures for Contractors, pursuant to Texas Government Code §2001.039, and directing its publication in the *Texas Register*

**BOND FINANCE:**

- d) Presentation, Discussion, and Possible Action on Resolution No. 13-037 authorizing a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 81) along with related program documents to be administered by the Texas Department of Housing and Community Affairs
- e) Presentation, Discussion, and Possible Action on Resolution No. 13-038 authorizing amendments to Program 79 program documents to address HUD requirements regarding the Department's provision of down payment assistance

**TEXAS HOMEOWNERSHIP PROGRAM:**

- f) Presentation, Discussion, and Possible Action on the Single Family Mortgage Loan and Mortgage Credit Certificate (MCC) Programs Participating Lender List

**MULTIFAMILY**

- g) Presentation, Discussion, and Possible Action on Inducement Resolution No. 13-036 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority – 2013 Waiting List
  - 13601 Northcrest Apartments Big Spring
  - 13602 Pine Haven Apartments Marshall
  - 13603 Central Village Apartments Plainview
- h) Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer
  - 13400 Villas at Colt Run Houston
  - 13407 The Gateway Northwest Georgetown

**COMMUNITY AFFAIRS:**

- i) Presentation, Discussion, and Possible Action on Approval of the draft Community Services Block Grant Application and State Plan for Fiscal Years 2014 - 2015 and directing it for publication in the *Texas Register* for public comment

**HOME:**

- j) Presentation, Discussion, and Possible Action on HOME Investment Partnerships Program (HOME) Amendments
  - 1001548 City of Carrizo Springs Carrizo Springs
  - 1001425 City of Palacios Palacios
  - 1001391 City of Center Center
  - 1001355 City of Eagle Lake Eagle Lake
  - 1001550 City of Andrews Andrews
  - 1001395 City of Kilgore Kilgore
  - 1001213 Comm. Dev. Corp. Brownsville Brownsville

**HOUSING TRUST FUND:**

- k) Presentation, Discussion, and Possible Action on the approval of the proposed 2014 - 2015 Housing Trust Fund (HTF) Biennial Plan

**PROGRAM, PLANNING, POLICY, AND METRICS:**

- l) Presentation and Discussion on the Department Snapshot tool for the Neighborhood Stabilization Program (NSP)

**REPORT ITEMS:**

The Board accepts the following reports:

1. Executive Report of Multifamily Program Amendments, Extensions, and Ownership Transfers
2. Status Report on the HOME Program Contracts and Reservation System Participants
3. Report on the status of the Community Services Agency of South Texas contracts for CEAP and CSBG
4. Status Report and Clarification on the CSBG Discretionary NOFA funding amount for Transitional Funding for Migrant and Seasonal Farm Workers entities
5. Report on Request for Qualifications (RFQs) for outside counsel for Single-family and Multifamily Bond Counsel, Low Income Housing Tax Credit Counsel, and Loan Document Preparation Counsel
6. Report on a Request For Proposal (RFP) for a Master Servicer for the Single Family Mortgage Loan Program



7. Report on a Request For Proposal (RFP) for a Program Administrator for the Single Family Mortgage Loan and Mortgage Credit Certificate (MCC) Programs
8. TDHCA Outreach Activities, May 2013

**Motion by Tom Gann to approve the Consent Agenda; duly seconded by Juan Muñoz; motion passed unanimously.**

**ACTION ITEMS: AT THE DISCRETION OF THE BOARD CHAIR, ITEMS MAY BE TAKEN OUT OF ORDER.**

**ITEM 2: APPEALS:**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting Rules

13000                      Delta Estates Apartments                      Edcouch

**Withdrawn from consideration.**

13018                      Hudson Providence                      Hudson

**Motion by Juan Muñoz to accept staff's recommendation to deny the appeal; duly seconded by J. Mark McWatters;**

Chris Akbari, Hudson Providence, provided testimony in opposition to staff recommendation.

Don Ball, Hudson Providence, provided testimony in opposition to staff recommendation.

**Motion passed unanimously.**

13081                      River Bank Village                      Laredo

**Motion by Juan Muñoz to accept staff's recommendation to deny the appeal regarding the two points and to restore the one penalty point; duly seconded by Tom Gann;**

Doak Brown, Brownstone Affordable Housing, provided testimony in support of motion.

John Shackelford, Shackelford Melton & McKinley, provided testimony in support of motion.

**Motion passed unanimously.**

13187                      Barron's Branch                      Waco

**Motion by Tom Gann to accept staff's recommendation deny the appeal regarding the two points and to restore the one penalty point; duly seconded by J. Mark McWatters;**

Lisa Stephens, Barron's Branch, provided testimony in support of motion.

**Motion passed unanimously.**

13124                      Serenity Place Apartments                      Dallas

**Motion by Tom Gann to accept staff's recommendation deny the appeal; duly seconded by Juan Muñoz;**

Bob Voelker, Munsch Hardt Kopf & Harr, provided testimony in opposition to staff recommendation.

Sherman Roberts, Citywide CDC, provided testimony in opposition to staff recommendation.

Claire Palmer, attorney representing project number 13023, Patriot's Crossing, in support of staff recommendation; and read for the record a letter of support for staff recommendation from Mike Shugrue.

Yigal Lelah, Patriot's Crossing, provided testimony in support for staff recommendation.

**Motion passed unanimously.**

13138                      Mariposa at Woodbridge                      Wylie

**Withdrawn from consideration.**

13139                      Stonebridge of Plainview                      Plainview

**Motion by Tom Gann to accept staff's recommendation to table until July 11 Board Meeting; duly seconded by Juan Muñoz;**

Brett Johnson, Overland Property Group out of Kansas City, provided testimony in support of denying the request.

**Motion to table passed unanimously.**

**The Board took a brief recess at 10:55 a.m. and reconvened in open session at 11:11 a.m.**

**ITEM 3: MULTIFAMILY FINANCE DIVISION:**

- a) Presentation, Discussion, and Possible Action regarding Preclearance requests for Community Revitalization Plans filed with Pre-Applications in the 2013 Competitive Housing Tax Credit Cycle  
13044 Villas of Vanston Park Mesquite

**Motion by Juan Muñoz to accept staff's recommendation to deny appeal; duly seconded by J. Mark McWatters; Richard Gertson**, community development director for the City of Mesquite, provided testimony in opposition to staff recommendation.

Jay Oji, provided testimony in opposition to staff recommendation.

John Shackelford, Shackelford Melton & McKinley, provided testimony in opposition to staff recommendation.

The Honorable Kenneth Sheets, State Representative, provided testimony in opposition to staff recommendation.

**Motion by Juan Muñoz withdrawn; second withdrawn by J. Mark McWatters;**

**Motion by Dr. Muñoz to deny staff recommendation and to grant pre-clearance for the community revitalization plan, with the Board finding that the record established that the plan encompassed the site and that the budget was tied to the plan activity; duly seconded by J. Mark McWatters; Motion passed unanimously.**

- b) Presentation, Discussion, and Possible Action to Issue a list of Approved Applications for Housing Tax Credits ("HTC") in accordance with §2306.6724(e) of the Texas Government Code

<b>13000</b>	<b>Delta Estates Apartments</b>	<b>Edcouch</b>	<b>Withdrawn</b>
13001	Sunset Place Apartments	Malakoff	
13003	Crossing at Oak Grove	Kerens	
13004	Stone Creek Apartments	Kilgore	
13005	Tower Village	Nacogdoches	
13006	Country Place Apartments	Atlanta	
13007	Spring Creek Apartments	Linden	
13010	Plum Creek Estates	Amarillo	
13011	Villas at Henderson	Henderson	
13013	Ana's Cove	Pleasanton	
13016	Westridge	Midland	
13018	Hudson Providence	Hudson	
13020	The Manor at Currey Creek	Boerne	
13021	The Manor at Commerce Park	Belton	
13022	Liberty Manor	Liberty Hill	
13023	Patriot's Crossing (fka Veteran's Place)	Dallas	
13026	The Huntington at Sienna Plantation	Missouri City	
13032	StoneLeaf at Eustace	Eustace	
13033	StoneLeaf at Fairfield	Fairfield	
13037	The Preserve at the Crossing	Tyler	
13042	The Cottages at South Acres	Houston	
13043	Progress Senior Living	Odessa	
13044	Villas of Vanston Park	Mesquite	
13045	Evergreen at Murphy Senior Community	Murphy	
13046	La Esperanza Del Rio	Rio Grande City ETJ	
13047	GardenWalk of La Grange, Schulenburg, and Weimar	La Grange, Schulenburg, and Weimar	
13048	Shepherd Seniors Apartments	Shepherd	
13051	Royal Gardens	Rio Grande City	
13052	Southfork Plantation	Manvel	
13053	Heritage Plaza	Montgomery	
13058	Evergreen at Hebron Senior Community	Hebron	
13059	Timberbrook Village	Willis	
13062	The Retreat at Westlock	Tomball (Houston ETJ)	
13064	HomeTowne on Magnolia	Savannah	
13068	Mayorca Villas	Brownsville	
13069	Grand Manor Apartments	Tyler	
13071	Windy Ridge Apartments	Austin	
13073	Lakeland Villas	Athens	
13077	KIRON at Spring	Spring	
13081	River Bank Village	Laredo	

13082	Woodland Creek Apartments	Corpus Christi	
13087	Villas del Rio	Rio Grande City	
13088	Riverwood Apartments	Three Rivers	
13089	Pinewood Park	Lufkin	
13090	Residences at Caruth Lake	Rockwall	
13091	Heritage Park Vista - Phase Two	Fort Worth	
13096	Laureles del Este	Fabens	
13097	Eastpointe Estates	El Paso	
13098	Meadow Heights	El Paso	
13099	Villas at West Mountain	El Paso	
13100	Villages of Penitas	Penitas	
13102	Reserve at McAlister	Fort Worth	
13106	Playa Lake Apartments	Lubbock	
13108	Skyway Studios	Austin	
13109	Homestead Apartments	Austin	
13110	El Dorado Green Apartments	Houston	
13112	Liberty Trails Townhomes	Liberty Hill	
13113	Reserve at Arcola Senior Living	Arcola	
13114	Abbingtion Estates	Canton	
13115	Abbingtion Meadows	Howe	
13117	Red Bluff Apartment Homes	Houston	
13118	Oak Ridge Apartments	Nolanville	
13119	Emma Finke Villas	Beeville	
<b>13124</b>	<b>Serenity Place Apartments</b>	<b>Dallas</b>	<b>Pulled, based on earlier board action</b>
13125	Songhai at West Gate	Austin	
13128	Winchester Arms Apartments	Comanche	
13129	Rose Meadows Apartments	Levelland	
13130	North Desert Palms	El Paso	
13131	Montana Vista Palms	El Paso	
13132	San Elizario Palms II	San Elizario	
13133	Verde Palms	El Paso	
13136	Concho Villas	San Angelo	
13137	Mariposa at Ranch Road 12	Wimberley	
13138	Mariposa at Woodbridge	Wylie	
13139	Stonebridge of Plainview	Plainview	
13140	Villas at Justin	Justin	
13142	The Hills of Pflugerville	Pflugerville	
13143	The Hamilton	Houston	
13144	Mariposa at Pecan Park	La Porte	
13145	Mariposa at Elk Drive	Burleson	
13147	Eagles Crossing Apartments	Hillsboro	
13151	Lafayette Plaza	Houston	
13152	KIRON at Aubrey	Aubrey	
13154	Trosper Apartments	Alton	
13159	4800 Berkman	Austin	
13160	Sands Terrace Apartments	Monahans	
13166	Artspace El Paso Lofts	El Paso	
13167	Freedoms Path at Kerrville	Kerrville	
13173	Canton Village Homes	Canton	
13177	Rosewood Apartments	Three Rivers	
13180	Mission Village of Pecos	Pecos	
13183	Newport Village	Crosby	
13184	The Village at Forney Crossing	Forney	
13186	Desoto Senior Living	Desoto	
13187	Barron's Branch	Waco	
13192	Shaenfield Apartments	San Antonio	
13193	Balcones Lofts	Balcones Heights	
13196	Emerald Village	San Antonio	
13201	The Trails at Carmel Creek	Hutto	

13203	Providence on Major	Beaumont
13207	Pecan Creek Village	Lampasas
13211	Mustang Springs Apartments	Andrews
13212	Prairie Village	El Campo
13213	Bailey Square	Cuero
13214	Flora Street Lofts	Dallas
13222	Gardens at Friendswood Lakes II	Friendswood
13223	Campanile at Jones Creek	Richmond
13232	Pine Lake Estates	Nacogdoches
13234	Wynnewood Family Housing	Dallas
13235	Pinecrest Park	Kilgore
13240	Summit Place	Dallas
13242	Saige Meadows	Tyler
13245	The Reserves at Sawgrass	Pampa
13246	The Reserves at Maplewood	Wichita Falls
13247	The Reserves at South Plains	Lubbock
13249	Old Town Plaza Apartments	Lewisville
13250	Hidden Glen	Salado
13251	River Terrace	Bastrop
13252	Oak Creek Village	Austin
13254	Rice Senior Housing	El Campo
13256	4320 Lofts	Houston
13259	The Millennium - McKinney	McKinney
13262	Paso Fino Apartment Homes	San Antonio
13263	Sunland Apartments	Combes
13270	Bella Terra Apartments	Brownsville
13273	Richland Meadows Apartments	San Antonio
13275	Bella Vista Apartments	Edinburg
13281	Sunquest Apartments	Primera

**Motion by Tom Gann to accept staff's recommendation to approve list, as modified; duly seconded by Juan Muñoz;**

Dwayne Picou, president of New Point Estates Homeowners Association, provided testimony in opposition to project number 13113 Reserve at Arcola Senior Living.

Chris Appleguist, Miller Valentine, the developer, provided testimony regarding the opposition to project number 13113 Reserve at Arcola Senior Living.

Donna Rickenbaker, Marquis, provided testimony in support of the motion.

**Motion passed unanimously.**

**PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS. PUBLIC COMMENT MAY INCLUDE REQUESTS THAT THE BOARD PLACE SPECIFIC MATTERS ON FUTURE AGENDAS FOR CONSIDERATION.**

No public comment.

#### **EXECUTIVE SESSION**

Executive Session not held.

1. Pursuant to Tex. Gov't. Code, §551.074 the Board may go into Executive Session 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
2. Pursuant to Tex. Gov't. Code, §551.071(1) the Board may go into Executive Session to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al, filed in federal district court, Northern District of Texas*
3. Pursuant to Tex. Gov't. Code, §551.071(2) the Board may go into Executive Session for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551:
  - a) *Attorney General Opinion Request RQ-1106-GA, Rep. Leticia Van de Putte*
4. Pursuant to Tex. Gov't. Code, §551.072 the Board may go into Executive Session to deliberate the possible purchase, sale,

exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-

5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Board may go into Executive Session to receive reports from the internal auditor, fraud prevention coordinator, or ethics advisor and discuss issues related to fraud, waste or abuse.

**ADJOURN**

**Motion by Juan Muñoz to adjourn; duly seconded by Tom Gann; motion passed unanimously.**

Since there was no other business to come before the Board, the meeting was adjourned at 12:15 p.m. on June 13, 2013.

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Michele Atkins, Assistant Board Secretary

*For a full transcript of this meeting, please visit the TDHCA website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)*

1b

**BOARD ACTION REQUEST**

**EXECUTIVE DIRECTOR**

**JULY 11, 2013**

Discussion and Possible Action on Compensation of the Executive Director pursuant to the recent enactment of the 2014 - 2015 General Appropriations Act by the Texas Legislature

**RESOLVED**, that J. Paul Ozer, Board Chair, be and he hereby is, authorized and empowered, for and on behalf of this Board to establish the salary of the Executive Director subject to the provisions of the 2014 - 2015 General Appropriations Act.

**BACKGROUND**

The position of Executive Director is a line-item salary position under the General Appropriations Act (GAA), meaning that it is not subject to the same provisions set forth in the state salary administration system regarding establishment and setting of salary as other exempt or nonexempt salaries. Instead, it is specifically enumerated in the bill pattern for the Department. Attached is a copy of the relevant portion of the GAA, setting forth the cap for the Executive Director. The last change in the salary cap for this position was in 2008.

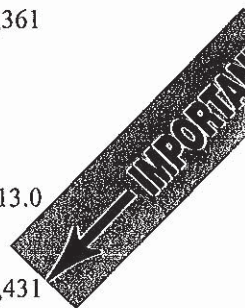
## ARTICLE VII

### BUSINESS AND ECONOMIC DEVELOPMENT

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated business and economic development agencies.

### DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	For the Years Ending	
	August 31, 2014	August 31, 2015
<b>Method of Financing:</b>		
General Revenue Fund	\$ 13,216,783	\$ 13,195,627
Community Affairs Federal Fund No. 127	201,754,526	201,780,689
<u>Other Funds</u>		
Appropriated Receipts	17,544,107	17,803,718
Interagency Contracts	287,113	287,113
Subtotal, Other Funds	\$ 17,831,220	\$ 18,090,831
<b>Total, Method of Financing</b>	<b>\$ 232,802,529</b>	<b>\$ 233,067,147</b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 1,263,123	\$ 1,353,361
<b>This bill pattern represents an estimated 12% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE):</b>	313.0	313.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 5	\$142,431	\$142,431
<b>Items of Appropriation:</b>		
<b>A. Goal: AFFORDABLE HOUSING</b>		
Increase Availability of Safe/Decent/Affordable Housing.		
<b>A.1.1. Strategy:</b> MRB PROGRAM - SINGLE FAMILY Mortgage Loans & MCCs through the SF MRB Program.	\$ 1,370,110	\$ 1,377,721
<b>A.1.2. Strategy:</b> HOME PROGRAM Provide Funding through the HOME Program for Affordable Housing.	\$ 24,153,405	\$ 24,192,839
<b>A.1.3. Strategy:</b> HOUSING TRUST FUND Provide Funding through the HTF for Affordable Housing.	\$ 6,023,027	\$ 6,053,496
<b>A.1.4. Strategy:</b> SECTION 8 RENTAL ASSISTANCE Federal Rental Assistance through Section 8	\$ 5,982,502	\$ 5,982,502





1c

**BOARD ACTION REQUEST**  
**FINANCIAL ADMINISTRATION DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on the FY 2014 Operating Budget

**RECOMMENDED ACTION**

**WHEREAS**, the Governing Board of the Texas Department of Housing and Community Affairs is required to approve a FY 2014 Operating Budget;

**WHEREAS**, the Department is required to submit the budget to the Governor's Office and the Legislative Budget Board (LBB);

**NOW, therefore, it is hereby**

**RESOLVED**, that the FY 2014 Operating Budget, in the form presented to this meeting, is hereby approved, and

**FURTHER RESOLVED**, that upon approval by the Governing Board of the Texas Department of Housing and Community Affairs, the Department will submit the budget to the Governor's Office and the LBB.

**BACKGROUND**

In accordance with Texas Government Code, Chapter 2306 TDHCA is charged with preparing an operating budget for Board adoption on or before September 1 of each fiscal year. The budget includes operational expenses distributed among the Department's divisions. It does not include federal or state funds that pass through to subrecipients except for administrative funds associated with those federal funds that are retained and reflected in the budget. In addition, in accordance with internal auditing standards and the board's internal audit charter, the budget includes the Internal Audit Division's annual operating budget.

The FY 2014 Internal Operating Budget, which the Board is considering, corresponds to the first year of the General Appropriations Act (GAA) passed by the 83<sup>rd</sup> Texas Legislature. In total, this budget provides for expenditures and associated revenues of \$26,013,530 or a \$28,250 (0.1%) increase over the prior year budget.

The budget reflects 312 FTEs which is one less than appropriated. The net reduction of six FTEs is a result of five deactivated positions due to reorganization; four positions

eliminated through attrition contributing to a scale down in federal programs; and three newly created positions (IT Security, Environmental Clearance, and 811 Program).

Included in the Salaries and Wages line item is the 1% across-the-board salary increase approved by the 83<sup>rd</sup> Legislature with an impact of \$160,256 and a 1.0% allowance for salary growth of \$161,978. In addition, the Department's IT Hardware and Software Refresh Project was approved by the Legislature for \$303,100 (excluding the MH portion of \$71,400) an increase of \$223,811. These increases are primarily offset by cost cutting measures to Federal Programs such as Neighborhood Stabilization Program (NSP) and other Community Affairs Programs. Overall, federal funding being utilized in the budget for operations decreased \$557,583 or 7.3%.

Federal sequestration impacted the Department's federal programs. It is estimated that the Department will receive \$116,000 less in administrative funds over the next fiscal year due to sequestration reflected almost entirely by Section 8, LIHEAP, HOME and ESG. Of interest, two department programs, WAP and CSBG increased or remained the same. Prior year reserves and the cost cutting measures referenced above will allow the Department to continue operations with minimal impact.

This budget continues to include temporary funding for the NSP (HERA) and the "Money Follows the Person" which funds two FTEs. In addition, a newly awarded Section 811 Grant from the Department of Housing and Urban Development (HUD) is also included in the budget.

Additionally, the Housing Finance Division budget, which is funded with fees generated from the Department's bond program and tax credit activities, increased by \$582,944 or 4.1%. This increase is primarily attributed to an increase in expenditures related to the Legislature's approval of the Department's IT Hardware and Software Refresh Project of which \$197,000 is funded from the Housing Finance Division budget. In addition, \$123,000 of expenses related to the Housing Trust Fund shifted from General Revenue to the Housing Finance Division budget due to recalibration. Also, \$73,000 was budgeted for the new Information Technology Security Position and the balance is an accumulation of legislative mandated salary increases/retirement contributions and salary growth previously referenced.

**For a complete explanation of the aforementioned budget categories and details, please see the accompanying Comparison Report.**

**TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS**  
**FY 2014 Operating Budget**  
**Comparison Report**  
July 11, 2013

The Comparison Report provides an explanation of significant changes to key cost categories.

In total, this FY 2014 Operating Budget is \$26,013,530 or a \$28,250 (0.1%) increase over the prior year budget.

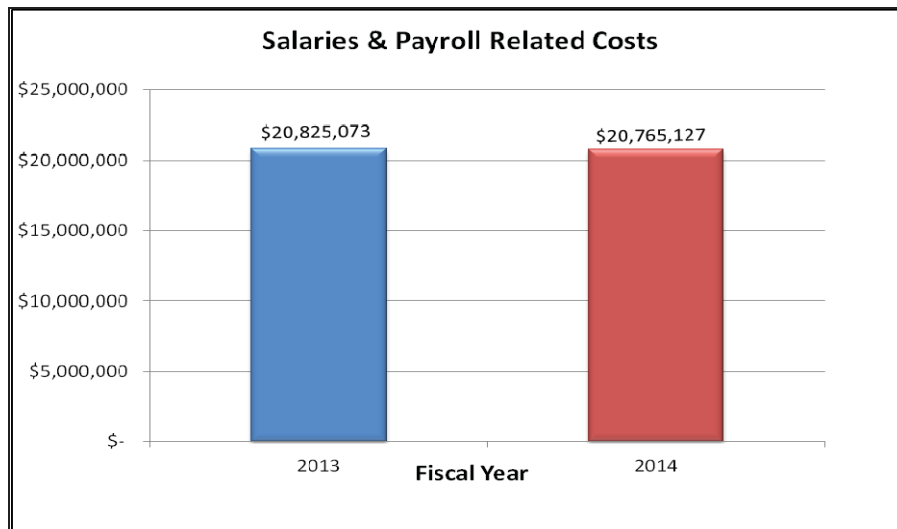
Below are the highlights of the FY 2014 Budget. Please refer to the “Comparison by Expense Object” schedule on Page 7.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 79.8% of the total operating budget.

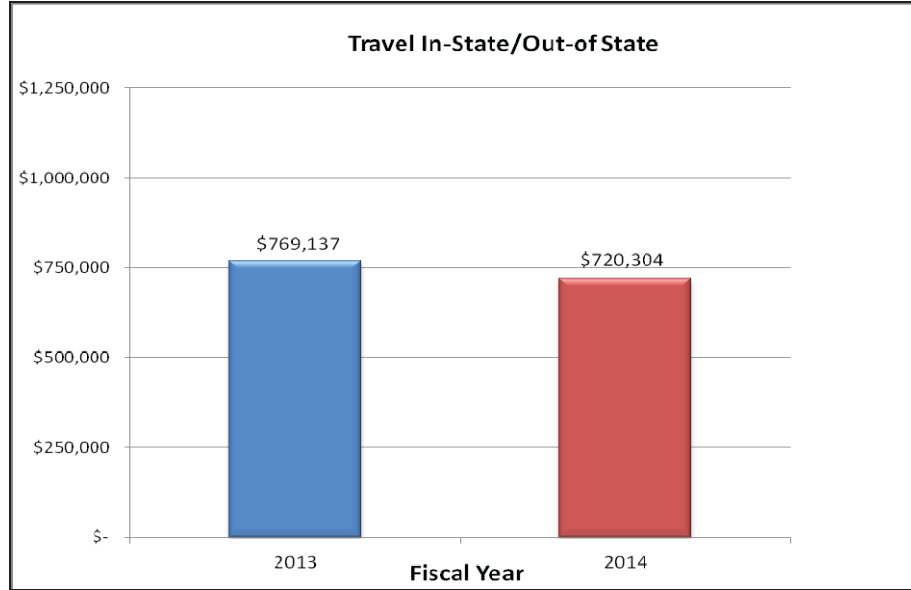
Salaries remained constant with a small decrease of \$48,344. The budget reflects 312 FTEs which is one less than appropriated. The net reduction of six FTEs is a result of five deactivated positions due to reorganization; four positions eliminated through attrition contributing to a scale down in federal programs; and three newly created positions (IT Security, Environmental Clearance, and 811 Program).

The Salaries and Wages line item includes the 1% across-the-board salary increase approved by the 83<sup>rd</sup> Legislature with an impact of \$160,256 and a 1.0% allowance for salary growth of \$161,978. These increases were primarily offset by salary reductions related to the Neighborhood Stabilization Program (NSP) and Community Affairs Programs.

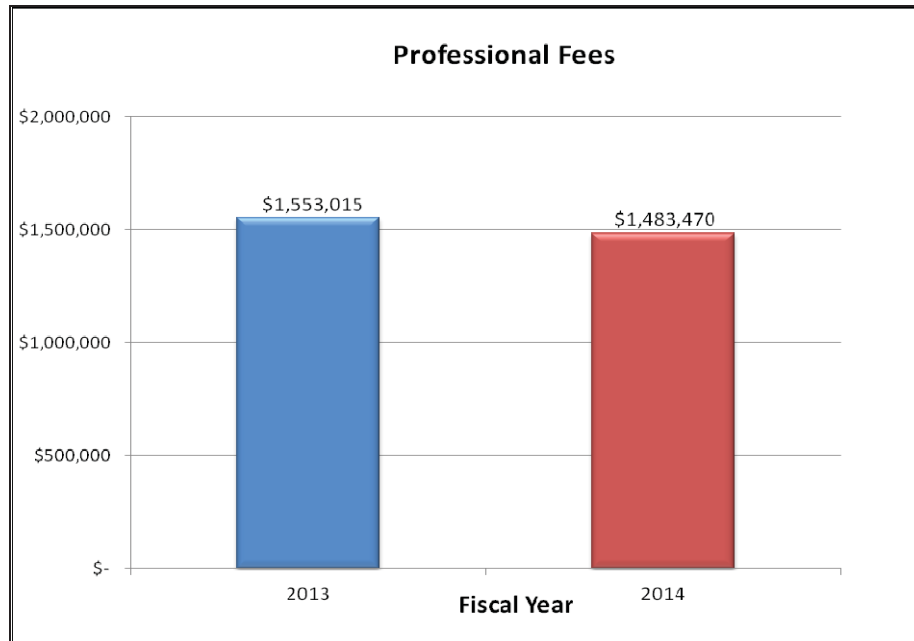
Payroll related costs decreased \$11,602. The decrease in payroll related costs is proportional to the decrease in salaries.



2. **Travel In-State and Out-of-State.** The Department's In-State travel budget will decrease \$48,833 or 7.6%. The majority of the decrease is attributed to reductions in the travel budget for HOME in the amount of \$20,000, \$15,000 for (NSP), \$5,000 for Asset Management and \$5,000 for Office of Colonia Initiatives (OCI). Out-of-State travel remains constant at \$125,394.



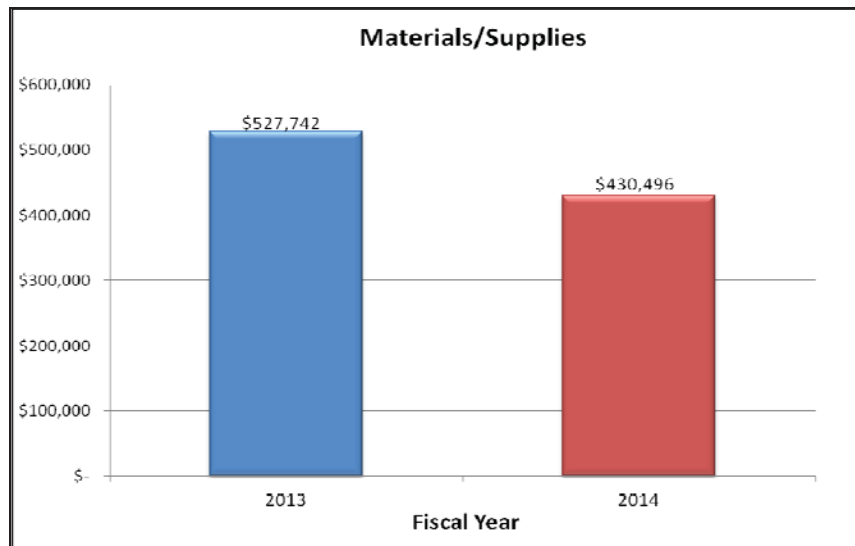
3. **Professional Fees.** Professional Fees and Services decreased \$69,545 or 4.5%. The majority of the decrease can be attributed to reductions in the Statewide Cost Allocation Plan of \$17,000, NSP document preparation of \$35,000 and HOME direct assistance program inspections of \$20,000. Please refer to the professional fees chart on the next page for more details.



## Professional Fees Chart

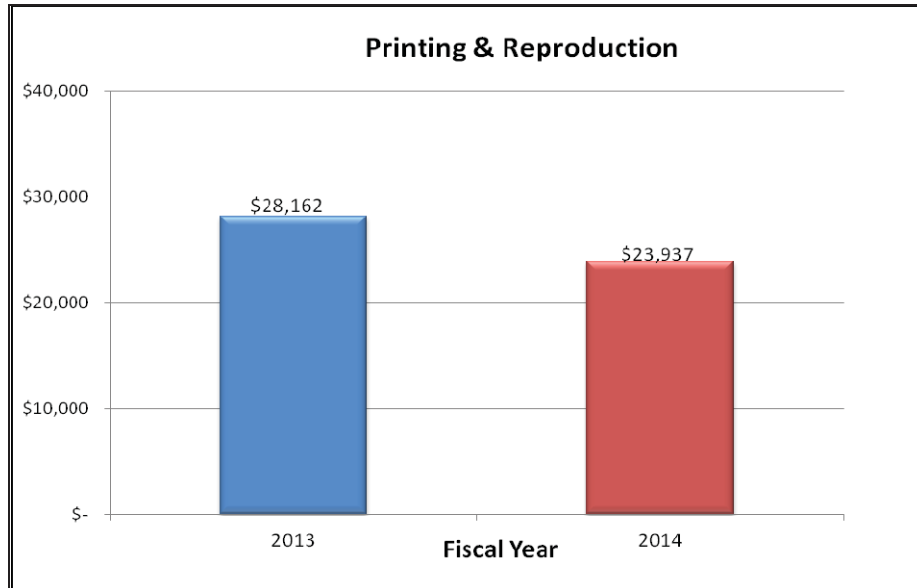
<u>Division</u>	<u>Type of Service</u>	<u>2013 Budgeted</u>	<u>2014 Budgeted</u>
Various	Statewide Cost Allocation	\$ 80,508	\$ 63,590
Various	Audit Costs - Financial and Single Audit	450,000	450,000
Legal/NSP	Legal Costs/Document Preparation	260,000	225,000
Compliance	Inspection Outsourcing (On-Site Inspections)	300,000	300,000
HOME	Direct Assistance Program Inspections	20,000	-
Texas Homeownership	Tx. Statewide Homebuyer Education Program	50,000	50,000
HRC/DPPA	Market Studies and Preparation of Educational Materials	120,000	120,000
Various	Miscellaneous Training and Special Projects	257,507	259,880
Community Affairs	Training	15,000	15,000
<b>Total</b>		<b>\$ 1,553,015</b>	<b>\$ 1,483,470</b>

4. **Materials and Supplies.** Materials and Supplies decreased \$97,246 or 18.4%. These reductions are attributed to the reduction of expenses across the organization as a result of increased use of electronic media.

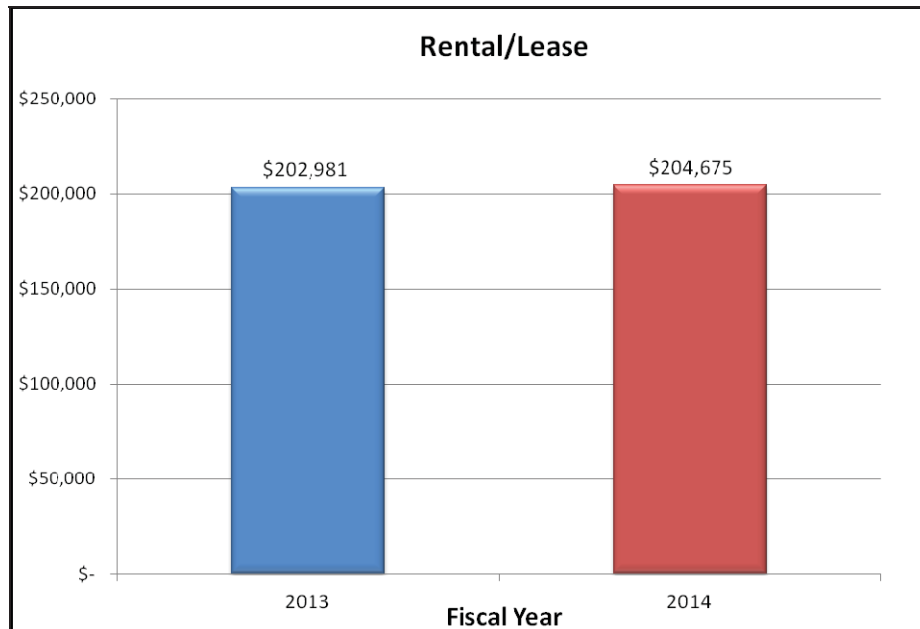


5. **Repairs and Maintenance.** The budget continues to include funding for maintenance of agency software such as MITAS, PeopleSoft Financials, Housing Pro, APPX, and Oracle. These core software products support Loan Servicing, State/Federal Accounting, Bond Accounting, Section 8 Administration, Human Resources, Compliance Monitoring, Community Affairs and Housing Programs. The budget for repairs and maintenance experienced a minor decrease of \$9,371 or 1.2% reflective of maintenance agreements remaining relatively constant.

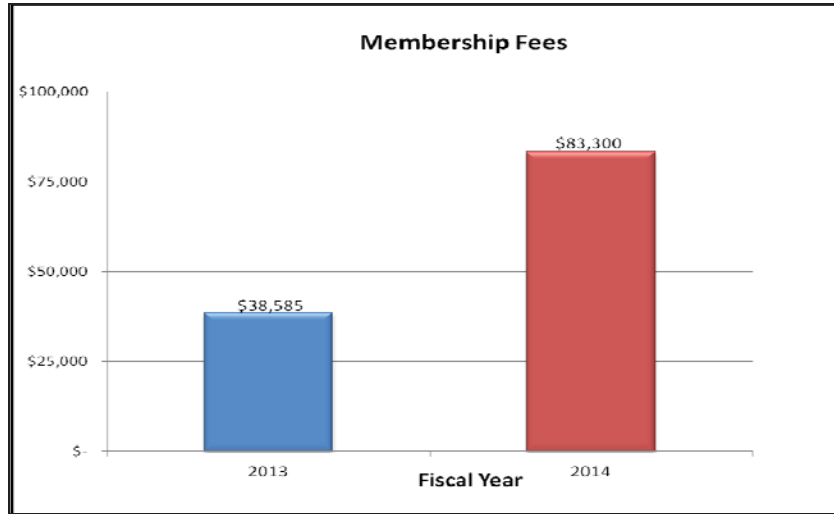
6. **Printing and Reproduction.** Printing and reproduction decreased \$4,225 or 15.0%. The Department's Printing and Reproduction budget constant level is reflective of the identification of cost savings in previous years.



7. **Rentals and Leases.** The Department continues to lease space at the Twin Towers Office Center (TTOC) and a satellite office in Edinburg, Texas. This expense category also includes copier rentals and meeting space utilized for events such as public hearings, forums and trainings. The FY 2014 budget does not reflect a significant variance in this category.

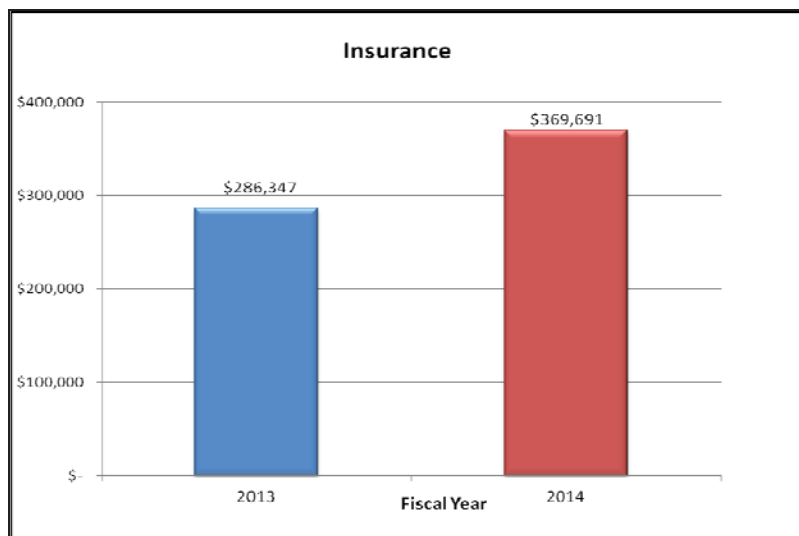


8. **Membership Fees.** Membership fees increased \$44,715 or 115.9% as a result of the reinstatement of the Department’s membership in the National Council of State Housing Agencies (NCSHA). Other Key associations are the National Association of Home Builders (NAHB), and the National Association of State Community Services Programs (NASCSPP). These expenses are limited to dues/memberships and do not reflect additional costs of attending seminars and meetings such as registration fees and travel.



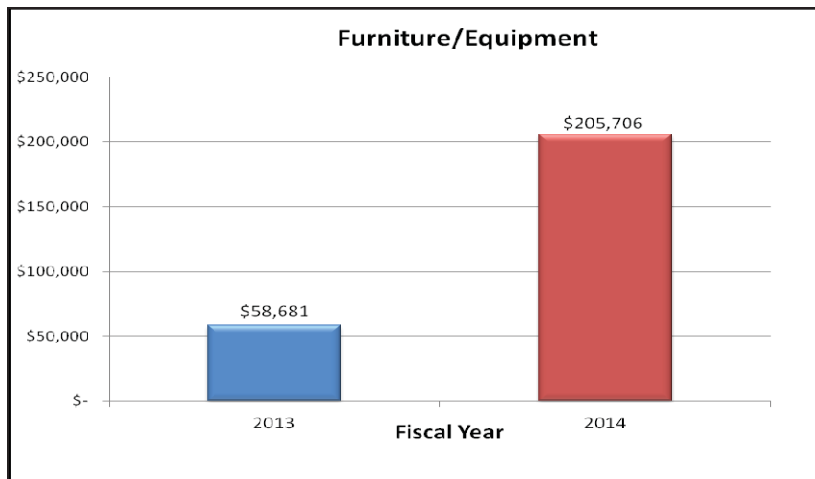
9. **Staff Development.** Staff Development decreased \$2,974 or 1.6%.

10. **Insurance/Employee Bonds.** Insurance increased a net of \$83,344 or 29.1%. The 83<sup>rd</sup> Legislature passed SB 1459 in an attempt to strengthen the state’s pension fund. One of the provisions was for State agencies to begin contributing for the first time to the ERS fund, in an amount equal to 0.5% of each agency’s payroll. The impact of this requirement is \$83,730.





11. **Advertising.** Advertising decreased \$7,000 or 10.7%. The decrease in this category can be attributed to the Department altering its recruiting efforts by utilizing on-line media.
12. **Temporary Help.** Temporary Help decreased \$35,930 or 26.3%. The decrease in this category resulted from a reduction in various areas of the Department.
13. **Furniture and Equipment.** This line item increased \$147,025 or 250.5% due to the Legislature's approval of the Department's IT Hardware and Software Refresh Project as it relates to non-capital expenses such as update and replacement of end-user computers and operational software upgrades, including an upgrade to Windows 7, a Microsoft Office upgrade, server operating system upgrades, and additional database server software licenses. The benefits of these planned purchases include increased security, better performance for end-user computers, and the ability to provide continued support for TDHCA's enterprise systems, such as the Central Database Systems, PeopleSoft Financials, MITAS, and the Manufactured Housing System.



14. **Communication and Utilities.** The increase of \$13,761 or 3.8% is primarily due to the inclusion of \$30,000 in electronic subscriptions/services related to Bond Finance and Human Resources. The increase in electronic subscriptions was offset by the Department's elimination of non essential blackberries.
15. **Capital Outlay.** The Capital Budget increased \$88,711 or 111.9% as approved by the Legislature for mission critical growth including server hardware upgrades and network equipment enhancements, so that systems remain supported by vendors and the security and reliability of these systems remain at high levels.

## Comparison by Expense Object

	2013 Budget (b)	2014 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 16,794,414	\$ 16,746,070	\$ (48,344)	-0.3%
Payroll Related Costs	4,030,659	4,019,057	(11,602)	-0.3%
Travel In-State	643,743	594,910	(48,833)	-7.6%
Travel Out-of-State	125,394	125,394	-	0.0%
Professional Fees	1,553,015	1,483,470	(69,545)	-4.5%
Material and Supplies	527,742	430,496	(97,246)	-18.4%
Repairs/Maintenance	754,431	745,060	(9,371)	-1.2%
Printing and Reproduction	28,162	23,937	(4,225)	-15.0%
Rentals and Leases	202,981	204,675	1,694	0.8%
Membership Fees	38,585	83,300	44,715	115.9%
Staff Development	183,300	180,326	(2,974)	-1.6%
Insurance/Employee Bonds	286,347	369,691	83,344	29.1%
Employee Tuition	22,500	19,250	(3,250)	-14.4%
Advertising	65,600	58,600	(7,000)	-10.7%
Freight/Delivery	45,678	33,000	(12,678)	-27.8%
Temporary Help	136,430	100,500	(35,930)	-26.3%
Furniture and Equipment	58,681	205,706	147,025	250.5%
Communication and Utilities	366,328	380,089	13,761	3.8%
Capital Outlay	79,289	168,000	88,711	111.9%
State Office of Risk Management	42,000	42,000	-	0.0%
<b>Total Department</b>	<b>\$ 25,985,280</b>	<b>\$ 26,013,530</b>	<b>\$ 28,250</b>	<b>0.1%</b>
CAP FTE's	241	237	(4)	-1.7%
Temporary FTE's	<u>13</u>	<u>11</u>	<u>(2)</u>	<u>-15.4%</u>
<b>Total FTEs</b>	<b>254</b>	<b>248</b>	<b>(6)</b>	<b>-2.4%</b>
<b>Method of Finance:</b>				
GR-General Revenue - Dedicated	\$ 1,197,105	\$ 1,104,079	\$ (93,026)	-7.8%
GR-Earned Federal Funds	2,071,344	2,105,148	33,804	1.6%
Federal Funds-Non-HERA	6,411,559	6,310,321	(101,238)	-1.6%
Federal Funds-Neighborhood Stabilization Program	1,218,350	828,376	(389,974)	-32.0%
Appropriated Receipts - Housing Finance	14,288,608	14,871,552	582,944	4.1%
Appropriated Receipts - Manufact. Housing	512,160	511,558	(602)	-0.1%
Interagency Contracts	286,154	282,496	(3,657)	-1.3%
<b>Total, Method of Finance</b>	<b>\$ 25,985,280</b>	<b>\$ 26,013,530</b>	<b>\$ 28,250</b>	<b>0.1%</b>

## **Methods of Finance**

The 2014 Budget includes the following sources:

### **General Revenue**

Dedicated - State appropriated funds including Housing Trust Fund, Enriched Housing and funding for affordable housing market studies.

Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds.

### **Federal Funds**

Federal Funds-Non- HERA - Core federal programs such as Community Services Block Grant, Emergency Solutions Grant, HOME, U.S. Dept. of Energy (DOE), Section 8 Housing and Low Income Home Energy Assistance Program.

Neighborhood Stabilization Program - Federally appropriated funds specifically designated for HERA-NSP.

Section 811 PRA Program - Federally appropriated funds specifically designated for project based housing vouchers for extremely low-income persons with disabilities.

### **Appropriated Receipts - Housing Finance (HF):**

Bond Admin Fees - Appropriated receipts associated with our Single Family and Multifamily bond programs such as application fees, issuance fees, and administration fees.

Low Income Housing Tax Credit Fees - Appropriated receipts associated with our housing tax credit program such as application fees and commitment fees.

Compliance Fees - Fees assessed to multifamily developers for the purpose of ensuring long-term compliance.

Asset Oversight Fees - Fees assessed to TCAP and Exchange property developers for the purpose of safeguarding the Department's financial interest in their properties.

### **Appropriated Receipts (MH) - Manufactured Housing Division fees generated through inspecting, licensing and titling activities.**

**Interagency Contracts** - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (OCI) Self-Help Center's operation and administration and contract with the Texas Department of Aging and Disabilities (DADS) for the Money Follows the Person program.



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

**FISCAL YEAR 2014  
OPERATING BUDGET**  
*(September 1, 2013 through August 31, 2014)*

**July 11, 2013**

*Prepared by the Financial Administration Division*

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2014 OPERATING BUDGET**

**T A B L E O F C O N T E N T S**

Agency Wide Organizational Chart .....	iii
Method of Finance Chart.....	1
Comparison by Expense Object .....	2
FTEs by Division .....	3
Out of State Travel .....	4
Capital Budget.....	5
Capital Budget by Project .....	6
Executive Administration.....	7
Executive Office.....	8
Board .....	9
Legal Services .....	10
Internal Audit .....	11
External Affairs .....	12
Housing Resource Center .....	13
Human Resources.....	14
Multifamily Allocation.....	15
Single Family, Community Affairs & Metrics.....	16
Single Family, Community Affairs & Metrics Admin.....	17
HOME Program .....	18
Texas Homeownership Program .....	19
Office of Colonia Initiatives/HTF .....	20
Neighborhood Stabilization Program.....	21
Community Affairs.....	22
Community Affairs- Admin. ....	23
Community Affairs - Planning .....	24
Community Affairs - Fiscal.....	25
Community Affairs - Training .....	26

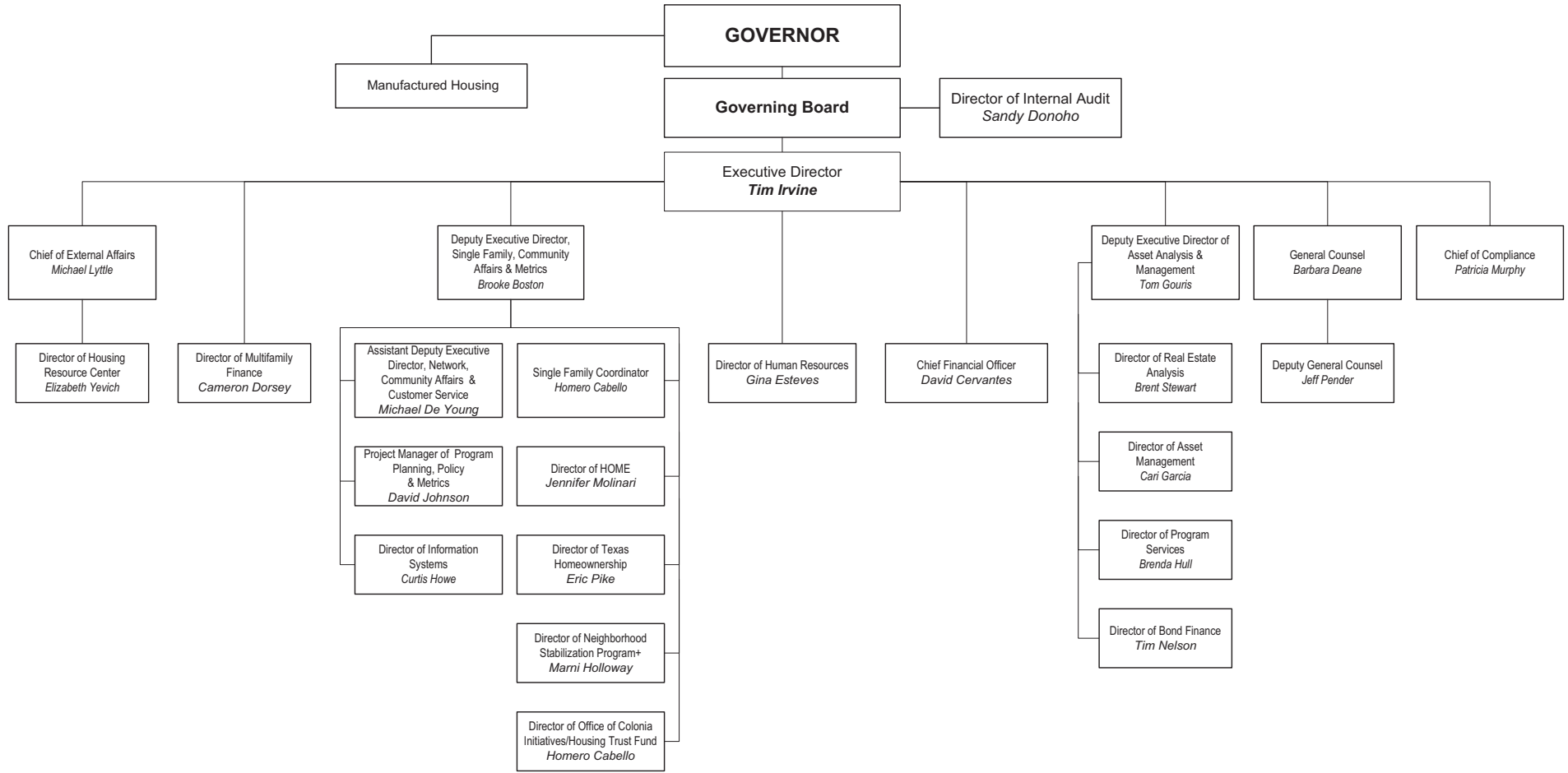
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2014 OPERATING BUDGET**

**T A B L E O F C O N T E N T S (Continued)**

Section 8 - Rental Assistance Program.....	27
Information Systems.....	28
Financial Administration Division .....	29
Chief Financial Officer.....	30
Accounting Operations.....	31
Financial Services.....	32
Loan Servicing .....	33
Purchasing and Facilities Mgmt. ....	34
Asset Analysis & Management. ....	35
Real Estate Analysis .....	36
Asset Management .....	37
Program Services.....	38
Bond Finance.....	39
Compliance Division.....	40
Compliance - Admin .....	41
Compliance - Physical Inspections.....	42
Compliance - Contract Monitoring .....	43
Compliance - Compliance Monitoring .....	44
Compliance - Community Affairs Monitoring .....	45

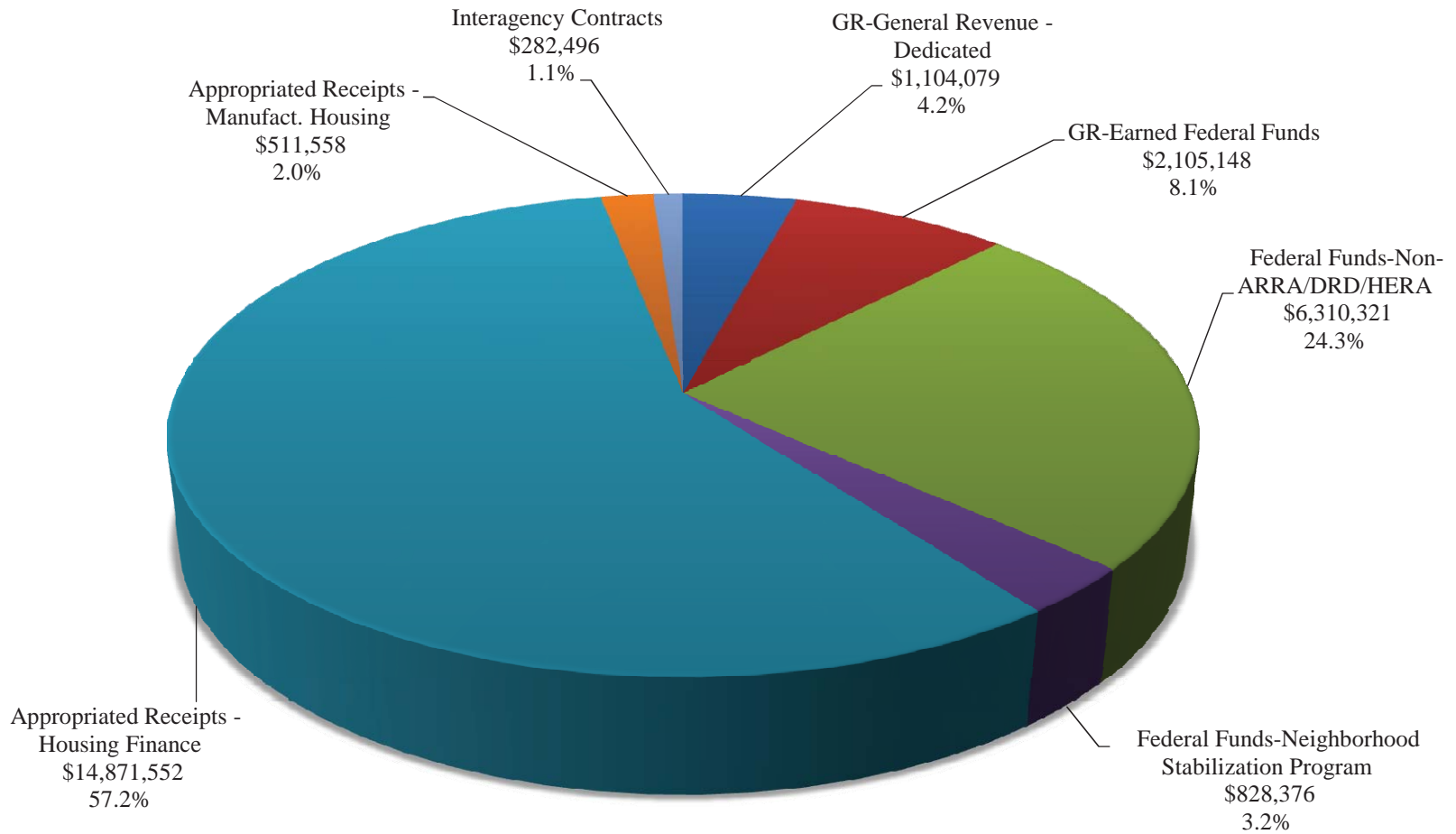
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# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS



+Funded under Article IX

## Texas Department of Housing and Community Affairs FY 2014 Method of Finance



**Total Budget: \$26,013,530**





### Comparison by Expense Object

	2013 Budget (b)	2014 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 16,794,414	\$ 16,746,070	\$ (48,344)	-0.3%
Payroll Related Costs	4,030,659	4,019,057	(11,602)	-0.3%
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Communication and Utilities	366,328	380,089	13,761	3.8%
Capital Outlay	79,289	168,000	88,711	111.9%
State Office of Risk Management	42,000	42,000	(0)	0.0%
<b>Total Department</b>	<b>\$ 25,985,280</b>	<b>\$ 26,013,530</b>	<b>\$ 28,250</b>	<b>0.1%</b>
FTE's	318	312.00	(6.00)	-1.9%
Method of Finance:				
GR-General Revenue - Dedicated	\$ 1,197,105	\$ 1,104,079	\$ (93,026)	-7.8%
GR-Earned Federal Funds	\$ 2,071,344	\$ 2,105,148	33,804	1.6%
Federal Funds-Non-ARRA/DRD/HERA	\$ 6,411,559	\$ 6,310,321	(101,238)	-1.6%
Federal Funds-Neighborhood Stabilization Program	\$ 1,218,350	\$ 828,376	(389,974)	-32.0%
Appropriated Receipts - Housing Finance	\$ 14,288,608	\$ 14,871,552	582,944	4.1%
Appropriated Receipts - Manufact. Housing	\$ 512,160	\$ 511,558	(602)	-0.1%
Interagency Contracts	\$ 286,154	\$ 282,496	(3,657)	-1.3%
<b>Total, Method of Finance</b>	<b>\$ 25,985,280</b>	<b>\$ 26,013,530</b>	<b>\$ 28,249</b>	<b>0.1%</b>

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, Asset Management Fees and Compliance Fees.

**Texas Department of Housing and Community Affairs**

Full Time Equivalent (FTE) Positions

September 2013 thru August 2014

	2013 FTEs			2014 FTEs			Variance		
	CAP FTEs	Temporary FTEs	Total FTEs	CAP FTEs	Temporary FTEs	Total FTEs	CAP FTEs	Temporary FTEs	Total FTEs
<b>Executive Administration:</b>									
Executive Office	2.00	-	2.00	1.00	-	1.00	(1.00)	-	(1.00)
Board	-	-	-	-	-	-	-	-	-
Legal Services	8.00	-	8.00	9.00	-	9.00	1.00	-	1.00
Internal Audit	4.00	-	4.00	4.00	-	4.00	-	-	-
External Affairs	5.00	-	5.00	5.00	-	5.00	-	-	-
Housing Resource Center	6.00	1.00	7.00	7.00	-	7.00	1.00	(1.00)	-
<b>Total, Executive Administration</b>	<b>25.00</b>	<b>1.00</b>	<b>26.00</b>	<b>26.00</b>	<b>-</b>	<b>26.00</b>	<b>1.00</b>	<b>(1.00)</b>	<b>-</b>
<b>Multifamily Allocation</b>	<b>14.00</b>	<b>-</b>	<b>14.00</b>	<b>14.00</b>	<b>-</b>	<b>14.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single Family, Community Affairs, &amp; Metrics :</b>									
SF, CA, & Metrics - Administration	4.00	-	4.00	3.00	2.00	5.00	(1.00)	2.00	1.00
HOME Program	13.00	-	13.00	12.00	-	12.00	(1.00)	-	(1.00)
Texas Homeownership Program	4.00	-	4.00	4.00	-	4.00	-	-	-
Neighborhood Stabilization Program	-	12.00	12.00	-	9.00	9.00	-	(3.00)	(3.00)
Office of Colonia Initiatives/HTF	10.00	-	10.00	9.00	-	9.00	(1.00)	-	(1.00)
Community Affairs - Administration	3.00	-	3.00	2.00	-	2.00	(1.00)	-	(1.00)
Community Affairs - Planning	6.00	-	6.00	6.00	-	6.00	-	-	-
Community Affairs - Fiscal	4.00	-	4.00	4.00	-	4.00	-	-	-
Community Affairs - Training	6.00	-	6.00	6.00	-	6.00	-	-	-
Section 8	7.00	-	7.00	6.00	-	6.00	(1.00)	-	(1.00)
Information Services	19.00	-	19.00	20.00	-	20.00	1.00	-	1.00
<b>Total, Single Family, Community Affairs, &amp; Metrics</b>	<b>76.00</b>	<b>12.00</b>	<b>88.00</b>	<b>72.00</b>	<b>11.00</b>	<b>83.00</b>	<b>(4.00)</b>	<b>(1.00)</b>	<b>(5.00)</b>
<b>Human Resources</b>	<b>4.00</b>	<b>-</b>	<b>4.00</b>	<b>4.00</b>	<b>-</b>	<b>4.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Administration:</b>									
Chief Financial Officer	4.00	-	4.00	3.00	-	3.00	(1.00)	-	(1.00)
Accounting Operations	10.00	-	10.00	10.00	-	10.00	-	-	-
Financial Services/Budget/Travel	12.00	-	12.00	12.00	-	12.00	-	-	-
Loan Services	8.00	-	8.00	8.00	-	8.00	-	-	-
Purchasing and Facilities Management	8.00	-	8.00	8.00	-	8.00	-	-	-
<b>Total, Financial Administration</b>	<b>42.00</b>	<b>-</b>	<b>42.00</b>	<b>41.00</b>	<b>-</b>	<b>41.00</b>	<b>(1.00)</b>	<b>-</b>	<b>(1.00)</b>
<b>Asset Analysis &amp; Management</b>									
Real Estate Analysis	10.00	-	10.00	10.00	-	10.00	-	-	-
Asset Management	9.00	-	9.00	9.00	-	9.00	-	-	-
Bond Finance	4.00	-	4.00	4.00	-	4.00	-	-	-
Program Services	12.00	-	12.00	12.00	-	12.00	-	-	-
<b>Total, Asset Analysis &amp; Management</b>	<b>35.00</b>	<b>-</b>	<b>35.00</b>	<b>35.00</b>	<b>-</b>	<b>35.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Compliance Division:</b>									
Monitoring - Administration	6.00	-	6.00	6.00	-	6.00	-	-	-
Physical Inspections	12.00	-	12.00	12.00	-	12.00	-	-	-
Contract Monitoring	6.00	-	6.00	6.00	-	6.00	-	-	-
Compliance Monitoring	15.00	-	15.00	15.00	-	15.00	-	-	-
CA Inspectors	6.00	-	6.00	6.00	-	6.00	-	-	-
<b>Total, Compliance Division</b>	<b>45.00</b>	<b>-</b>	<b>45.00</b>	<b>45.00</b>	<b>-</b>	<b>45.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Subtotal, Housing and Community Affairs	241.00	13.00	254.00	237.00	11.00	248.00	(4.00)	(2.00)	(6.00)
Manufactured Housing	64.00	-	64.00	64.00	-	64.00	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Total, Department FTEs</b>	<b>305.00</b>	<b>13.00</b>	<b>318.00</b>	<b>301.00</b>	<b>11.00</b>	<b>312.00</b>	<b>(4.00)</b>	<b>(2.00)</b>	<b>(6.00)</b>



**Out of State Travel**

September 1, 2013 thru August 31, 2014

	<b>Budget 2013</b>	<b>Federal Funds</b>	<b>General Revenue</b>	<b>Appropriated Receipts</b>	<b>Total</b>
<b>Executive Administration:</b>					
Executive Office	29,830			29,830	29,830
Board	10,000			10,000	10,000
Legal Services	4,410			4,410	4,410
Internal Audit	1,500		1,500		1,500
External Affairs	3,145		-	3,145	3,145
Housing Resource Center	2,000			2,000	2,000
<b>Total, Executive Administration</b>	<b>50,885</b>	<b>-</b>	<b>1,500</b>	<b>49,385</b>	<b>50,885</b>
<b>Multifamily Allocation</b>	<b>6,000</b>			<b>6,000</b>	<b>6,000</b>
<b>Single Family, Community Affairs &amp; Metrics:</b>					
SF, CA & Metrics - Administration	1,400	1,400		-	1,400
HOME Program	7,000	7,000			7,000
Texas Homeownership Program	6,017			6,017	6,017
Neighborhood Stabilization Program	-				-
Office of Colonia Initiatives/HTF	3,000		3,000		3,000
Community Affairs - Administration	7,700	7,700			7,700
Community Affairs - Planning	1,750	1,750			1,750
Community Affairs - Fiscal	1,750	1,750			1,750
Community Affairs - Training	1,750	-			-
Section 8	1,200	1,200			1,200
Information Services	1,210		726	484	1,210
<b>Total, Single Family, Community Affairs &amp; Metrics</b>	<b>32,777</b>	<b>20,800</b>	<b>3,726</b>	<b>6,501</b>	<b>31,027</b>
<b>Human Resources</b>	<b>1,200</b>			<b>1,200</b>	<b>1,200</b>
<b>Financial Administration:</b>					
Director's Office - Financial Administration	2,525			2,525	2,525
Accounting Operations	1,615		1,615		1,615
Financial Services / Budget / Travel	1,526			1,526	1,526
Loan Servicing	1,476			1,476	1,476
Purchasing and Facilities Management	-				-
<b>Total, Agency Administration</b>	<b>7,142</b>	<b>-</b>	<b>1,615</b>	<b>5,527</b>	<b>7,142</b>
<b>Asset Analysis &amp; Management Division:</b>					
Real Estate Analysis	5,000			5,000	5,000
Bond Finance	6,500			6,500	6,500
Asset Management	1,500			1,500	1,500
Program Services	2,000	500		1,500	2,000
<b>Total, Asset Analysis &amp; Management Division</b>	<b>15,000</b>	<b>500</b>	<b>-</b>	<b>14,500</b>	<b>15,000</b>
<b>Compliance Division:</b>					
Compliance - Administration	8,390	3,776		4,615	8,390
Physical Inspections	-			-	-
Contract Monitoring	-	-		-	-
Compliance Monitoring	-	-		-	-
Community Affairs Inspectors	4,000	4,000			4,000
<b>Total, Compliance Division</b>	<b>12,390</b>	<b>7,776</b>	<b>-</b>	<b>4,615</b>	<b>12,390</b>
<b>Total, Department</b>	<b>125,394</b>	<b>29,076</b>	<b>6,841</b>	<b>86,528</b>	<b>123,644</b>



## Capital Budget

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>Federal Funds</b>	<b>HF Approp Receipts</b>
Salaries			
Travel In-State			
Travel Out-of-State			
Professional Fees			
Materials/Supplies			
Repairs/Maintenance			
Printing and Reproduction			
Rental/Lease			
Membership Dues			
Staff Development			
Insurance/Employee Bonds			
Employee Tuition			
Advertising			
Freight/Delivery			
Temporary Help			
Furniture/Equipment	135,100	45,410	89,690
Communications/Utilities			
Capital Outlay	168,000	60,149	107,851
State Office of Risk Management			
<b>Total</b>	<b><u>303,100</u></b>	<b><u>105,559</u></b>	<b><u>197,541</u></b>

*Notes:*

1. Capital Outlay and Furniture/Equip are Scheduled Replacement of Items
2. Does not tie to the Capital Budget Rider due to \$71,400 budgeted in Manufactured Housing for Replacement of Items



**Capital Budget by Project**

September 1, 2013 thru August 31, 2014

<b>Project Name</b>	<b>Federal Funds</b>	<b>HF Approp Receipts</b>	<b>Total</b>	<b>Professional Services</b>	<b>Capital Outlay</b>	<b>LIHTC</b>	<b>Compliance Fees</b>	<b>Bond Admin Fees</b>	<b>Manufactured Housing</b>	<b>Total</b>
Scheduled Replacement of Items:										
Furniture/Equipment (PCs, Printers, etc)	45,410	89,690	135,100	-	89,690	21,962	37,843	29,886	-	89,690
Capital Outlay (Servers, Network Enhancements)	60,149	107,851	168,000	-	107,851	26,409	45,505	35,937	-	107,851
<b>Total, Fiscal Year 2014</b>	<b>105,559</b>	<b>197,541</b>	<b>303,100</b>	<b>-</b>	<b>197,541</b>	<b>48,370</b>	<b>83,348</b>	<b>65,823</b>	<b>-</b>	<b>197,541</b>



## Executive Administration

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	<i>F.1.1./13800</i>	<i>B.1.1./13034</i>	<i>F.1.1./13800</i>	<i>F.1.1./13800</i>	<i>B.1.1./13034</i>
		General Revenue (CS)	HF Approp Receipts	MH Approp Receipts	HF Approp Receipts	CHRP General Revenue
Salaries	2,079,264	272,449	527,507	62,162	1,116,966	100,180
Travel In-State	78,000	4,000	3,000	-	64,000	7,000
Travel Out-of-State	50,885	1,500	2,000	-	47,385	-
Professional Fees	467,843	1,348	2,359	-	205,556	258,580
Materials/Supplies	47,505	5,113	8,858	-	31,319	2,215
Repairs/Maintenance	71,219	10,526	14,736	-	42,272	3,684
Printing and Reproduction	5,151	100	-	-	3,072	1,979
Rental/Lease	23,235	1,452	7,800	-	9,444	4,540
Membership Dues	52,900	2,400	250	-	50,000	250
Staff Development	40,600	7,300	7,200	-	24,300	1,800
Insurance/Employee Bonds	42,197	5,044	11,668	1,258	22,060	2,167
Employee Tuition	-	-	-	-	-	-
Advertising	550	300	-	-	250	-
Freight/Delivery	2,950	400	240	-	2,250	60
Temporary Help	38,106	785	5,900	-	29,946	1,475
Furniture/Equipment	6,936	467	1,134	-	5,051	283
Communications/Utilities	40,660	6,714	7,342	-	24,768	1,836
Capital Outlay	-	-	-	-	-	-
State Office of Risk Management	4,403	677	948	-	2,540	237
<b>Total</b>	<b>3,052,404</b>	<b>320,576</b>	<b>600,942</b>	<b>63,421</b>	<b>1,681,179</b>	<b>386,286</b>

**Note:**

Executive Administration Includes:

Executive Office	251,541
Board	81,557
Legal Services	1,074,285
Internal Audit	367,135
External Affairs	506,577
Housing Resource Center	771,309



## Executive Office

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>
Salaries	145,295	29,059	116,236
Travel In-State	10,000		10,000
Travel Out-of-State	29,830		29,830
Professional Fees	337		337
Materials/Supplies	2,153		2,153
Repairs/Maintenance	3,231		3,231
Printing and Reproduction	536		536
Rental/Lease	363		363
Membership Dues	47,000		47,000
Staff Development	5,000		5,000
Insurance/Employee Bonds	2,603	521	2,082
Employee Tuition	-		-
Advertising	-		-
Freight/Delivery	500		500
Temporary Help	2,196		2,196
Furniture/Equipment	1,117		1,117
Communications/Utilities	1,210		1,210
Capital Outlay	-		-
State Office of Risk Management	169		169
<b>Total</b>	<b>251,541</b>	<b>29,580</b>	<b>221,961</b>



**Board**

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>
Salaries		
Travel In-State	41,000	41,000
Travel Out-of-State	10,000	10,000
Professional Fees	500	500
Materials/Supplies	2,021	2,021
Repairs/Maintenance	-	-
Printing and Reproduction	536	536
Rental/Lease	1,000	1,000
Membership Dues	500	500
Staff Development	5,000	5,000
Insurance/Employee Bonds	-	-
Employee Tuition	-	-
Advertising	-	-
Freight/Delivery	500	500
Temporary Help	20,000	20,000
Furniture/Equipment	500	500
Communications/Utilities	-	-
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>81,557</b>	<b>81,557</b>





## Legal Services

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i>
		<b>HF Approp Receipts</b>
Salaries	769,606	769,606
Travel In-State	5,000	5,000
Travel Out-of-State	4,410	4,410
Professional Fees	203,033	203,033
Materials/Supplies	18,379	18,379
Repairs/Maintenance	23,883	23,883
Printing and Reproduction	500	500
Rental/Lease	3,266	3,266
Membership Dues	2,000	2,000
Staff Development	8,100	8,100
Insurance/Employee Bonds	15,355	15,355
Employee Tuition	-	-
Advertising	250	250
Freight/Delivery	1,000	1,000
Temporary Help	3,767	3,767
Furniture/Equipment	1,951	1,951
Communications/Utilities	12,260	12,260
Capital Outlay	-	-
State Office of Risk Management	1,524	1,524
<b>Total</b>	<b>1,074,285</b>	<b>1,074,285</b>



## Internal Audit

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>MH Approp Receipts</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>
Salaries	317,595	222,495	48,723	46,377
Travel In-State	4,000	4,000		
Travel Out-of-State	1,500	1,500		
Professional Fees	1,348	1,348		
Materials/Supplies	5,113	5,113		
Repairs/Maintenance	10,526	10,526		
Printing and Reproduction	100	100		
Rental/Lease	1,452	1,452		
Membership Dues	2,400	2,400		
Staff Development	7,300	7,300		
Insurance/Employee Bonds	6,457	4,524	991	943
Employee Tuition	-	-		
Advertising	300	300		
Freight/Delivery	400	400		
Temporary Help	785	785		
Furniture/Equipment	467	467		
Communications/Utilities	6,714	6,714		
Capital Outlay	-	-		
State Office of Risk Management	677	677		
<b>Total</b>	<b>367,135</b>	<b>270,101</b>	<b>49,714</b>	<b>47,320</b>



## External Affairs

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>MH Approp</b> <b>Receipts</b>	<i>F.1.1./13800</i> <b>HF Approp</b> <b>Receipts</b>	<i>B.1.1./13034</i> <b>HF Approp</b> <b>Receipts</b>	<i>B.1.1./13034</i> <b>GR Enriched</b> <b>Housing</b>
Salaries	430,375	13,439	184,746	209,948	22,242
Travel In-State	8,000		8,000		
Travel Out-of-State	3,145		3,145		
Professional Fees	1,685		1,685		
Materials/Supplies	8,766		8,766		
Repairs/Maintenance	15,157		15,157		
Printing and Reproduction	1,500		1,500		
Rental/Lease	4,815		4,815		
Membership Dues	500		500		
Staff Development	6,200		6,200		
Insurance/Employee Bonds	8,573	268	3,680	4,182	443
Employee Tuition	-		-		
Advertising	-		-		
Freight/Delivery	250		250		
Temporary Help	3,982		3,982		
Furniture/Equipment	1,484		1,484		
Communications/Utilities	11,298		11,298		
Capital Outlay	-		-		
State Office of Risk Management	847		847	-	
<b>Total</b>	<b>506,577</b>	<b>13,707</b>	<b>256,056</b>	<b>214,131</b>	<b>22,685</b>



## Housing Resource Center

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	B.1.1./13034	B.1.1./13034	F.1.1./13800
		HF Approp Receipts	Enriched Housing/ General Revenue	General Revenue (CS)
Salaries	416,393	317,559	77,939	20,895
Travel In-State	10,000	3,000	7,000	-
Travel Out-of-State	2,000	2,000	-	-
Professional Fees	260,939	2,359	258,580	-
Materials/Supplies	11,073	8,858	2,215	-
Repairs/Maintenance	18,420	14,736	3,684	-
Printing and Reproduction	1,979	-	1,979	-
Rental/Lease	12,340	7,800	4,540	-
Membership Dues	500	250	250	-
Staff Development	9,000	7,200	1,800	-
Insurance/Employee Bonds	9,210	7,486	1,724	-
Employee Tuition	-	-	-	-
Advertising	-	-	-	-
Freight/Delivery	300	240	60	-
Temporary Help	7,375	5,900	1,475	-
Furniture/Equipment	1,417	1,134	283	-
Communications/Utilities	9,178	7,342	1,836	-
Capital Outlay	-	-	-	-
State Office of Risk Management	1,185	948	237	-
<b>Total</b>	<b>771,309</b>	<b>386,813</b>	<b>363,601</b>	<b>20,895</b>



## Human Resources

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>F.1.1./13800 General Revenue (CS)</b>	<b>F.1.1./13800 HF Approp Receipts</b>	<b>F.1.1./13800 MH Approp Receipts</b>
Salaries	268,896	80,669	147,893	40,334
Travel In-State	750		750	
Travel Out-of-State	1,200		1,200	
Professional Fees	8,348		8,348	
Materials/Supplies	5,613		5,613	
Repairs/Maintenance	11,526		11,526	
Printing and Reproduction	-		-	
Rental/Lease	1,452		1,452	
Membership Dues	1,200		1,200	
Staff Development	13,000		13,000	
Insurance/Employee Bonds	5,727		5,727	
Employee Tuition	-		-	
Advertising	2,500		2,500	
Freight/Delivery	1,000		1,000	
Temporary Help	1,785		1,785	
Furniture/Equipment	1,067		1,067	
Communications/Utilities	11,339		11,339	
Capital Outlay	-		-	
State Office of Risk Management	677		677	
<b>Total</b>	<b>336,081</b>	<b>80,669</b>	<b>215,077</b>	<b>40,334</b>



## Multifamily Allocation

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	A.1.5./13005	A.1.6./13018	A.1.2./13030
		Tax Credit Fees	Multifamily Bond Admin	Home
Salaries	942,874	644,567	218,724	79,582
Travel In-State	15,750	7,875	7,875	
Travel Out-of-State	6,000	3,900	2,100	
Professional Fees	4,719	3,067	1,652	
Materials/Supplies	21,145	13,744	7,401	
Repairs/Maintenance	36,841	22,105	14,736	
Printing and Reproduction	1,000	650	350	
Rental/Lease	11,546	7,505	4,041	
Membership Dues	1,500	975	525	
Staff Development	12,376	8,044	4,332	
Insurance/Employee Bonds	20,071	13,721	4,656	1,694
Employee Tuition	1,500	975	525	
Advertising	1,000	650	350	
Freight/Delivery	1,000	650	350	
Temporary Help	6,249	4,062	2,187	
Furniture/Equipment	2,235	1,452	782	
Communications/Utilities	16,935	11,008	5,927	
Capital Outlay	-	-	-	
State Office of Risk Management	2,371	1,541	830	
<b>Total</b>	<b>1,105,111</b>	<b>746,492</b>	<b>277,343</b>	<b>81,276</b>



**Single Family, Community Affairs & Metrics**

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	NSP (PI)	NSP 3	HTF	General	Single Family	General	MH Approp	DADS IA	811 Grant	Federal	HF Approp	Interagency
				Revenue	Revenue (IS)	Bond Admin	Receipts	Contract (MFP)	Funds Community Affairs		Receipts	Contract / Tx Ag	
Salaries	5,644,830	204,836	291,962	289,015	527,821	9,855	78,616	124,487	51,106	2,502,198	1,537,087	27,848	-
Travel In-State	178,935	7,500	7,500	17,500	38,200	-	-	31,235	-	75,000	2,000	-	-
Travel Out-of-State	32,777	-	-	3,000	6,017	726	-	-	-	22,550	484	-	-
Professional Fees	274,450	14,145	42,434	3,033	71,348	4,045	-	-	-	136,748	2,696	-	-
Materials/Supplies	105,407	3,558	3,558	12,379	6,613	19,839	-	5,000	-	41,234	13,226	-	-
Repairs/Maintenance	103,147	-	-	12,842	23,368	31,578	-	-	2,000	12,307	21,052	-	-
Printing and Reproduction	13,550	150	150	500	7,000	-	-	-	-	5,750	-	-	-
Rental/Lease	93,745	1,589	1,589	10,133	15,585	26,596	-	3,000	-	17,524	17,730	-	-
Membership Dues	13,650	-	-	500	450	120	-	-	-	12,500	80	-	-
Staff Development	47,500	750	750	3,000	4,000	9,000	-	4,000	-	20,000	6,000	-	-
Insurance/Employee Bonds	100,761	3,755	3,755	6,072	10,791	207	1,653	2,433	999	38,335	32,175	585	-
Employee Tuition	3,000	-	-	-	-	-	-	-	-	3,000	-	-	-
Advertising	53,400	-	-	2,000	50,000	-	-	-	-	1,400	-	-	-
Freight/Delivery	8,750	1,500	500	1,500	2,500	180	-	-	-	2,450	120	-	-
Temporary Help	17,962	2,500	2,500	1,767	1,785	2,356	-	-	-	5,482	1,571	-	-
Furniture/Equipment	23,637	300	300	1,651	1,067	2,001	-	12,600	-	4,384	1,334	-	-
Communications/Utilities	122,518	6,095	6,095	10,341	16,956	27,754	-	600	-	54,678	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
State Office of Risk Management	6,435	-	-	1,524	677	3,387	-	-	-	847	-	-	-
<b>Total</b>	<b>6,844,456</b>	<b>246,679</b>	<b>361,094</b>	<b>376,758</b>	<b>784,178</b>	<b>137,644</b>	<b>80,269</b>	<b>183,356</b>	<b>54,107</b>	<b>2,956,391</b>	<b>1,635,555</b>	<b>28,433</b>	

**Note:**

Single Family, Community Affairs & Metrics Included:	
SF, CA & Metrics Administration	571,494
Home	899,023
Texas Homeownership	532,869
OCL/HTF	779,822
NSP	594,704
Community Affairs	1,839,372
Information Systems	1,627,171



**Single Family, Community Affairs, and Metrics - Administration**

September 1, 2013 thru August 31, 2014

	C.1.1/13011	C.2.1/13013	F.1.1./13800	A.1.2./13030	A.1.2./13030	B.1.1./13034 DADS IA	B.1.1./13034	B.1.1./13034	
<b>Budget Categories</b>	<b>Budgeted</b>	<b>CSBG</b>	<b>LIHEAP</b>	<b>HF Approp Receipts</b>	<b>NSP (PI)</b>	<b>NSP 3</b>	<b>Contract (MFP)</b>	<b>811 Grant</b>	<b>HF Approp Receipts</b>
Salaries	466,048	58,961	117,675	21,021	6,409	6,409	124,487	51,106	79,980
Travel In-State	33,235	1,000	1,000	-			31,235		-
Travel Out-of-State	1,400	700	700	-			-		-
Professional Fees	1,685	843	843	-			-		-
Materials/Supplies	12,766	3,883	3,883	-			5,000		-
Repairs/Maintenance	13,157	5,579	5,579	-			-	2,000	-
Printing and Reproduction	500	250	250	-			-		-
Rental/Lease	4,815	907	907	-			3,000		-
Membership Dues	-	-	-	-			-		-
Staff Development	6,000	1,000	1,000	-			4,000		-
Insurance/Employee Bonds	9,108	1,152	2,300	411	125	125	2,433	999	1,563
Employee Tuition	-	-	-	-			-		-
Advertising	-	-	-	-			-		-
Freight/Delivery	-	-	-	-			-		-
Temporary Help	982	491	491	-			-		-
Furniture/Equipment	13,484	442	442	-			12,600		-
Communications/Utilities	7,468	3,434	3,434	-			600		-
Capital Outlay	-	-	-	-			-		-
State Office of Risk Management	847	423	423	-			-		-
<b>Total</b>	<b>571,494</b>	<b>79,066</b>	<b>138,926</b>	<b>21,432</b>	<b>6,534</b>	<b>6,534</b>	<b>183,356</b>	<b>54,107</b>	<b>81,543</b>





## HOME Program

September 1, 2013 thru August 31, 2014

Budget Categories	A.1.2./13030	
	Budgeted	HOME
Salaries	765,345	765,345
Travel In-State	20,000	20,000
Travel Out-of-State	7,000	7,000
Professional Fees	42,105	42,105
Materials/Supplies	11,823	11,823
Repairs/Maintenance	150	150
Printing and Reproduction	2,000	2,000
Rental/Lease	3,903	3,903
Membership Dues	1,500	1,500
Staff Development	11,000	11,000
Insurance/Employee Bonds	11,480	11,480
Employee Tuition	1,500	1,500
Advertising	1,000	1,000
Freight/Delivery	1,500	1,500
Temporary Help	3,000	3,000
Furniture/Equipment	1,200	1,200
Communications/Utilities	14,516	14,516
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>899,023</b>	<b>899,023</b>



## Texas Homeownership Program

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.1./13006</i>
		<b>Single Family Bond Admin</b>
Salaries	331,453	331,453
Travel In-State	20,700	20,700
Travel Out-of-State	6,017	6,017
Professional Fees	71,348	71,348
Materials/Supplies	6,613	6,613
Repairs/Maintenance	10,526	10,526
Printing and Reproduction	7,000	7,000
Rental/Lease	5,452	5,452
Membership Dues	450	450
Staff Development	4,000	4,000
Insurance/Employee Bonds	6,665	6,665
Employee Tuition	-	-
Advertising	50,000	50,000
Freight/Delivery	2,500	2,500
Temporary Help	1,785	1,785
Furniture/Equipment	1,067	1,067
Communications/Utilities	6,615	6,615
Capital Outlay	-	-
State Office of Risk Management	677	677
<b>Total</b>	<b>532,869</b>	<b>532,869</b>



**Office of Colonia Initiatives/HTF**

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>B.2.1./13020 Interagency Contract / Tx Ag</b>	<b>A.1.3./13031 HTF GR</b>	<b>A.1.3./13031 HTF (AR)</b>	<b>B.2.1./13020 Single Family Bond Admin Fees</b>
Salaries	634,015	27,848	289,015	120,784	196,368
Travel In-State	35,000		17,500		17,500
Travel Out-of-State	3,000		3,000		
Professional Fees	3,033		3,033		
Materials/Supplies	12,379		12,379		
Repairs/Maintenance	25,683		12,842		12,842
Printing and Reproduction	500		500		
Rental/Lease	20,266		10,133		10,133
Membership Dues	500		500		
Staff Development	3,000		3,000		
Insurance/Employee Bonds	13,321	585	6,072	2,538	4,126
Employee Tuition	-		-		
Advertising	2,000		2,000		
Freight/Delivery	1,500		1,500		
Temporary Help	1,767		1,767		
Furniture/Equipment	1,651		1,651		
Communications/Utilities	20,682		10,341		10,341
Capital Outlay	-				
State Office of Risk Management	1,524		1,524		
<b>Total</b>	<b>779,822</b>	<b>28,433</b>	<b>376,758</b>	<b>123,323</b>	<b>251,309</b>



## Neighborhood Stabilization Program

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.2./13030</i> <b>NSP (PI)</b>	<i>A.1.2./13030</i> <b>NSP 3</b>
Salaries	483,980	198,427	285,553
Travel In-State	15,000	7,500	7,500
Travel Out-of-State	-	-	-
Professional Fees	56,579	14,145	42,434
Materials/Supplies	7,117	3,558	3,558
Repairs/Maintenance	-	-	-
Printing and Reproduction	300	150	150
Rental/Lease	3,177	1,589	1,589
Membership Dues	-	-	-
Staff Development	1,500	750	750
Insurance/Employee Bonds	7,260	3,630	3,630
Employee Tuition	-	-	-
Advertising	-	-	-
Freight/Delivery	2,000	1,500	500
Temporary Help	5,000	2,500	2,500
Furniture/Equipment	600	300	300
Communications/Utilities	12,190	6,095	6,095
Capital Outlay	-	-	-
State Office of Risk Management	-	-	-
<b>Total</b>	<b>594,704</b>	<b>240,144</b>	<b>354,559</b>



## Community Affairs

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>Federal Funds</b>
Salaries	1,560,216	1,560,216
Travel In-State	53,000	53,000
Travel Out-of-State	14,150	14,150
Professional Fees	92,958	92,958
Materials/Supplies	21,645	21,645
Repairs/Maintenance	1,000	1,000
Printing and Reproduction	3,250	3,250
Rental/Lease	11,806	11,806
Membership Dues	11,000	11,000
Staff Development	7,000	7,000
Insurance/Employee Bonds	23,403	23,403
Employee Tuition	1,500	1,500
Advertising	400	400
Freight/Delivery	950	950
Temporary Help	1,500	1,500
Furniture/Equipment	2,300	2,300
Communications/Utilities	33,293	33,293
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>1,839,372</b>	<b>1,839,372</b>

**Note:**

Community Affairs Includes:

Administration	219,679
Planning	440,193
Fiscal	303,273
Training	499,386
Section 8	376,842



## Community Affairs - Administration

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>C.1.1./13011</i> <b>CSBG</b>	<i>C.2.1./13013</i> <b>LIHEAP</b>	<i>C.2.1./13013</i> <b>DOE</b>
Salaries	180,055	50,640	123,788	5,626
Travel In-State	5,000	2,500	2,500	
Travel Out-of-State	7,700	3,850	3,850	
Professional Fees	11,018	5,509	5,509	
Materials/Supplies	1,637	819	819	
Repairs/Maintenance	500	250	250	
Printing and Reproduction	250	125	125	
Rental/Lease	1,484	742	742	
Membership Dues	1,500	750	750	
Staff Development	1,500	750	750	
Insurance/Employee Bonds	2,701	760	1,857	84
Employee Tuition	-	-	-	
Advertising	-	-	-	
Freight/Delivery	250	125	125	
Temporary Help	1,500	750	750	
Furniture/Equipment	1,100	550	550	
Communications/Utilities	3,484	1,742	1,742	
Capital Outlay	-	-	-	
State Office of Risk Management	-	-	-	
<b>Total</b>	<b>219,679</b>	<b>69,861</b>	<b>144,106</b>	<b>5,711</b>



## Community Affairs - Planning

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>	<i>C.2.1./13013</i>	<i>C.2.1./13013</i>
		CSBG	CSBG Discretionary	ESGP	DOE Grantee	LIHEAP
Salaries	387,519	161,824	42,555	19,684	5,599	157,856
Travel In-State	3,000	300				2,700
Travel Out-of-State	1,750	175				1,575
Professional Fees	21,053	2,105				18,947
Materials/Supplies	5,411	541				4,870
Repairs/Maintenance	-	-				-
Printing and Reproduction	1,000	100				900
Rental/Lease	1,452	145				1,306
Membership Dues	3,000	300				2,700
Staff Development	1,500	150				1,350
Insurance/Employee Bonds	5,813	2,427	638	295	84	2,368
Employee Tuition	-	-				-
Advertising	-	-				-
Freight/Delivery	250	25				225
Temporary Help	-	-				-
Furniture/Equipment	300	30				270
Communications/Utilities	8,146	815				7,331
Capital Outlay	-	-				-
State Office of Risk Management	-	-				-
<b>Total</b>	<b>440,193</b>	<b>168,938</b>	<b>43,195</b>	<b>19,979</b>	<b>5,684</b>	<b>202,400</b>



## Community Affairs - Fiscal

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	<i>C.1.1./13011</i>	<i>C.1.1./13011</i>	<i>C.2.1./13013</i>	<i>C.2.1./13013</i>
		CSBG	ESGP	DOE Grantee	LIHEAP
Salaries	263,342	66,332	28,633	6,508	161,869
Travel In-State	3,000			-	3,000
Travel Out-of-State	1,750			-	1,750
Professional Fees	14,035			-	14,035
Materials/Supplies	4,274			-	4,274
Repairs/Maintenance	-			-	-
Printing and Reproduction	1,000			-	1,000
Rental/Lease	968			-	968
Membership Dues	3,000			-	3,000
Staff Development	1,500			-	1,500
Insurance/Employee Bonds	3,950	995	429	98	2,428
Employee Tuition	-			-	-
Advertising	-			-	-
Freight/Delivery	250			-	250
Temporary Help	-			-	-
Furniture/Equipment	300			-	300
Communications/Utilities	5,904			-	5,904
Capital Outlay	-			-	-
State Office of Risk Management	-			-	-
<b>Total</b>	<b>303,273</b>	<b>67,327</b>	<b>29,062</b>	<b>6,605</b>	<b>200,278</b>





## Community Affairs - Training

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	C.1.1./13011	C.1.1./13011	C.1.1./13011	C.2.1./13013	C.2.1./13013
		CSBG Discretionary	CSBG	ESG	DOE T&TA	LIHEAP
Salaries	396,965	94,039	23,615	12,281	78,758	188,272
Travel In-State	30,000		10,000		10,000	10,000
Travel Out-of-State	1,750					1,750
Professional Fees	36,053				-	36,053
Materials/Supplies	6,411				3,000	3,411
Repairs/Maintenance	-				-	-
Printing and Reproduction	1,000				1,000	
Rental/Lease	6,452		2,000		2,000	2,452
Membership Dues	3,000		1,500		-	1,500
Staff Development	1,500				1,500	
Insurance/Employee Bonds	5,954	1,411	354	184	1,181	2,824
Employee Tuition	1,500				1,500	
Advertising	-				-	-
Freight/Delivery	-				-	-
Temporary Help	-				-	-
Furniture/Equipment	300				300	
Communications/Utilities	8,501				8,501	
Capital Outlay	-				-	-
State Office of Risk Management	-				-	-
<b>Total</b>	<b>499,386</b>	<b>95,450</b>	<b>37,469</b>	<b>12,465</b>	<b>107,740</b>	<b>246,262</b>



## Section 8 - Rental Assistance Program

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.4./13004</i> <b>Section 8</b>
Salaries	332,336	332,336
Travel In-State	12,000	12,000
Travel Out-of-State	1,200	1,200
Professional Fees	10,800	10,800
Materials/Supplies	3,911	3,911
Repairs/Maintenance	500	500
Printing and Reproduction	-	-
Rental/Lease	1,452	1,452
Membership Dues	500	500
Staff Development	1,000	1,000
Insurance/Employee Bonds	4,985	4,985
Employee Tuition	-	-
Advertising	400	400
Freight/Delivery	200	200
Temporary Help	-	-
Furniture/Equipment	300	300
Communications/Utilities	7,258	7,258
Capital Outlay	-	-
State Office of Risk Management	-	-
<b>Total</b>	<b>376,842</b>	<b>376,842</b>



## Information Systems

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>F.1.2./13801 General Revenue (IR)</b>	<b>F.1.2./13801 MH Approp Receipts</b>	<b>F.1.2./13801 HF Approp Receipts</b>
Salaries	1,403,772	9,855	78,616	1,315,301
Travel In-State	2,000			2,000
Travel Out-of-State	1,210	726		484
Professional Fees	6,741	4,045		2,696
Materials/Supplies	33,065	19,839		13,226
Repairs/Maintenance	52,630	31,578		21,052
Printing and Reproduction	-	-		-
Rental/Lease	44,326	26,596		17,730
Membership Dues	200	120		80
Staff Development	15,000	9,000		6,000
Insurance/Employee Bonds	29,524	207	1,653	27,664
Employee Tuition	-	-		-
Advertising	-	-		-
Freight/Delivery	300	180		120
Temporary Help	3,927	2,356		1,571
Furniture/Equipment	3,335	2,001		1,334
Communications/Utilities	27,754	27,754		
Capital Outlay	-	-		-
State Office of Risk Management	3,387	3,387		-
<b>Total</b>	<b>1,627,171</b>	<b>137,644</b>	<b>80,269</b>	<b>1,409,259</b>



## Financial Administration

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>General Revenue (CS)</b>	<b>Single Family Bond Fees</b>	<b>HF Approp Receipts</b>	<b>MH Approp Receipts</b>	<b>General Revenue (OS)</b>	<b>HTF General Revenue</b>
Salaries	2,683,654	657,179	257,102	1,458,018	222,225	60,328	28,803
Travel In-State	16,475	4,000	-	12,075	-	400	-
Travel Out-of-State	7,142	1,615	-	5,527	-	-	-
Professional Fees	294,054	58,629	-	234,885	-	539	-
Materials/Supplies	124,696	85,185	-	37,516	-	1,995	-
Repairs/Maintenance	356,975	193,599	-	158,806	-	4,570	-
Printing and Reproduction	2,236	1,200	-	936	-	100	-
Rental/Lease	39,342	26,492	-	12,149	-	701	-
Membership Dues	5,450	1,000	-	4,300	-	150	-
Staff Development	27,000	10,000	-	16,200	-	800	-
Insurance/Employee Bonds	97,787	35,496	12,865	38,149	8,507	1,327	1,441
Employee Tuition	5,750	3,000	-	2,500	-	250	-
Advertising	150	-	-	120	-	30	-
Freight/Delivery	12,800	1,000	-	9,780	-	2,020	-
Temporary Help	22,723	15,335	-	7,073	-	314	-
Furniture/Equipment	21,393	10,523	-	9,683	-	1,187	-
Communications/Utilities	52,297	12,097	-	38,165	-	2,035	-
Capital Outlay	-	-	-	-	-	-	-
State Office of Risk Management	17,613	12,363	-	4,979	-	271	-
<b>Total</b>	<b>3,787,537</b>	<b>1,128,714</b>	<b>269,967</b>	<b>2,050,861</b>	<b>230,732</b>	<b>77,018</b>	<b>30,245</b>

**Note:**

Financial Administration Includes:

Chief Financial Officer	271,553
Accounting Operations	1,157,305
Financial Services	1,155,069
Loan Servicing	632,403
Purchasing and Facilities Management	571,207



## Chief Financial Officer

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>	<i>F.1.1./13800</i> <b>MH Approp Receipts</b>
Salaries	232,690	85,000	113,318	34,372
Travel In-State	4,000		4,000	
Travel Out-of-State	2,525		2,525	
Professional Fees	2,511		2,511	
Materials/Supplies	4,471		4,471	
Repairs/Maintenance	7,894		7,894	
Printing and Reproduction	536		536	
Rental/Lease	2,089		2,089	
Membership Dues	500		500	
Staff Development	2,000		2,000	
Insurance/Employee Bonds	4,761	1,739	2,318	703
Employee Tuition	-		-	
Advertising	-		-	
Freight/Delivery	700		700	
Temporary Help	1,389		1,389	
Furniture/Equipment	850		850	
Communications/Utilities	4,129		4,129	
Capital Outlay	-		-	
State Office of Risk Management	508		508	
<b>Total</b>	<b>271,553</b>	<b>86,739</b>	<b>149,738</b>	<b>35,075</b>



## Accounting Operations

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General Revenue (CS)</b>	<i>F.1.1./13800</i> <b>HF Approp Receipts</b>	<i>F.1.1./13800</i> <b>MH Approp Receipts</b>
Salaries	680,157	492,792	91,222	96,143
Travel In-State	4,000	4,000		
Travel Out-of-State	1,615	1,615		
Professional Fees	58,629	58,629		
Materials/Supplies	85,185	85,185		
Repairs/Maintenance	193,599	193,599		
Printing and Reproduction	1,200	1,200		
Rental/Lease	26,492	26,492		
Membership Dues	1,000	1,000		
Staff Development	10,000	10,000		
Insurance/Employee Bonds	41,110	29,785	5,514	5,811
Employee Tuition	3,000	3,000		
Advertising	-	-		
Freight/Delivery	1,000	1,000		
Temporary Help	15,335	15,335		
Furniture/Equipment	10,523	10,523		
Communications/Utilities	12,097	12,097		
Capital Outlay	-	-		
State Office of Risk Management	12,363	12,363		
<b>Total</b>	<b>1,157,305</b>	<b>958,616</b>	<b>96,735</b>	<b>101,954</b>



## Financial Services

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>HF Approp</b> <b>Receipts</b>	<i>F.1.1./13800</i> <b>MH Approp</b> <b>Receipts</b>
Salaries	805,112	769,627	35,485
Travel In-State	3,975	3,975	
Travel Out-of-State	1,526	1,526	
Professional Fees	226,020	226,020	
Materials/Supplies	14,839	14,839	
Repairs/Maintenance	51,578	51,578	
Printing and Reproduction	-	-	
Rental/Lease	4,355	4,355	
Membership Dues	1,200	1,200	
Staff Development	6,000	6,000	
Insurance/Employee Bonds	17,157	16,401	756
Employee Tuition	1,500	1,500	
Advertising	-	-	
Freight/Delivery	500	500	
Temporary Help	2,356	2,356	
Furniture/Equipment	2,401	2,401	
Communications/Utilities	14,516	14,516	
Capital Outlay	-	-	
State Office of Risk Management	2,032	2,032	
<b>Total</b>	<b>1,155,069</b>	<b>1,118,827</b>	<b>36,241</b>



## Loan Servicing

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.1./13800</i> <b>General</b> <b>Revenue (CS)</b>	<i>A.1.1./13006</i> <b>Single Family</b> <b>Bond Fees</b>	<i>F.1.1./13800</i> <b>HF Approp</b> <b>Receipts</b>	<i>A.1.3./13031</i> <b>HTF</b>
Salaries	481,946	79,386	257,102	116,655	28,803
Travel In-State	2,500			2,500	
Travel Out-of-State	1,476			1,476	
Professional Fees	4,196			4,196	
Materials/Supplies	10,226			10,226	
Repairs/Maintenance	81,052			81,052	
Printing and Reproduction	-			-	
Rental/Lease	2,903			2,903	
Membership Dues	2,000			2,000	
Staff Development	5,000			5,000	
Insurance/Employee Bonds	24,116	3,972	12,865	5,837	1,441
Employee Tuition	-			-	
Advertising	-			-	
Freight/Delivery	500			500	
Temporary Help	2,071			2,071	
Furniture/Equipment	1,684			1,684	
Communications/Utilities	11,377			11,377	
Capital Outlay	-			-	
State Office of Risk Management	1,355			1,355	
<b>Total</b>	<b>632,403</b>	<b>83,358</b>	<b>269,967</b>	<b>248,833</b>	<b>30,245</b>





## Purchasing and Facilities Management

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>F.1.3./13802</i> <b>General Revenue (OS)</b>	<i>F.1.3./13802</i> <b>HF Approp Receipts</b>	<i>F.1.3./13802</i> <b>MH Approp Receipts</b>
Salaries	483,749	60,328	367,196	56,225
Travel In-State	2,000	400	1,600	
Travel Out-of-State	-	-	-	
Professional Fees	2,696	539	2,157	
Materials/Supplies	9,976	1,995	7,981	
Repairs/Maintenance	22,852	4,570	18,282	
Printing and Reproduction	500	100	400	
Rental/Lease	3,503	701	2,803	
Membership Dues	750	150	600	
Staff Development	4,000	800	3,200	
Insurance/Employee Bonds	10,643	1,327	8,079	1,237
Employee Tuition	1,250	250	1,000	
Advertising	150	30	120	
Freight/Delivery	10,100	2,020	8,080	
Temporary Help	1,571	314	1,257	
Furniture/Equipment	5,934	1,187	4,747	
Communications/Utilities	10,177	2,035	8,142	
Capital Outlay	-	-	-	
State Office of Risk Management	1,355	271	1,084	
<b>Total</b>	<b>571,207</b>	<b>77,018</b>	<b>436,727</b>	<b>57,462</b>



## Asset Analysis & Management

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	Tax Credit		NSP (PI)	NSP 3	Multifamily Bond Fees	Single Family Bond Fees	Asset	HTF	HF Approp Receipts
		Fees	Home					Management Fees	General Revenue	
Salaries	2,442,768	748,418	464,465	9,087	13,939	80,764	450,280	514,916	103,624	57,276
		-	-	-	-	-	-	-	-	-
Travel In-State	25,000	1,500	500	-	-	3,800	2,700	15,000	-	1,500
Travel Out-of-State	15,000	1,500	500	-	-	4,150	5,850	1,500	-	1,500
Professional Fees	99,858	8,371	10,526	-	-	135	1,213	48,033	-	31,579
Materials/Supplies	56,542	7,960	2,206	-	-	19,453	7,927	12,379	-	6,617
Repairs/Maintenance	60,524	7,894	-	-	-	19,473	9,473	23,683	-	-
Printing and Reproduction	500	-	125	-	-	-	-	-	-	375
Rental/Lease	13,750	1,089	1,226	-	-	2,685	1,306	3,766	-	3,677
Membership Dues	1,600	-	250	-	-	-	-	600	-	750
Staff Development	25,600	3,000	875	-	-	7,550	4,950	6,600	-	2,625
Insurance/Employee Bonds	46,379	15,729	6,967	136	209	1,681	8,395	10,848	1,554	859
Employee Tuition	6,000	900	-	-	-	2,100	-	3,000	-	-
Advertising	1,000	-	-	-	-	-	-	1,000	-	-
Freight/Delivery	4,750	-	500	-	-	25	225	2,500	-	1,500
Temporary Help	6,017	889	125	-	-	2,153	707	1,767	-	375
Furniture/Equipment	6,985	560	250	-	-	1,554	2,220	1,651	-	750
Communications/Utilities	81,905	3,629	3,629	-	-	12,808	39,064	11,887	-	10,887
Capital Outlay	-	-	-	-	-	-	-	-	-	-
State Office of Risk Management	3,895	508	-	-	-	1,253	610	1,524	-	-
<b>Total</b>	<b>2,898,073</b>	<b>801,947</b>	<b>492,143</b>	<b>9,223</b>	<b>14,148</b>	<b>159,586</b>	<b>534,921</b>	<b>660,656</b>	<b>105,178</b>	<b>120,271</b>

**Note:**

Asset Analysis & Management Division Includes:

Real Estate Analysis	826,000
Asset Management	776,228
Program Services	839,366
Bond Finance	456,479



## Real Estate Analysis

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	A.1.5./13005	A.1.6./13018
		Tax Credit Fees	Multifamily Bond Fees
Salaries	704,726	635,230	69,497
Travel In-State	5,000	1,500	3,500
Travel Out-of-State	5,000	1,500	3,500
Professional Fees	8,371	8,371	
Materials/Supplies	26,532	7,960	18,573
Repairs/Maintenance	26,315	7,894	18,420
Printing and Reproduction	-	-	-
Rental/Lease	3,629	1,089	2,540
Membership Dues	-	-	-
Staff Development	10,000	3,000	7,000
Insurance/Employee Bonds	14,805	13,345	1,460
Employee Tuition	3,000	900	2,100
Advertising	-	-	-
Freight/Delivery	-	-	-
Temporary Help	2,964	889	2,075
Furniture/Equipment	1,868	560	1,307
Communications/Utilities	12,097	3,629	8,468
Capital Outlay	-	-	-
State Office of Risk Management	1,694	508	1,185
<b>Total</b>	<b>826,000</b>	<b>686,374</b>	<b>139,625</b>



## Asset Management

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	<i>D.1.1./13035</i>	<i>A.1.5./13005</i>
		Asset Management Fees	Tax Credit Fees
Salaries	628,105	514,916	113,188
Travel In-State	15,000	15,000	
Travel Out-of-State	1,500	1,500	
Professional Fees	48,033	48,033	
Materials/Supplies	12,379	12,379	
Repairs/Maintenance	23,683	23,683	
Printing and Reproduction	-	-	
Rental/Lease	3,766	3,766	
Membership Dues	600	600	
Staff Development	6,600	6,600	
Insurance/Employee Bonds	13,232	10,848	2,384
Employee Tuition	3,000	3,000	
Advertising	1,000	1,000	
Freight/Delivery	2,500	2,500	
Temporary Help	1,767	1,767	
Furniture/Equipment	1,651	1,651	
Communications/Utilities	11,887	11,887	
Capital Outlay	-	-	
State Office of Risk Management	1,524	1,524	
<b>Total</b>	<b>776,228</b>	<b>660,656</b>	<b>115,573</b>



**Program Services**

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	A.1.1/13006	A.1.2./13030	A.1.3./13031	F.1.1/13800	A.1.2./13030	A.1.2./13030
		Single Family Bond Fees	HOME	HTF General Revenue	HF Approp Receipts	NSP (PI)	NSP 3
Salaries	745,338	96,949	464,465	103,624	57,276	9,087	13,939
Travel In-State	2,000		500		1,500		
Travel Out-of-State	2,000		500		1,500		
Professional Fees	42,105		10,526		31,579		
Materials/Supplies	8,823		2,206		6,617		
Repairs/Maintenance	-		-		-		
Printing and Reproduction	500		125		375		
Rental/Lease	4,903		1,226		3,677		
Membership Dues	1,000		250		750		
Staff Development	3,500		875		2,625		
Insurance/Employee Bonds	11,180	1,454	6,967	1,554	859	136	209
Employee Tuition	-		-		-		
Advertising	-		-		-		
Freight/Delivery	2,000		500		1,500		
Temporary Help	500		125		375		
Furniture/Equipment	1,000		250		750		
Communications/Utilities	14,516		3,629		10,887		
Capital Outlay	-		-		-		
State Office of Risk Management	-		-		-		
<b>Total</b>	<b>839,366</b>	<b>98,403</b>	<b>492,143</b>	<b>105,178</b>	<b>120,271</b>	<b>9,223</b>	<b>14,148</b>



## Bond Finance

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<i>A.1.1./13006</i> <b>Single Family Bond Admin</b>	<i>A.1.6./13018</i> <b>Multifamily Bond Admin</b>
Salaries	364,598	353,331	11,267
Travel In-State	3,000	2,700	300
Travel Out-of-State	6,500	5,850	650
Professional Fees	1,348	1,213	135
Materials/Supplies	8,808	7,927	881
Repairs/Maintenance	10,526	9,473	1,053
Printing and Reproduction	-	-	-
Rental/Lease	1,452	1,306	145
Membership Dues	-	-	-
Staff Development	5,500	4,950	550
Insurance/Employee Bonds	7,163	6,941	221
Employee Tuition	-	-	-
Advertising	-	-	-
Freight/Delivery	250	225	25
Temporary Help	785	707	79
Furniture/Equipment	2,467	2,220	247
Communications/Utilities	43,405	39,064	4,340
Capital Outlay	-	-	-
State Office of Risk Management	677	610	68
<b>Total</b>	<b>456,479</b>	<b>436,518</b>	<b>19,961</b>



## Compliance Division

September 1, 2013 thru August 31, 2014

<b>Budget Categories</b>	<b>Budgeted</b>	<b>Compliance Fees</b>	<b>HTF General Revenue</b>	<b>Interagency Contract / Tx Ag</b>	<b>Federal Funds</b>	<b>NSP (PI)</b>	<b>NSP 3</b>
Salaries	2,683,783	1,271,547	21,867	27,070	1,302,581	9,214	51,505
Travel In-State	280,000	137,300	1,900	-	135,300	-	5,500
Travel Out-of-State	12,390	4,615	-	-	7,776	-	-
Professional Fees	334,198	309,454	-	-	24,743	-	-
Materials/Supplies	69,587	37,779	-	-	31,808	-	-
Repairs/Maintenance	104,828	59,054	-	-	45,774	-	-
Printing and Reproduction	1,500	250	-	-	1,250	-	-
Rental/Lease	21,605	11,302	-	-	10,303	-	-
Membership Dues	7,000	3,850	-	-	3,150	-	-
Staff Development	14,250	5,513	-	-	8,738	-	-
Insurance/Employee Bonds	56,769	28,363	497	581	26,025	192	1,111
Employee Tuition	3,000	2,550	-	-	450	-	-
Advertising	-	-	-	-	-	-	-
Freight/Delivery	1,750	850	-	-	900	-	-
Temporary Help	7,658	4,330	-	-	3,328	-	-
Furniture/Equipment	8,354	4,200	-	-	4,154	-	-
Communications/Utilities	54,435	26,673	-	-	27,762	-	-
Capital Outlay	-	-	-	-	-	-	-
State Office of Risk Management	6,605	3,734	-	-	2,871	-	-
<b>Total</b>	<b>3,667,712</b>	<b>1,911,363</b>	<b>24,264</b>	<b>27,651</b>	<b>1,636,913</b>	<b>9,406</b>	<b>58,116</b>

**Note:**

Compliance Division Includes:

Compliance Administration	542,649
Physical Inspections	1,122,419
Contract Monitoring	482,113
Compliance Monitoring	1,055,809
Community Affairs Monitoring	464,723



## Compliance - Administration

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035	D.1.2./13036	A.1.2./13030	A.1.2./13030	C.2.1./13013
		HOME	Fees	CSBG	NSP (PI)	NSP 3	LIHEAP
Salaries	473,899	60,285	251,719	55,045	7,423	11,315	88,112
Travel In-State	4,000		2,200				1,800
Travel Out-of-State	8,390		4,615				3,776
Professional Fees	2,022		1,112				910
Materials/Supplies	8,919		4,906				4,014
Repairs/Maintenance	16,189		8,904				7,285
Printing and Reproduction	-		-				-
Rental/Lease	4,177		2,298				1,880
Membership Dues	3,000		1,650				1,350
Staff Development	1,500		825				675
Insurance/Employee Bonds	9,649	1,227	5,125	1,121	151	230	1,794
Employee Tuition	-		-				-
Advertising	-		-				-
Freight/Delivery	250		138				113
Temporary Help	1,178		648				530
Furniture/Equipment	1,201		660				540
Communications/Utilities	7,258		3,992				3,266
Capital Outlay	-		-				-
State Office of Risk Management	1,016		559				457
<b>Total</b>	<b>542,649</b>	<b>61,513</b>	<b>289,349</b>	<b>56,166</b>	<b>7,574</b>	<b>11,546</b>	<b>116,501</b>





## Compliance - Physical Inspections

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035	A.1.3./13031	A.1.2./13030	C.2.1./13013	C.2.1./13013
		HOME	Compliance Fees	HTF	NSP 3	DOE Grantee	LIHEAP
Salaries	658,045	96,407	247,441	21,867	11,012	17,350	263,968
Travel In-State	60,000	12,000	40,100	1,900	1,000		5,000
Travel Out-of-State	-		-				-
Professional Fees	304,045		304,045				-
Materials/Supplies	21,039		10,519				10,519
Repairs/Maintenance	32,178		16,089				16,089
Printing and Reproduction	500		250				250
Rental/Lease	5,355		2,677				2,677
Membership Dues	1,000		500				500
Staff Development	3,000		1,500				1,500
Insurance/Employee Bonds	14,951	2,190	5,622	497	250	394	5,998
Employee Tuition	-		-				-
Advertising	-		-				-
Freight/Delivery	1,000		500				500
Temporary Help	2,356		1,178				1,178
Furniture/Equipment	2,401		1,201				1,201
Communications/Utilities	14,516		7,258				7,258
Capital Outlay	-		-				-
State Office of Risk Management	2,032		1,016				1,016
<b>Total</b>	<b>1,122,419</b>	<b>110,597</b>	<b>639,897</b>	<b>24,264</b>	<b>12,262</b>	<b>17,745</b>	<b>317,655</b>
-							
<i>Note: PMC Professional Fees</i>							
USPCS Inspections	300,000						
Total, PMC	300,000						



## Compliance - Contract Monitoring

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035	D.1.2./13036	C.1.1./13011	B.2.1./13020	A.1.2./13030
		HOME	Compliance Fees	CSBG	ESGP	Interagency Contract / Tx Ag	NSP 3
Salaries	392,869	198,017	54,054	17,542	69,695	27,070	26,490
Travel In-State	36,000	18,000		-	14,500		3,500
Travel Out-of-State	-	-		-	-		
Professional Fees	2,022	1,213		-	809		
Materials/Supplies	8,419	5,052		-	3,368		
Repairs/Maintenance	16,389	9,833		-	6,556		
Printing and Reproduction	-	-		-	-		
Rental/Lease	3,177	1,906		-	1,271		
Membership Dues	1,000	600		-	400		
Staff Development	2,400	1,440		-	960		
Insurance/Employee Bonds	8,433	4,251	1,160	377	1,496	581	569
Employee Tuition	-	-	-	-	-		
Advertising	-	-	-	-	-		
Freight/Delivery	250	150		-	100		
Temporary Help	1,178	707		-	471		
Furniture/Equipment	1,701	1,020		-	680		
Communications/Utilities	7,258	4,355		-	2,903		
Capital Outlay	-	-		-	-		
State Office of Risk Management	1,016	610		-	406		
<b>Total</b>	<b>482,113</b>	<b>247,155</b>	<b>55,214</b>	<b>17,919</b>	<b>103,616</b>	<b>27,651</b>	<b>30,559</b>



## Compliance - Compliance Monitoring

September 1, 2013 thru August 31, 2014

Budget Categories	Budgeted	D.1.2./13036	D.1.1./13035	A.1.2./13030	A.1.2./13030
		HOME	Compliance Fees	NSP	NSP 3
Salaries	803,158	80,347	718,333	1,792	2,687
Travel In-State	120,000	24,000	95,000		1,000
Travel Out-of-State	-	-	-		
Professional Fees	5,056	758	4,297		
Materials/Supplies	26,298	3,945	22,354		
Repairs/Maintenance	40,072	6,011	34,062		
Printing and Reproduction	-	-	-		
Rental/Lease	7,444	1,117	6,327		
Membership Dues	2,000	300	1,700		
Staff Development	3,750	563	3,188		
Insurance/Employee Bonds	18,398	1,841	16,455	41	62
Employee Tuition	3,000	450	2,550		
Advertising	-	-	-		
Freight/Delivery	250	38	213		
Temporary Help	2,946	442	2,504		
Furniture/Equipment	2,751	413	2,339		
Communications/Utilities	18,145	2,722	15,423		
Capital Outlay	-	-	-		
State Office of Risk Management	2,540	381	2,159		
<b>Total</b>	<b>1,055,809</b>	<b>123,325</b>	<b>926,903</b>	<b>1,833</b>	<b>3,749</b>



## Compliance - Community Affairs Monitoring

September 1, 2013 thru August 31, 2014

*C.1.1./13011    C.2.1./13013*

<b>Budget Categories</b>	<b>Budgeted</b>	<b>CSBG</b>	<b>LIHEAP</b>
Salaries	355,812	177,906	177,906
Travel In-State	60,000	30,000	30,000
Travel Out-of-State	4,000	2,000	2,000
Professional Fees	21,053	10,526	10,526
Materials/Supplies	4,911	2,456	2,456
Repairs/Maintenance	-	-	-
Printing and Reproduction	1,000	500	500
Rental/Lease	1,452	726	726
Membership Dues	-	-	-
Staff Development	3,600	1,800	1,800
Insurance/Employee Bonds	5,337	2,669	2,669
Employee Tuition	-	-	-
Advertising	-	-	-
Freight/Delivery	-	-	-
Temporary Help	-	-	-
Furniture/Equipment	300	150	150
Communications/Utilities	7,258	3,629	3,629
Capital Outlay	-	-	-
State Office of Risk Management	-	-	-
<b>Total</b>	<b>464,723</b>	<b>232,361</b>	<b>232,361</b>

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**BOARD ACTION REQUEST**  
**FINANCIAL ADMINISTRATION DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on the FY 2014 Housing Finance Division Budget

**RECOMMENDED ACTION**

**WHEREAS**, the Governing Board of the Texas Department of Housing and Community Affairs is required to approve a FY 2014 Housing Finance Division Budget;

**WHEREAS**, the Department is required to submit the budget to the Governor's Office and the Legislative Budget Board (LBB);

**NOW, therefore, it is hereby**

**RESOLVED**, that the FY 2014 Housing Finance Division Budget, in the form presented to this meeting, is hereby approved, and

**FURTHER RESOLVED**, that upon approval by the Governing Board of the Texas Department of Housing and Community Affairs, the Department will submit the budget to the Governor's Office and the LBB.

**BACKGROUND**

In accordance with Texas Government Code, Section 2306.113 the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. This budget is a subset of the whole operating budget and shows the Housing Finance revenues also known as Appropriated Receipts that support the operating budget.

The FY 2014 Housing Finance Division Budget, which the Board is considering, is \$14.9 million. The Housing Finance Budget complies with the provisions of the General Appropriations Act (GAA).



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

**FISCAL YEAR 2014  
HOUSING FINANCE DIVISION BUDGET**  
*(September 1, 2013 through August 31, 2014)*

**July 11, 2013**

*Prepared by the Financial Administration Division*



## Housing Finance Budget Appropriated Receipts

September 1, 2013 thru August 31, 2014

Budget Categories	Single Family, Community						Payroll Related		Total
	Executive Administration	Multifamily Allocation	Affairs & Metrics	Financial Administration	Asset Analysis & Management	Compliance	Capital Budget	Costs	
Salaries	1,644,473	863,292	2,064,907	1,863,013	1,851,654	1,271,547			9,558,885
Payroll Related Costs	-	-	-	-	-	-		2,223,672	2,223,672
Travel In-State	67,000	15,750	40,200	12,825	24,500	137,300			297,575
Travel Out-of-State	49,385	6,000	6,501	6,727	14,500	4,615			87,728
Professional Fees	207,915	4,719	74,045	243,233	89,331	309,454			928,698
Materials/Supplies	40,177	21,145	19,839	43,129	54,336	37,779			216,405
Repairs/Maintenance	57,009	36,841	44,420	170,332	60,524	59,054			428,180
Printing and Reproduction	3,072	1,000	7,000	936	375	250			12,633
Rental/Lease	17,244	11,546	33,315	13,601	12,524	11,302			99,531
Membership Dues	50,250	1,500	530	5,500	1,350	3,850			62,980
Staff Development	31,500	12,376	10,000	29,200	24,725	5,513			113,313
Insurance/Employee Bonds	33,727	18,376	42,966	56,742	37,513	28,363			217,687
Employee Tuition	-	1,500	-	2,500	6,000	2,550			12,550
Advertising	250	1,000	50,000	2,620	1,000	-			54,870
Freight/Delivery	2,490	1,000	2,620	10,780	4,250	850			21,990
Temporary Help	35,845	6,249	3,356	8,859	5,892	4,330			64,531
Furniture/Equipment	6,185	2,235	2,401	10,750	6,735	4,200	89,690		122,196
Communications/Utilities	32,110	16,935	16,956	49,503	78,276	26,673			220,454
Capital Outlay	-	-	-	-	-	-	107,851		107,851
State Office of Risk Management	3,489	2,371	677	5,656	3,895	3,734			19,823
<b>Total</b>	<b>2,282,121</b>	<b>1,023,835</b>	<b>2,419,733</b>	<b>2,535,905</b>	<b>2,277,381</b>	<b>1,911,363</b>	<b>197,541</b>	<b>2,223,672</b>	<b>14,871,552</b>

### Method of Finance:

Single Family Bond Administration Fees	1,876,410
Multifamily Bond Administration Fees	506,599
Housing Tax Credit Fees	1,872,487
Compliance Fees	2,207,161
Asset Management Fees	780,440
Appropriated Receipts - Central Support	7,628,454
<b>Total, Method of Finance</b>	<b>14,871,552</b>

Note: Appropriated Receipts include Bond Administration Fees, Housing Tax Credit Fees, Asset Management Fees and Compliance Fees



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**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action to approve a Housing Tax Credit Amendment for Apple Grove Villas in Mesquite (File No. 12332)

**RECOMMENDED ACTION**

**WHEREAS**, Apple Grove Villas received an award of 9% Housing Tax Credits in 2012 to construct 213 multifamily units in Mesquite;

**WHEREAS**, the Development Owner is requesting approval to re-configure the previously approved site plan, change the size of the site and number of units, and make architectural design changes as a result of requests from the City of Mesquite, their lender, and their tax credit syndicator;

**WHEREAS**, Board approval is required for any change that would materially alter a Development and the Owner has complied with the amendment requirements in Texas Government Code §2306.6712 and 10 TAC §10.405(a)(4); and

**WHEREAS**, the changes to the site plan, units, and architectural design do not impact the viability of the transaction or the amount of tax credits awarded;

**NOW, therefore, it is hereby**

**RESOLVED**, that the amendment of the Housing Tax Credit application for Apple Grove Villas is approved as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

**BACKGROUND**

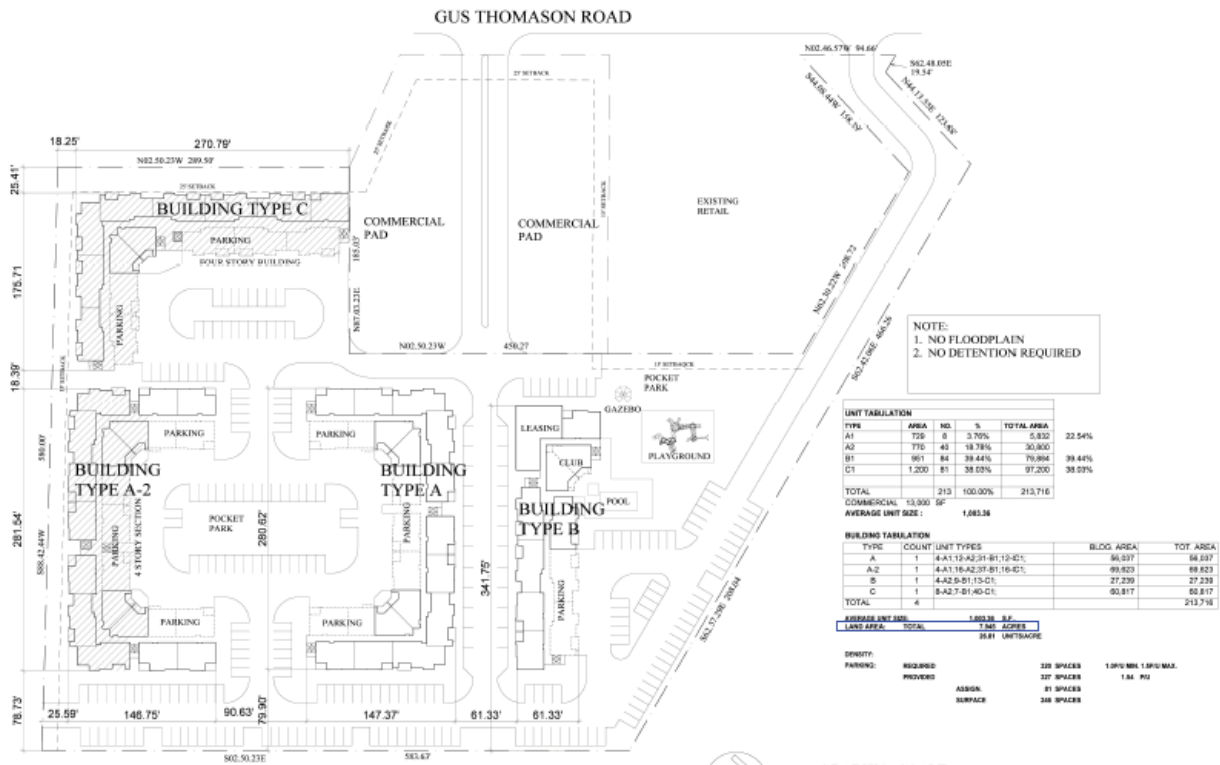
Apple Grove Villas was approved during the 2012 competitive cycle to construct 213 new multifamily units in Mesquite, Texas. On April 17, 2013, the Development Owner requested approval for several changes to the development plan as a result of preferences from the City of Mesquite, their lender, and their tax credit syndicator.

The first change deals with the size of the site. Originally the site was 7.945 acres with a secondary access road that was proposed to be an easement not part of the tax credit development. However, the lender and syndicator have since requested that this secondary access road become part of the tax

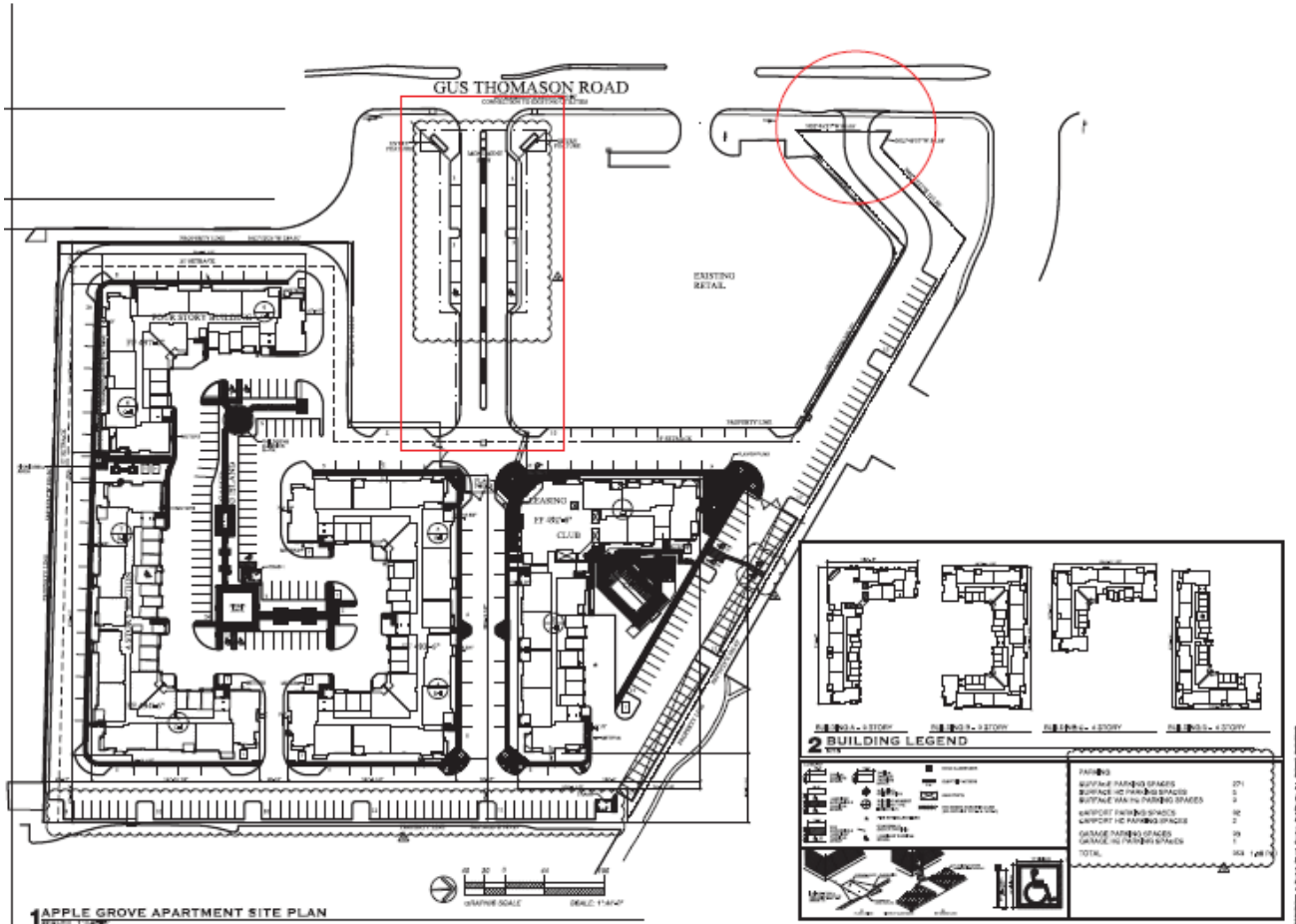
credit development and be owned by the Development Owner. The addition of this secondary access would result in an increase of the site by 0.52 acres (a 6.5% increase) and total development site acreage of 8.465. The Development Owner provided an Environmental Sight Assessment (ESA) for the additional acreage. The addition of acreage is generally seen as a positive change for a development and, in this case, gives the Development direct control over ingress and egress to the site.

The second change is a modification of the site plan. This change is the result of the additional site acreage described previously and is required to create a more cohesive site plan with “urban feel” as requested by the City of Mesquite. The City of Mesquite requests that the site plan create a greater “urban street scene” design. To satisfy this request, the architectural plans for the development were revised by relocating the windows within the units and creating room extensions that required the addition of various unit types within the bedroom categories. A letter from the Development architect noted that the coordination of these requests from the city was time consuming, and took several attempts by the architectural and engineering team to create building plans and elevations that would satisfy the City’s requirements. The Development Owner provided a revised site plan as well as revised architectural plans with the amendment request. A comparison of the original site plan and the currently proposed plan follows:

### Site Plan at Application



## Proposed Site Plan



The third change is a reduction in the total number of units from 213 to 209. Due to the reconfiguration of buildings and elevations discussed previously, unit floor plans also required modification. The following table compares the original unit mix to the proposed unit mix requested in this amendment:

APPLICATION		AMENDMENT	
# Units	# BR	# Units	# BR
48	1	44	1
84	2	84	2
81	3	81	3
<b>213</b>	Total	<b>209</b>	Total

Although four units will be eliminated, the request confirms that no affordable units will be eliminated (192 affordable units) and that these four units will be taken from previously proposed market rate units. Market rate units decreased from 21 at application to 17 with this request. Furthermore, the income/rent set-asides proposed at application remain unchanged (24 units at 30% AMI, 77 units at 50% AMI, and 91 units at 60% AMI).

The owner also requests approval for an increase in the size of the clubhouse from 3,900 square feet to 6,426 square feet. The change to this building plan will fit within the overall modified site plan. The number and design of the parking area has changed. Originally the application proposed 81 attached garages and 246 uncovered spaces. However, with the redesign of buildings, some of the attached garage spaces were eliminated and replaced with carport spaces. The new parking configuration consists of 40 garage spaces and 34 carport spaces (a reduction of 7 covered spaces) and 279 uncovered parking spaces (an increase of 33 parking spaces).

Finally, changes to the flooring composition of the units changed from what was proposed at application. At application, flooring composition consisted 80% carpet/vinyl/resilient flooring and 20% ceramic tile. Due to the concerns about noise from ceramic tile on the upper floors, the Development Owner is asking approval to change to 100% carpet/vinyl/resilient flooring.

The Development Owner provided revised financing forms as well as a revised development cost schedule to account for all of the changes described in this board action request. The Department's Real Estate Analysis (REA) Division evaluated the requested site/building changes along with the updated financial information to support these changes. The reduction in the total number of unrestricted units, along with increased market rate rent on the remaining units, only resulted in a \$12K drop in projected effective gross income. The change in site acreage increased acquisition cost by \$267K and the total development cost increased 7% due to the above described reconfigurations of the buildings and site plan. To offset the increase in costs, the permanent loan amount was increased. However, the all-in interest rate was reduced from original underwriting which reduced their annual debt service as well. Credit pricing currently is also more favorable at \$0.97 providing more equity proceeds as a source of funds. The projected debt coverage ratio improved at 1.23 (1.15 at original underwriting) and the expense/income ratio remained at 55%. Based on REA staff evaluation, the changes proposed by the Development Owner do not impact the previous credit allocation. A copy of the REA underwriting report for this amendment is attached.

Although numerous changes are described in detail in this write up, no points or other tax credit award factors were affected by the requested amendment. In fact, each change was a result of the original site design change requested by the City, lender and syndicator and required to ensure financial and operational feasibility of this development.

Staff recommends approval to amend the tax credit application for Apple Grove Villas.

April 17, 2013

Raquel Morales  
TDHCA Asset Management  
PO Box 13941  
Austin, TX

RE: Amendment Request for 12332 Apple Grove Villas

Dear Ms. Morales:

Please find this request for an amendment to 12332 Apple Grove Villas in Mesquite. We are requesting a change to the size of the site, site plan, number of units, and architectural changes based on preferences from the City of Mesquite and the lender and syndicator.

**Change in Size of Site**

The site at application was 7.945 acres with a secondary access road that was proposed to be an easement not part of the tax credit development. The lender and syndicator have since requested that this secondary access road become part of the tax credit development site and be owned by the development owner. This secondary road would add an additional 0.52 acres to the site to increase to total size to 8.465 acres. Please see the attached letter and information from Locke Lord LLP that further describes this request. Please note that this increase was not foreseeable at application and does not alter the development in a negative manner. Please also find a revised Specifications and Amenities form from the application that reflects this new acreage. Please also find the survey and contract for this additional acreage. We have also included an ESA that includes this additional acreage (and additional acreage that is not being included with the development) on the FTP server.

**Change to Site Plan**

The site plan has been modified to add the additional acreage of the access road. In addition, it has been slightly reconfigured to create a more cohesive plan between buildings and create a more “urban feel” to the development. Please see the site plan in the architectural plans that has been uploaded as a separate file to the FTP server. This also results in changes to the architectural plans.

**Change to Residential Building Plans and Elevations**

The City of Mesquite was consulted during the application stage and the City did not want a generic “garden style” development. Therefore, the application specified four buildings of 3- and 4-stories with a more “modern” elevation design. Subsequent to the application, the City of Mesquite provided additional input into the design of the development and further specified that it wanted an even greater “urban street scene” design with building elevations that had interest in the exterior walls. Please see the attached letter from the architect that explains these changes.

As a result, the building floor plans have changed. The movement of windows and room extensions required the addition of various unit types within the bedroom categories such that the exterior walls had more interest. This also required changes to the unit plans in order to fit into the new exterior elevation requirements. Please see the architectural plans.

**Change to Number of Units and Unit Plans**

Due to the reconfiguration of buildings and elevations to comply with the City of Mesquite’s request that the buildings have a more “urban street” feel, the unit floor plans needed to change. This has also resulted in a change to the total number of units in the development due to architectural constraints.

The number of units at application was 213, which was comprised of 192 LI units and 21 MR units. There were 48 1/1 units, 84 2/2 units, and 81 3/2 units. This amendment requests a reduction in the number of units to 209, which will be comprised of 192 LI units and 17 MR units. There will now be 44 1/1 units, 84 2/2 units, and 81 3/2 units. The loss of 4 units has been taken from the MR units so that the total number of LI units is unchanged. Please see the architect’s explanation letter regarding this loss of 4 units.

There were four different unit floor plan types at application: 2 types of 1/1 units, 1 type of 2/2 units, and 1 type of 3/2 units. Due to the requirement that the exterior walls have more visual interest and urban feel, there are now multiple types of units within each bedroom type. With the exception of the new C2 3/2 unit, the multiple units types are slight modifications to the exterior wall designs of the four unit floor plan types that were proposed at application.

Please see the revised rent schedule, building unit configuration form, and architectural plans for these changes.

**Change to Clubhouse**

The clubhouse floor plan has been revised to fit into the revised building plan and the size has been increased. At application, the clubhouse common area was 3,900 sf. For this amendment, the clubhouse/leasing space is 6,064 sf and the maintenance area is 362 sf for a total of 6,426 sf. Please see the revised clubhouse plan.

**Change to Parking**

The parking at application was proposed to be 81 attached garages and 246 uncovered spaces for a total of 327 parking spaces. Due to the reconfiguration of buildings and elevations to comply with the City of Mesquite's request that the buildings have a more "urban street" feel, the buildings had to be redesigned and some attached garage spaces were lost. However, the development has added carport spaces to offset some of this loss. The parking is now 40 garage spaces, 34 carport spaces, and 279 uncovered spaces for a total of 353 parking spaces. Parking spaces have also been added to the access road in the additional acreage to continue with the "urban" design of the development. Please also find a revised Specifications and Amenities form from the application that reflects the parking changes.

**Change to Flooring**

The flooring at application was proposed to be 80% carpet/vinyl/resilient flooring and 20% ceramic tile. Due to concerns regarding noise and ceramic tile on the upper floors, we are proposing that the flooring be 100% carpet/vinyl/resilient flooring. Please also find a revised Specifications and Amenities form from the application that reflects the flooring change.

**Cost Changes**

Please see the revised financing forms for this development. Please note that the construction costs have increased from application due to general cost increases and the added expense of the "urban feel" of the buildings. We have also included new financing letters.

Thank you for your attention to this request. Please let me know if you need additional information.

Regards,



Alyssa Carpenter



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Austin, Texas 78701-3055  
Telephone: 512-305-4700  
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Richard D. Morrow  
Direct Telephone: 512-305-4709  
Direct Fax: 512-391-4709  
rmorrow@lockelord.com

April 12, 2013

Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

Re: **Request to Amend Tax Credit Application**  
Apple Grove Villas  
Mesquite, Dallas County, Texas  
TDHCA No. 12332

We represent MQ Apple Grove Villas Housing, L.P., a Texas limited partnership ("**Developer**") in connection with Apple Grove Villas (the "**Tax Credit Development**"). Developer received an allocation of low-income housing tax credits in the 2012 allocation round. We are submitting this to you on Developer's behalf to request the following amendment to Developer's tax credit application:

**Amendment Request:** Change the site plan of the proposed development site to add 0.520 acres in order to relocate the Tax Credit Development's primary entrance.

#### **Description of Amendment**

1. Developer submitted its tax credit pre-application, as well as its subsequent tax credit application, with respect to the 7.953-acre tract of land described on Exhibit A attached hereto (the "**Application Tract**").
2. A subsequent survey of the Tax Credit Development set the acreage at 7.945 acres as described on Exhibit B attached hereto (the "**Surveyed Tract**").
3. The proposed site plan is attached hereto as Exhibit C. Originally, the only direct access to Gus Thomason Road was pursuant to the entrance circled in red on the site plan. The Application Tract and the Surveyed Tract did not include the "T-shaped" 0.520-acre tract outlined in red that also provides access to Gus Thomason Road (the "**Additional Tract**"). Initially, the Additional Tract was intended to provide secondary emergency access via an ingress/egress easement and was not to be part of the Tax Credit Development.



4. Subsequently, during the FHA processors' review of the file in connection with a HUD-insured loan that will finance a portion of the construction, the processors requested Developer to move the location of the Tax Credit Development's primary entrance to the site of the Additional Tract in order make the Tax Credit Development's entrance more visible from Gus Thomason Road, the main thoroughfare, and Developer was asked to include Additional Tract as part of the Tax Credit Development (see the letters from FHA/Dougherty Mortgage LLC and PNC Real Estate attached hereto as Exhibit D). The change was requested for various reasons, including providing more room for the installation of an attractive monument sign, flags, lighting and related improvements. In addition, the change was requested so the new access road could become part of the Tax Credit Development, and therefore owned and maintained by Developer.

#### **Impact of Amendment**

1. The Additional Tract was included in the original application; however, since there was existing access to the Tax Credit Development, the Additional Tract was intended to serve as an easement for secondary access. Because of this the Additional Tract was not included in the description of the Tax Credit Development. Further, because there was existing access, it was not foreseeable that Developer's lender would require that the Additional Tract be acquired for primary access and included in the Tax Credit Development. This change does not materially alter the Tax Credit Development in a negative manner and does not affect the amount of credits awarded for the Tax Credit Development. Note that Developer has site control over the Additional Tract pursuant to a purchase agreement.
2. Adding the Additional Tract to the Surveyed Tract (collectively, the "**Revised Tract**") increases the size of the Application Tract by 0.520 acres to a total of 8.465 acres, or an increase of 6.545%. This is within the 10% threshold set forth in Section 50.13(b)(4)(G) of the 2012-2013 Qualified Allocation Plan (the "**QAP**").
3. Based on the Tax Credit Development containing 209 units (which is the revised unit count herein described), the density of the Surveyed Tract would be 26.31 units per acre, and the density of the Revised Tract would be 24.69 units per acre. This is a decrease of 1.62 units per acre, or 6.17%. Although the decrease is greater than the 5% threshold set forth in Section 50.13(b)(4)(F) of the QAP, it is negligible and changes the density in a positive direction.
4. Finally, notwithstanding the other amendment requests set forth in this letter, the revised site plan in and of itself does not materially alter the Tax Credit Development as it does not (i) significantly modify the site plan; (ii) modify the number of units or the bedroom mix; (iii) modify the scope of tenant services; (iv) reduce the square footage of the units or the common areas; (v) significantly modify the architectural design of the Tax Credit Development; (vi) increase or decrease the acreage of the original site by more than 10%; or (vii) exclude any of the threshold requirements identified in Section 50.8 of the QAP.

In light of the foregoing, Developer respectfully requests TDHCA's approval to amend its tax credit application by replacing the site plan submitted with its tax credit application with the site plan attached hereto and labeled Exhibit C. If you need additional information, please do not hesitate to contact me.

Sincerely,

*Richard D. Morrow*

Richard D. Morrow



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: **12332** Program(s): **9% HTC**

**Apple Grove Villas**

Address/Location: NE Quadrant of Gus Thomasson & Hwy 80

City: Mesquite County: Dallas Zip: 77150

Population: Family Program Set-Aside: General Area: Urban  
Activity: New Construction Building Type: Garden (Up to 3 story) Region: 3

Analysis Purpose: Amendment

APPLICATION HISTORY	
Report Date	PURPOSE
07/09/12	New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	PREVIOUS ALLOCATION				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,906,038				\$1,906,038				

**STATUS of UW CONDITIONS**

- 1 Receipt and acceptance by Carryover:
 

Updated financing commitments or executed financing documents, including a full commitment for a substitute source for the proposed loan from the City of Mesquite, with all financing terms and specifying any income/rent restrictions associated with the financing.

Status:

Condition satisfied. Updated loan (Dougherty Mortgage) and equity (PNC) term sheets were provided along with a term sheet from the Garland Housing Finance Corporation replacing the previously proposed loan from the City of Mesquite.
- 2 Receipt and acceptance by 10% test:
  - A comprehensive noise assessment completed to determine the requirements for the proposed

Status:

Pending.
- 3 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
 

All noise assessment recommendations were implemented.

Status:

Pending.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and
 

Status:

Amended capital structure is evaluated in this analysis.

## SUMMARY

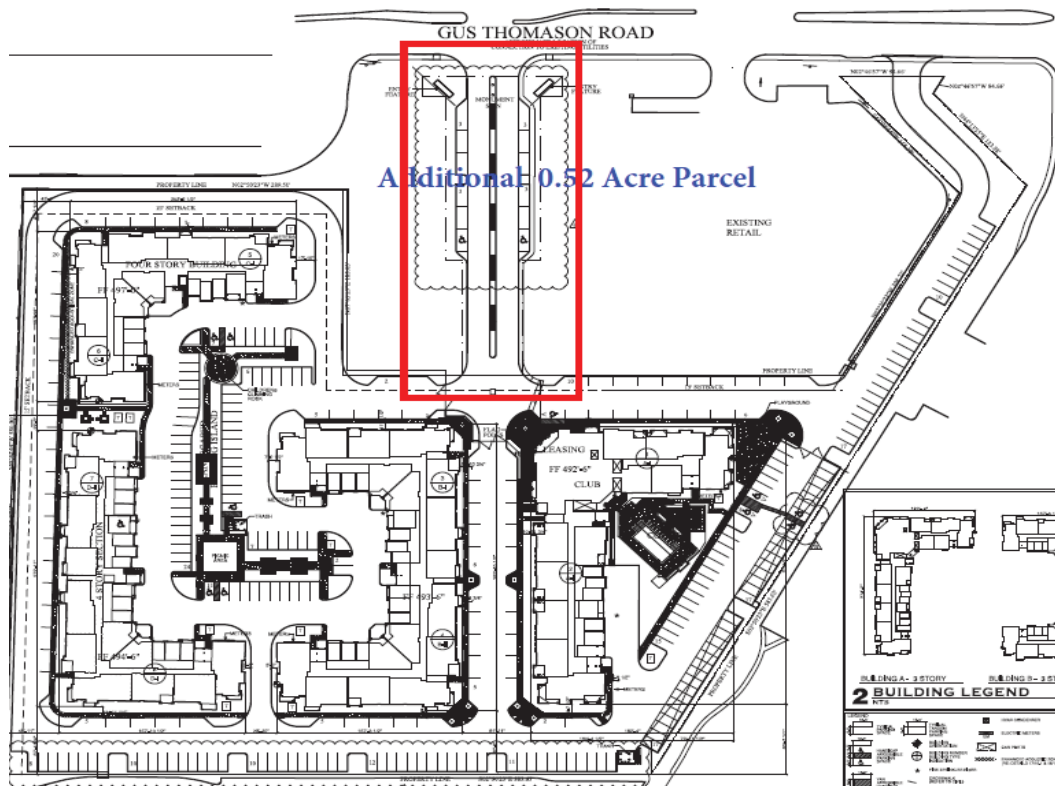
Applicant submitted an Amendment Request to change the size of the site, site plan, number of units and architectural changes based on preferences from the City of Mesquite, the lender and the syndicator.

### Size of the Site

Application originally proposed a 7.945 acre site with secondary access to be provided by a proposed 0.52+/- acre easement. Lender and syndicator have since requested that owner acquire the contemplated 0.52+/- acre parcel, thereby increasing the subject site to 8.465 acres. Applicant provided a new separate contract, survey and clean ESA (except for the noise assessment) that encompass the additional acreage. Total site acquisition cost increased by \$267K (\$2.1M to \$2.367M).

### Site Plan

Applicant submitted a revised site plan reflecting proposed change.



### Number of Units / Architectural Changes

Number of proposed units was reduced from 213 to 209, but unit mix retained same number and designation of restricted units. Originally there were 21 unrestricted units (10 - 1BR's and 11 - 2BR's). The Amendment proposes 17 unrestricted units (4 - 1BR's, 5 - 2BR's and 8 - 3BR's).

Total number of 1BR units is reduced from 48 to 44. Total number of 2BR's (84) and 3BR's (81) are unchanged. The number of restricted units by income level remains unchanged (24 units at 30% AMI, 77 units at 50% AMI, and 91 units at 60% AMI).

### Pro Forma

Reduction in the total number of unrestricted units only resulted in a \$12K drop in projected EGI. This was accomplished by Applicant assuming higher unrestricted rents (above 60% units but still below indicated market) and by reclassifying 8 of the 3-BR units as unrestricted. Projected expenses remained relatively static, increasing by only \$4K. Projected NOI only fell by \$16K, and even with a \$1M increase in permanent debt, projected DCR actually improved from 1.15 to 1.23 due to a lower quoted interest rate. Expense ratio remained at 55%, with project exhibiting feasibility well beyond 15 years.

**Development Cost**

Total development cost increased 7%, from \$29M to \$31M, due to reconfiguring the buildings and site plan. Out of that total, Applicant reported required reserves increasing by 100%, from \$1M to \$2M, with supporting term sheets from the same proposed FHA lender (Dougherty) and equity provider (PNC). Recognizing FHA's higher reserve requirements, REA increased estimated reserves but limited them to \$1.7M, representing 12 months of expenses and debt service.

**Sources of Funds**

Permanent loan from Dougherty Mortgage was increased from \$11M to \$12M, but the quoted all-in rate was reduced from 5.56% to 4.40%, thereby reducing annual debt service. Credit price from PNC increased from \$0.88 to \$0.97, providing \$1.2M in additional equity proceeds (from \$16.8M to \$18.6M).

**Conclusion**

The current analysis continues to support the previous credit allocation (\$1,906,038).

Underwriter:	<u>Gregg Kazak</u>
Manager of Real Estate Analysis:	<u>Thomas Cavanagh</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX/RENT SCHEDULE**

*Apple Grove Villas, Mesquite, 9% HTC #12332*

LOCATION DATA	
CITY:	Mesquite
COUNTY:	Dallas
PROGRAM REGION:	3
PIS Date:	After 11-31-11
IREM REGION:	Dallas

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	44	21.1%
2	84	40.2%
3	81	38.8%
4		
<b>TOTAL</b>	<b>209</b>	<b>100.0%</b>

Applicable Programs
9% Housing Tax Credits
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	91.22%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	7.83%
AVERAGE SF	1,083

**UNIT MIX / MONTHLY RENT SCHEDULE**

HTC		Unit Mix				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$394	5	1	1	729	\$394	\$61	\$333	\$0	\$0.46	\$333	\$1,665	\$1,665	\$333	\$0.46	\$0	\$697	0.96	\$364
TC30%	\$394	3	1	1	742	\$394	\$61	\$333	\$0	\$0.45	\$333	\$999	\$999	\$333	\$0.45	\$0	\$704	0.95	\$371
TC50%	\$657	4	1	1	742	\$657	\$61	\$596	\$0	\$0.80	\$596	\$2,384	\$2,384	\$596	\$0.80	\$0	\$704	0.95	\$108
TC50%	\$657	14	1	1	812	\$657	\$61	\$596	\$0	\$0.73	\$596	\$8,344	\$8,344	\$596	\$0.73	\$0	\$771	0.95	\$175
TC60%	\$789	14	1	1	812	\$789	\$61	\$728	(\$33)	\$0.86	\$695	\$9,730	\$10,192	\$728	\$0.90	\$0	\$771	0.95	\$43
MR		4	1	1	838	\$0	\$61		NA	\$0.95	\$795	\$3,180	\$3,182	\$796	\$0.95	NA	\$796	0.95	\$0
TC30%	\$473	14	2	2	952	\$473	\$74	\$399	\$0	\$0.42	\$399	\$5,586	\$5,586	\$399	\$0.42	\$0	\$869	0.91	\$470
TC50%	\$788	18	2	2	962	\$788	\$74	\$714	\$0	\$0.74	\$714	\$12,852	\$12,852	\$714	\$0.74	\$0	\$878	0.91	\$164
TC50%	\$788	10	2	2	995	\$788	\$74	\$714	\$0	\$0.72	\$714	\$7,140	\$7,140	\$714	\$0.72	\$0	\$908	0.91	\$194
TC60%	\$946	10	2	2	995	\$946	\$74	\$872	(\$57)	\$0.82	\$815	\$8,150	\$8,720	\$872	\$0.88	\$0	\$908	0.91	\$36
TC60%	\$946	7	2	2	1,051	\$946	\$74	\$872	(\$57)	\$0.78	\$815	\$5,705	\$6,104	\$872	\$0.83	\$0	\$959	0.91	\$87
TC60%	\$946	20	2	2	1,065	\$946	\$74	\$872	(\$57)	\$0.77	\$815	\$16,300	\$17,440	\$872	\$0.82	\$0	\$972	0.91	\$100
MR		5	2	2	1,065	\$0	\$74		NA	\$0.86	\$915	\$4,575	\$4,860	\$972	\$0.91	NA	\$972	0.91	\$0
TC30%	\$547	2	3	2	1,133	\$547	\$84	\$463	\$0	\$0.41	\$463	\$926	\$926	\$463	\$0.41	\$0	\$1,034	0.91	\$571
TC50%	\$911	5	3	2	1,218	\$911	\$84	\$827	\$0	\$0.68	\$827	\$4,135	\$4,135	\$827	\$0.68	\$0	\$1,040	0.85	\$213
TC50%	\$911	6	3	2	1,255	\$911	\$84	\$827	\$0	\$0.66	\$827	\$4,962	\$4,962	\$827	\$0.66	\$0	\$1,072	0.85	\$245
TC50%	\$911	18	3	2	1,279	\$911	\$84	\$827	\$0	\$0.65	\$827	\$14,886	\$14,886	\$827	\$0.65	\$0	\$1,093	0.85	\$266
TC60%	\$1,094	4	3	2	1,296	\$1,094	\$84	\$1,010	(\$83)	\$0.72	\$927	\$3,708	\$4,040	\$1,010	\$0.78	\$0	\$1,107	0.85	\$97
TC60%	\$1,094	10	3	2	1,296	\$1,094	\$84	\$1,010	(\$83)	\$0.72	\$927	\$9,270	\$10,100	\$1,010	\$0.78	\$0	\$1,107	0.85	\$97
TC60%	\$1,094	12	3	2	1,353	\$1,094	\$84	\$1,010	(\$83)	\$0.69	\$927	\$11,124	\$12,120	\$1,010	\$0.75	\$0	\$1,156	0.85	\$146
TC50%	\$911	2	3	2	1,394	\$911	\$84	\$827	\$0	\$0.59	\$827	\$1,654	\$1,654	\$827	\$0.59	\$0	\$1,191	0.85	\$364
TC60%	\$1,094	6	3	2	1,400	\$1,094	\$84	\$1,010	(\$83)	\$0.66	\$927	\$5,562	\$6,060	\$1,010	\$0.72	\$0	\$1,196	0.85	\$186
TC60%	\$1,094	8	3	2	1,400	\$1,094	\$84	\$1,010	(\$83)	\$0.66	\$927	\$7,416	\$8,080	\$1,010	\$0.72	\$0	\$1,196	0.85	\$186
MR		8	3	2	1,400	\$0	\$84		NA	\$0.73	\$1,027	\$8,216	\$9,567	\$1,196	\$0.85	NA	\$1,196	0.85	\$0
<b>TOTALS/AVERAG</b>		<b>209</b>			<b>226,329</b>				<b>(\$28)</b>	<b>\$0.70</b>	<b>\$758</b>	<b>\$158,469</b>	<b>\$165,999</b>	<b>\$794</b>	<b>\$0.73</b>	<b>\$0</b>	<b>\$965</b>	<b>\$0.89</b>	<b>\$171</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>		<b>\$1,901,628</b>	<b>\$1,991,983</b>
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**STABILIZED PRO FORMA**

*Apple Grove Villas, Mesquite, 9% HTC #12332*

**STABILIZED FIRST YEAR PRO FORMA**

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>		\$0		\$0.70	\$758	\$1,901,628	\$1,913,400	\$1,994,472	\$1,991,983	\$794	\$0.73		4.5%	\$90,355
appl fees, late rent fees, forfeited deposits		\$0			\$5.92	\$14,844	35,028						0.0%	(14,844)
laundry, vending		\$0			\$1.33	\$3,336	3,192						0.0%	(3,336)
cable, pet, interest income		\$0			\$7.67	\$19,224	0						0.0%	(19,224)
Underwriter's Total Secondary Income		\$0						\$38,220	\$37,404	\$14.91			100.0%	37,404
<b>POTENTIAL GROSS INCOME</b>		\$0				\$1,939,032	\$1,951,620	\$2,032,692	\$2,029,387				4.5%	\$90,355
Vacancy & Collection Loss		\$0		7.5% PGI		(145,427)	(146,372)	(152,452)	(152,204)	7.5% PGI			4.5%	(6,777)
Non-Rental Units/Concessions		\$0				-	-						0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		\$0				\$1,793,605	\$1,805,249	\$1,880,240	\$1,877,183				4.5%	\$83,578

General & Administrative	\$71,369	\$341/Unit	\$62,295	3.66%	\$0.29	\$314	\$65,725	\$68,840	\$72,735	\$71,369	\$341	\$0.32	3.80%	-7.9%	(5,644)
Management	\$78,993	4.7% EGI	\$86,021	4.00%	\$0.32	\$343	\$71,655	\$72,210	\$75,210	\$75,087	\$359	\$0.33	4.00%	-4.6%	(3,432)
Payroll & Payroll Tax	\$243,037	\$1,163/Unit	\$224,866	14.44%	\$1.14	\$1,240	\$259,072	\$236,212	\$222,274	\$243,037	\$1,163	\$1.07	12.95%	6.6%	16,035
Repairs & Maintenance	\$125,507	\$601/Unit	\$138,034	5.40%	\$0.43	\$463	\$96,857	\$95,814	\$122,772	\$125,507	\$601	\$0.55	6.69%	-22.8%	(28,650)
Utilities	\$74,644	\$357/Unit	\$90,893	3.50%	\$0.28	\$300	\$62,760	\$63,900	\$72,951	\$74,644	\$357	\$0.33	3.98%	-15.9%	(11,884)
Water, Sewer, & Trash	\$131,003	\$627/Unit	\$172,263	6.42%	\$0.51	\$551	\$115,200	\$102,500	\$100,186	\$102,544	\$491	\$0.45	5.46%	12.3%	12,656
Property Insurance	\$50,146	\$0.22 /sf	\$54,123	2.62%	\$0.21	\$225	\$47,025	\$37,275	\$49,023	\$50,146	\$240	\$0.22	2.67%	-6.2%	(3,121)
Property Tax 2.6838	\$147,168	\$704/Unit	\$153,846	10.74%	\$0.85	\$922	\$192,650	\$219,547	\$230,458	\$225,732	\$1,080	\$1.00	12.03%	-14.7%	(33,082)
Reserve for Replacements	\$84,591	\$405/Unit	\$58,576	3.50%	\$0.28	\$300	\$62,700	\$66,030	\$53,250	\$52,250	\$250	\$0.23	2.78%	20.0%	10,450
TDHCA Compliance Fees			\$7,680	0.43%	\$0.03	\$37	\$7,680	\$7,680	\$7,680	\$7,680	\$37	\$0.03	0.41%	0.0%	-
Cable TV			\$7,500	0.00%	\$0.00	\$0	\$0	\$7,500	\$7,500	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			\$2,130	0.15%	\$0.01	\$13	\$2,770	\$2,130	\$2,130	\$2,770	\$13	\$0.01	0.15%	0.0%	-
Security			\$5,325	0.30%	\$0.02	\$25	\$5,325	\$5,325	\$5,325	\$5,325	\$25	\$0.02	0.28%	0.0%	-
Trustee Fees			\$2,230	0.12%	\$0.01	\$11	\$2,230	\$2,230	\$0	\$0	\$0	\$0.00	0.00%	0.0%	2,230
Describe			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
<b>TOTAL EXPENSES</b>			<b>\$ 1,065,783</b>	<b>55.29%</b>	<b>\$4.38</b>	<b>\$4,745</b>	<b>\$ 991,649</b>	<b>\$ 987,193</b>	<b>\$ 1,021,495</b>	<b>\$ 1,036,092</b>	<b>\$4,957</b>	<b>\$4.58</b>	<b>55.19%</b>	<b>-4.3%</b>	<b>\$ (44,443)</b>
<b>NET OPERATING INCOME ("NOI")</b>				<b>44.71%</b>	<b>\$3.54</b>	<b>\$3,837</b>	<b>\$801,956</b>	<b>\$818,056</b>	<b>\$858,745</b>	<b>\$841,091</b>	<b>\$4,024</b>	<b>\$3.72</b>	<b>44.81%</b>	<b>-4.7%</b>	<b>(\$39,136)</b>

<b>CONTROLLABLE EXPENSES</b>	\$3,089/Unit	\$3,294/Unit		\$2,869/Unit		\$2,953/Unit
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**LONG TERM OPERATING PRO FORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$1,793,605	\$1,829,477	\$1,866,066	\$1,903,388	\$1,941,455	\$2,143,524	\$2,366,623	#####	#####	#####	\$3,516,678	\$3,882,696
LESS: TOTAL EXPENSES	991,649	1,020,682	1,050,571	1,081,343	1,113,023	1,286,018	1,486,121	1,717,603	1,985,411	2,295,274	2,653,829	3,068,761
<b>NET OPERATING INCOME</b>	<b>\$801,956</b>	<b>\$808,795</b>	<b>\$815,495</b>	<b>\$822,044</b>	<b>\$828,432</b>	<b>\$857,506</b>	<b>\$880,502</b>	<b>\$895,340</b>	<b>\$899,489</b>	<b>\$889,889</b>	<b>\$862,849</b>	<b>\$813,936</b>
LESS: DEBT SERVICE	651,361	651,361	651,361	651,361	651,361	651,361	651,361	651,361	651,361	651,361	651,361	651,361
<b>NET CASH FLOW</b>	<b>\$150,594</b>	<b>\$157,434</b>	<b>\$164,134</b>	<b>\$170,683</b>	<b>\$177,071</b>	<b>\$206,144</b>	<b>\$229,141</b>	<b>\$243,979</b>	<b>\$248,128</b>	<b>\$238,528</b>	<b>\$211,488</b>	<b>\$162,574</b>
<b>CUMULATIVE NET CASH FLOW</b>	\$150,594	\$308,028	\$472,161	\$642,845	\$819,916	\$1,794,555	\$2,897,085	#####	#####	#####	\$7,665,576	\$8,586,016
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$103,530	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.23	1.24	1.25	1.26	1.27	1.32	1.35	1.37	1.38	1.37	1.32	1.25
<b>EXPENSE/EGI RATIO</b>	55.29%	55.79%	56.30%	56.81%	57.33%	60.00%	62.79%	65.73%	68.82%	72.06%	75.46%	79.04%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Apple Grove Villas, Mesquite, 9% HTC #12332*

DEBT / GRANT SOURCES																		
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	MIP	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App						Applicant	TDHCA						DCR	LTC	
Dougherty Mortgage Capital	0.45%	1.29	1.23	\$651,104	4.40%	40	40	\$12,000,000	\$11,006,600	\$10,896,534	\$12,000,000	40	40	3.95%	\$651,361	1.23	38.9%	
<b>TOTAL DEBT / GRANT SOURCES</b>				\$651,104				\$12,000,000	\$11,390,600	\$11,280,534	\$12,000,000				\$651,361		38.9%	
<b>NET CASH FLOW</b>				\$150,852											\$189,730			

EQUITY SOURCES													
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Prior Underwriting		Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
						Applicant	TDHCA					15-Yr Cash Flow	15-Yr Cash Flow after Fee
PNC	LIHTC Equity	60.3%	\$1,906,038	0.97	\$18,582,012	\$17,598,240	\$16,771,459	\$18,582,012	\$0.97	\$1,906,038	60.3%	Annual Credit per Unit:	\$88,909
Developer	Deferred Developer Fees	2.6%	(25% Deferred)		\$816,652	\$23,703		\$0		(0% Deferred)	0.0%	Total Developer Fee:	\$3,311,399
Additional (Excess) Funds Req'd		0.0%			\$0	\$0	\$0	\$254,124.76			0.8%	15-Year Cash Flow:	\$2,897,085
<b>TOTAL EQUITY SOURCES</b>		62.9%			\$19,398,664	\$17,621,943	\$16,771,459	\$18,836,137			61.1%	15-Yr Cash Flow after Fee:	\$2,642,960
<b>TOTAL CAPITALIZATION</b>					\$31,398,664	\$29,012,543	\$28,051,993	\$30,836,137					

DEVELOPMENT COST / ITEMIZED BASIS														
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS				COST VARIANCE					
Acquisition	New Const. Rehab	Total Costs			Prior Underwriting		Total Costs			Eligible Basis		%	\$	
		Acquisition	New Const. Rehab		Applicant	TDHCA	Acquisition	New Const. Rehab	Acquisition					
Land Acquisition		\$11,325 / Unit	\$2,367,000	\$2,900,000	\$2,100,000	\$2,367,000	\$11,325 / Unit				0.0%	\$0		
Building Acquisition	\$0	\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit				0.0%	\$0		
Closing costs & acq. legal fees			\$322,000	\$274,000	\$126,000	\$322,000						\$0		
Off-Sites		\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit				0.0%	\$0		
Sitework		\$2,688,252	\$13,102 / Unit	\$2,738,252	\$1,882,600	\$1,882,600	\$2,738,252	\$13,102 / Unit	\$2,738,252		0.0%	\$0		
Building Costs		\$14,471,745	\$63.94 /sf	\$69,243/Unit	\$14,471,745	\$13,186,589	\$13,805,229	\$15,166,222	\$72,566/Unit	\$67.01 /sf	\$15,166,222	-4.6%	(\$694,477)	
Contingency		\$0	0.00%	0.00%	\$0	\$976,474	\$976,474	\$0	0.00%	0.00%	\$0	0.0%	\$0	
Contractor's Fees		\$2,390,516	13.93%	\$2,390,516	\$2,109,665	\$2,109,665	\$2,390,516	13.35%	\$2,390,516		0.0%	\$0		
Indirect Construction	0	\$1,642,110	\$8,048 / Unit	\$1,682,110	\$2,021,345	\$2,021,345	\$1,682,110	\$8,048 / Unit	\$1,642,110	\$0	0.0%	\$0		
Developer's Fees	\$0	\$3,311,399	14.99%	14.96%	\$3,311,399	\$3,086,893	\$3,074,343	\$3,311,399	14.51%	14.41%	\$3,289,971	\$0	0.0%	\$0
Interim Financing	0	\$891,039	\$9,788 / Unit	\$2,045,642	\$1,583,047	\$1,583,047	\$2,045,642	\$9,788 / Unit	\$891,039	\$0	0.0%	\$0		
Reserves		\$9,904 / Unit	\$2,070,000	\$991,930	\$790,760	\$1,687,453	\$8,074 / Unit				22.7%	\$382,547		
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$25,395,061</b>		\$150,233 / Unit	<b>\$31,398,664</b>	<b>\$29,012,543</b>	<b>\$28,469,463</b>	<b>\$31,710,594</b>	\$151,725 / Unit	<b>\$26,118,110</b>	<b>\$0</b>	<b>-1.0%</b>	<b>(\$311,930)</b>	
Adjusted Acquisition Cost based on Purchase Cor					(\$179,980)	(\$948,000)								
Contingency		\$0												
Contractor's Fee		\$0												
Interim Interest		(\$150,525)												
Reserves					(\$382,547)									
Developer's Fee	\$0	(\$21,428)			\$0	(\$12,550)								
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$25,223,108</b>		147541.3242	<b>\$30,836,137</b>	<b>\$28,051,993</b>	<b>\$28,469,463</b>	<b>\$31,710,594</b>	\$151,725	<b>\$26,118,110</b>	<b>\$0</b>	<b>-2.8%</b>	<b>(\$874,457)</b>	
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>						<b>\$30,836,137</b>								



**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*Apple Grove Villas, Mesquite, 9% HTC #12332*

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
<b>ADJUSTED BASIS</b>	\$0	\$25,223,108	\$0	\$26,118,110
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$25,223,108	\$0	\$26,118,110
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$32,790,040	\$0	\$33,953,542
Applicable Fraction	91.22%	91.22%	91.22%	91.22%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$29,910,304	\$0	\$30,971,624
Applicable Percentage	0.00%	7.83%	0.00%	7.83%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,341,977	\$0	\$2,425,078
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,341,977		\$2,425,078	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Garden (Up to 3 story)		226,329	\$60.26	13,637,948
Adjustments				
Exterior Wall Finish	2.80%		1.69	\$381,863
	0.00%		0.00	0
9-Ft. Ceilings	3.35%		2.02	456,871
Roofing			0.00	0
Subfloor			0.07	16,166
Floor Cover			2.63	595,245
Breezeways	\$24.45	43,893	4.74	1,073,143
Balconies	\$25.18	18,802	2.09	473,504
Plumbing Fixtures	\$940	600	2.49	564,000
Rough-ins	\$465	418	0.86	194,370
Built-In Appliances	\$1,750	209	1.62	365,750
Exterior Stairs	\$2,125	27	0.25	57,375
Heating/Cooling			2.06	466,238
Enclosed Corridors	\$44.77		0.00	0
Carports	\$11.30	5,610	0.28	63,393
Garages	\$44.77	13,821	2.73	618,727
Comm &/or Aux Bldgs	\$66.71	3,903	1.15	260,353
<b>Other: Rentable Storage</b>	\$44.77	2,415	0.48	108,113
<b>Other: Elevators</b>	\$94,050	2	0.83	188,100
<b>Other: Fire Sprinklers</b>	\$2.30	270,222	2.75	621,511
<b>SUBTOTAL</b>			<b>89.00</b>	<b>20,142,670</b>
Current Cost Multiplier	0.98		-1.78	(402,853)
Local Multiplier	0.91		-8.01	(1,812,840)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>79.21</b>	<b>\$17,926,976</b>
Plans, specs, survey, bldg permits	3.90%		-3.09	(\$699,152)
Contractor's OH & Profit	11.50%		-9.11	(2,061,602)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>67.01</b>	<b>\$15,166,222</b>

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$2,341,977	\$22,831,991
Gap	\$1,932,105	\$18,836,137
2012 Allocation	\$1,906,038	\$18,582,012
Current Request	\$1,906,038	\$18,582,012

FINAL ANNUAL LIHTC ALLOCATION	
Method	Current Request
Credits	<b>\$1,906,038</b>
Underwrite n Proceeds	<b>\$18,582,012</b>

Variance From Requested Credits		
\$0	or	0.00%

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Building, Site-work, Off-Sites & Co	\$76.04	\$82,344	\$17,209,997	\$17,904,474	\$85,667	\$79.11
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$86.60	\$93,782	\$19,600,513	\$20,294,990	\$97,105	\$89.67

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**JULY 11, 2013**

Presentation, Discussion and Possible Action on Approval of the Amended FFY 2013 Low Income Home Energy Assistance Program (LIHEAP) State Plan, for submission to the U.S. Department of Health and Human Services.

**RECOMMENDED ACTION**

**WHEREAS**, the Department submitted the FFY 2013 Low Income Home Energy Assistance Program (LIHEAP) State Plan to the U.S. Department of Health and Human Services (USHHS) on August 30, 2012;

**WHEREAS**, the Board approved a proposed Amended FFY 2013 LIHEAP State Plan, at the Board meeting on May 9, 2013, and released the plan for public comment;

**WHEREAS**, the amendments to the FFY 2013 LIHEAP State Plan set household income eligibility at 60% State Median Income (SMI) for programs in a geographical area affected by a natural disaster designated by the USHHS Secretary, by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974, or as defined by the Department's Executive Director, for so long as such designation remains in effect and with prior written permission of the Department;

**WHEREAS**, the amendments to the FFY 2013 LIHEAP State Plan, in accordance with §2607A of the LIHEAP statute, acquire non-Federal leveraged utility assistance resources by entering into a Memorandum of Understanding (MOU) with the Public Utility Commission of Texas (PUC); and

**WHEREAS**, in response to public comment received at the June 12, 2013 public hearing, the Department clarifies eligibility criteria and amends benefit level calculations to align with Texas Administrative Code Rules governing the Comprehensive Energy Assistance Program (CEAP), that were updated following the submission of the original FFY2013 LIHEAP State Plan;

**NOW, therefore, it is hereby**

**RESOLVED**, that the FFY 2013 LIHEAP State Plan Amendment, in the form adopted at this meeting, is hereby approved for submittal to the USHHS.

**BACKGROUND**

With approval at the July 26, 2012 TDHCA Board meeting, the Department submitted the FFY 2013 Low Income Home Energy Assistance Program (LIHEAP) State Plan to the U.S. Department of Health and Human Services (USHHS) on August 30, 2012.

Following submission of the FFY 2013 LIHEAP State Plan, staff determined that amendments to the plan relating to eligibility requirements and leveraging activities were needed. Subsequently, staff prepared an Amended FFY 2013 LIHEAP State Plan, presented the proposed amended plan to the Board on May 9, 2013, and released the proposed amended plan for public comment. A public hearing was held on June 12, 2013. The Public comment period was open from May 16, 2013 to June 14, 2013 and received comments from one individual.

The amended FFY2013 LIHEAP State Plan expands eligibility requirements in a geographical area affected by a natural disaster designated by the Secretary of the United States Department of Health and Human Services (USHHS), or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974, for so long as such designation remains in effect and with prior written permission of the Department. The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Executive Director.

In the aforementioned circumstances, household income eligibility will be set at the higher of 125% of Federal Poverty Income Guidelines or 60% State Median Income (SMI). Income eligibility for all other LIHEAP components will remain at 125% Federal Poverty Income Guidelines.

The amended FFY2013 LIHEAP State Plan also includes leveraging activities with the Public Utility Commission of Texas (PUC) for the Texas Low Income Telephone and Electric Discount Program (LITE UP) electronic discount. The Department and the PUC will integrate and coordinate referrals for eligible households.

Finally, based on public comment received, the Department prepared amendments to its FFY2013 LIHEAP State Plan, clarifying eligibility criteria and revising benefit level calculations to align with 10 TAC Chapter 5, Subchapter D, Comprehensive Energy Assistance Program (CEAP), §5.422 General Assistance Benefit Levels, which was updated following the submission of the original FFY2013 LIHEAP State Plan.

### **Summary of Comment**

The Department received public comment from one entity – Stella Rodriguez, Executive Director, Texas Association of Community Action Agencies (TACAA). Ms. Rodriguez made comments, representing a workgroup of Subrecipient agencies, on Additional Eligibility Criteria for Weatherization, Crisis Component Benefit Levels, and Leveraging Activities.

#### **Comment A:**

For Additional Eligibility Criteria for Weatherization, the commenter requested that the Department indicate that additional eligibility priority be given to the elderly, disabled, young children, and households with high energy burden and high energy consumption.

#### **Department Response A:**

In response to the comment on Additional Eligibility Criteria for Weatherization, the Department agrees and will clarify that the existing eligibility priority for the elderly, disabled, young children, and households with high energy burden and high energy consumption be added to this section of the plan. Although it is indicated in earlier sections of the plan that priority is given to each of these groups for all LIHEAP benefits, the Department agrees to add emphasis to the prioritization of these groups in the Weatherization component as well.

**Comment B:**

For Crisis Component Benefit Levels, the commenter believes that there is a mathematical error in the calculation of “year-round” maximum benefit levels.

**Department Response B:**

In response to the comment on Crisis Component Benefit Levels, the Department agrees to update maximum benefit levels. At the time of submission of the FFY 2013 Texas LIHEAP Plan in August of 2012, the General Assistance Benefit level in 10 TAC Chapter 5, Subchapter D, §5.422 General Assistance Benefit Levels, reflected a maximum allowable benefit of \$3,700. However, during FFY2013, §5.422 was amended to allow for a Household to restructure CEAP components and to “receive repair of existing heating and cooling units not to exceed \$2,500. Households that include at least one member that is elderly, disabled, or a child age 5 or younger, may receive either repair of existing heating and cooling units or crisis-related purchase of portable heating and cooling units not to exceed \$2,500.” This allowance increases the total maximum possible annual Household benefit (all allowable benefits combined) to \$4,900. In response to public comment received at the June 12, 2013 public hearing on proposed amendments to the FFY 2013 LIHEAP Plan, the Department is amending the Maximum Benefit level to align with current TAC rules.

**Comment C:**

For Leveraging Activities, the commenter requested that the Department add “if available” to qualify DOE WAP funds in the following description of leveraging activities: *TDHCA administers the funds through its LIHEAP WAP network of weatherization contractors. These contractors leverage DOE WAP funds, if available, for Weatherization activities.*

**Department Response B:**

In response to the comment on Leveraging Activities, the Department agrees with the commenter and will add “if available” to the description of Leveraging Activities.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)



DETAILED PLAN  
PUBLIC LAW 97-35,  
AS AMENDED  
FISCAL YEAR (FY) 2013  
**(Amended June 2013)**

GRANTEE: TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

EIN:.....17426105429

ADDRESS:.....P.O. Box 13941  
.....Austin, TX 78711-3941

NAME OF LIHEAP COORDINATOR: .....Michael DeYoung

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PLEASE CHECK ONE: TRIBE  STATE  INSULAR AREA

[Department of Health and Human Services \(Federal government web site:](http://www.acf.hhs.gov/programs/ocs/liheap/)

[http://www.acf.hhs.gov/programs/ocs/liheap/\)](http://www.acf.hhs.gov/programs/ocs/liheap/)

Administration for Children and Families

Office of Community Services

Washington, DC 20447

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Approval No. 0970-0075

Expiration Date: 04/30/2014

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

# Table of Contents

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) .....	1
Assurances.....	3
Certification to the Assurances.....	6
Components Operated Under LIHEAP .....	7
Use of Funds.....	7
Alternate Use of Crisis Assistance Funds .....	7
Eligibility.....	8
Outreach Activities .....	10
Coordination.....	10
Benefit Levels: Equal Treatment.....	11
Determination of Benefits.....	11
Heating Component and Cooling Component .....	11
Crisis Component .....	12
WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS .....	12
Types of Assistance .....	12
Benefit Levels.....	13
Types of Rules (DOE or LIHEAP).....	13
Agency Designation .....	14
Targeting of Assistance .....	14
Energy Suppliers.....	14
Owners & Renters .....	15
Program, Fiscal Monitoring, and Audit .....	15
Timely and Meaningful Public Participation.....	16
Public Hearings .....	17
Fair Hearing Procedures .....	17
Alternate Outreach and Intake .....	18
Assurance 16 Activities .....	18
Leveraging.....	19
ADDITIONAL CERTIFICATIONS AND REQUIREMENTS.....	20
Attachments.....	21

## **Assurances**

The Texas Department of Housing & Community Affairs agrees to:

*(Grantee Name)*

(1) use the funds available under this title to –

- (A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);
- (B) intervene in energy crisis situations;
- (C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and
- (D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to –

(A) households in which one or more individuals are receiving –

- (i) assistance under the State program funded under part A of title IV of the Social Security Act;
- (ii) supplemental security income payments under title XVI of the Social Security Act;
- (iii) food stamps under the Food Stamp Act of 1977; or
- (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of –

- (i) an amount equal to 150 percent of the poverty level for such State; or
- (ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;



- (4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;
- (5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;
- (6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that –
  - (A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and
  - (B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;
- (7) if the State chooses to pay home energy suppliers directly, establish procedures to –
  - (A) notify each participating household of the amount of assistance paid on its behalf;
  - (B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;
  - (C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and
  - (D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;
- (8) provide assurances that,

- (A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and
  - (B) the State will treat owners and renters equitably under the program assisted under this title;
- (9) provide that –
- (A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and
  - (B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));
- (10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");
- (11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;
- (12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);
- (13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and
- (14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.
- (15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.
- \* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**
- (16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

## **Certification to the Assurances**

As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: \_\_\_\_\_

Title: Executive Director

Date: August , 2012

**The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.**

**The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

## Components Operated Under LIHEAP

Statutory Reference 2605(a) and 2605(b)(1)

Please check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

### Use of Funds

Program Component	Dates of Operation
heating assistance	December – February
cooling assistance	March – November
crisis assistance	January – December
weatherization assistance	April – March

Statutory Reference 2605(c)(1)(C)

Please estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.

Statutory Reference	Percentage of Funds	Program Component
	10%	heating assistance
	40%	cooling assistance
	10%	crisis assistance
2605(k)(1)	25%	weatherization assistance
2605(b)(9)	0%	carryover to the following fiscal year
	10%	administrative and planning costs
2605(b)(16)	5%	services to reduce home energy needs including needs assessment (assurance 16)
	0%	used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).
	100%	<b>TOTAL</b>

### Alternate Use of Crisis Assistance Funds

Statutory Reference 2605(c)(1)(C)

The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

Program Component	Yes/No
Heating assistance	No
Cooling assistance	No
weatherization assistance	No
Other(specify): Year-round crisis	Yes

Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)

Yes

## Eligibility

Statutory Reference 2605(b)(2) and 2605(c)(1)(A)

What are your maximum eligibility limits? (Please check the components to which they apply.) Current year guidelines must be used.

Maximum Eligibility Limit	Heating Component	Cooling Component	Crisis Component	Weatherization Component
150% of the poverty guidelines				
125% of the poverty guidelines	X	X	X	X
111% of the poverty guidelines				
60% of the State's median income**				

**AMENDED JUNE 2013: \*\*In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, the State will use the higher of 125% of the poverty guidelines or 60% of the State's median income as a maximum eligibility limit. The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. The State will communicate this designation to affected subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI.**

Subrecipient agencies will base applicant household eligibility on Texas Administrative Code Title 10, Part 1, Chapter 5, Subchapter A, §5.19 Client Income Guidelines and §5.20 Determining Income Eligibility.

Households are not automatically eligible if one person is receiving TANF, SSI, Food Stamps, or Certain means-tested veterans programs for any Program Component.

Statutory Reference 2605(c)(1)(A) and 2605(b)(2)

Additional eligibility requirements for Heating Component and Cooling Component.

Additional Eligibility Criteria	Heating Component (Yes or No)	Cooling Component (Yes or No)
Do you have additional eligibility requirements?	No	No
Do you use assets test?	No	No
Do you give priority eligibility to elderly?	Yes	Yes
Do you give priority eligibility to disabled?	Yes	Yes
Do you give priority eligibility to young children?	Yes	Yes

<b>Additional Eligibility Criteria</b>	<b>Heating Component (Yes or No)</b>	<b>Cooling Component (Yes or No)</b>
Other: High Energy Burden and High Energy Consumption	Yes	Yes

Statutory Reference 2604(c) and 2605(c)(1)(A)

*Additional eligibility requirements for Crisis component.*

<b>Additional Eligibility Criteria</b>	<b>Crisis Component (Yes or No)</b>
Do you have additional eligibility requirements?	No
Do you use assets test?	No
Must the household have received a shut-off notice or have an empty tank?	No
Must the household have exhausted regular benefit?	No
Must the household have received a rent eviction notice?	No
Must heating/cooling be medically necessary?	No

*What constitutes a crisis? Please describe*

A utility disconnection notice may constitute an energy crisis. Extreme hot or cold weather, defined at the local level.

Statutory Reference 2605(c)(1)(A)

*Additional eligibility requirements for Weatherization.*

<b>Additional Eligibility Criteria</b>	<b>Weatherization (Yes or No)</b>
Do you have additional eligibility requirements?	No
Do you use assets test?	No
Do you give priority eligibility to elderly?	<del>No</del> Yes**
Do you give priority eligibility to disabled?	<del>No</del> Yes
Do you give priority eligibility to young children?	<del>No</del> Yes
Other: High Energy Burden and High Energy Consumption	<del>No</del> Yes

**AMENDED JUNE 2013:** \*\* In response to public comment received at a June 12, 2013 public hearing on proposed amendments to the FFY 2013 LIHEAP Plan, the Department will indicate that additional eligibility priority be given to the elderly, disabled, young children, high energy burden and high energy consumption. Although it is indicated in earlier sections of the plan that priority is given to each of these groups for all LIHEAP benefits, the Department agrees to add emphasis to the prioritization of these groups in the Weatherization component as well.

*Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules (<http://www1.eere.energy.gov/wip/wap.html>) to establish eligibility or to establish priority eligibility for households with certain characteristics?*

Yes

*If Yes, are there exceptions? Please list below.*

Texas Administrative Code Title 10, Part 1, Chapter 5, Subchapter E. Weatherization Assistance Program General ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=5&ti=10&pt=1&ch=5&sch=E&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=E&rl=Y))

**RULE §5.507 - Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria**

**Outreach Activities**

Statutory Reference 2605(b)(3) and 2605(c)(3)(A)

*Please indicate the outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:*

<b>Outreach Activity</b>	<b>Do you conduct this activity? (Yes or No)</b>
Provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).	Yes
Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.	Yes
Publish articles in local newspapers or broadcast media announcements.	Yes
Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.	Yes
Make mass mailing to past recipients of LIHEAP.	No
Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.	Yes
Execute interagency agreements with other low-income program offices to perform outreach to target groups.	<del>No-Yes</del> <b>(Amended June 2013)</b>

**Coordination**

Statutory Reference 2605(b)(4)

*Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.*

Subrecipients coordinate with other social service agencies to provide services to eligible households. In particular, subrecipients make documented referrals to the local WAP subrecipient.

Subrecipients coordinate with local energy vendors to arrange for arrearage reduction, reasonably reduced payment schedules, or cost reductions.

Community Action Agencies, local government entities, and private nonprofit agencies, administer the LIHEAP program. To share information, enhance and develop service capacities, and integrate resources, The Department works with the Texas Association of Community Action Agencies, the Public Utility Commission, the Texas Railroad Commission, utility companies, and other State entities serving the low-income population.

## **Benefit Levels: Equal Treatment**

Statutory Reference 2605(b)(5), 2605(b)(2), and 2605(b)(8A)

*The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.*

There is no difference in treatment based on the receipt or non-receipt of public assistance benefits. Subrecipients will base applicant household eligibility on TAC Title 10, Part 1, §5.19 (Client Income Guidelines) and §5.20 (Determining Income Eligibility) for all Community Affairs programs.

## **Determination of Benefits**

### **Heating Component and Cooling Component**

Statutory Reference 2605(b)(5)

*Please check the variables you use to determine your benefit levels (check all that apply.)*

<b>Variable</b>	<b>Heating benefit</b>	<b>Cooling benefit</b>
Income	X	X
family (household) size	X	X
home energy cost or need	X	X
fuel type		
climate/region		
individual bill	X	X
dwelling type		
energy burden (% of income spent on home energy)	X	X
energy need	X	X
other (describe):		

## **Benefit Levels**

Statutory Reference 2605(b)(5) and 2605(c)(1)(B)

*Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.*

*Please describe benefit levels or attach a copy of your payment matrix.*

Household may receive an amount needed to address their energy payment shortfall not to exceed the following amounts:

<b>Households Incomes</b>	<b>Maximum Heating Component Benefit</b>	<b>Maximum Cooling Component Benefit</b>
0 to 50% of Poverty	\$1,200.00	\$1,200.00
50% to 75% of Poverty	\$1,100.00	\$1,100.00
75% to 125% of Poverty	\$1,000.00	\$1,000.00



Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

No

### Crisis Component

Statutory Reference 2605(b)(5) and 2605(c)(1)(B)

How do you handle crisis situations?

Crisis situations are handled as a separate component.

If you have a separate component, how do you determine crisis assistance benefits?

Crisis assistance benefit is the amount needed to resolve crisis, up to the maximum.

### Benefit Levels

Please indicate the maximum benefit for each type of crisis assistance offered.

Type of crisis assistance offered	Maximum Benefit
Heating	n/a
Cooling	n/a
Year-round	\$3,700–\$4,900 (Amended June 2013)

**AMENDED JUNE 2013:** \*\*At the time of submission of the FFY 2013 Texas LIHEAP Plan in August of 2012, the General Assistance Benefit level in the TAC reflected a maximum allowable benefit of \$3,700. However, during FFY2013, TAC was amended to allow for a Household to “receive repair of existing heating and cooling units not to exceed \$2,500. Households that include at least one member that is elderly, disabled, or a child age 5 or younger, may receive either repair of existing heating and cooling units or crisis-related purchase of portable heating and cooling units not to exceed \$2,500.” Thus, increasing the total maximum possible annual Household benefit (all allowable benefits combined) to \$4,900. In response to public comment received at a June 12, 2013 public hearing on proposed amendments to the FFY 2013 LIHEAP Plan, the Department is amending the Maximum Benefit level to align with current TAC rules.

Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

No

## WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS

### Types of Assistance

Statutory Reference 2605(b)(5), 2605(c)(1), (B) & (D)

What LIHEAP weatherization services/materials do you provide? (Check all categories that apply.)

LIHEAP weatherization services/materials	Provided
Weatherization needs assessments/audits.	X
Caulking, insulation, storm windows, etc.	X
Furnace/heating system modifications/repairs	X
Furnace replacement	X
Cooling efficiency modifications/repairs/replacement	X

<b>LIHEAP weatherization services/materials</b>	<b>Provided</b>
Other <u>Energy Related Home Repair</u> (Please describe) (1) roof, wall, and floor repair to complete weatherization measures; (2) repair or replace essential electrical wiring to complete related weatherization measures, while complying with safety codes; (3) solar screens or window film (where appropriate); (4) replacement of refrigerators 1993 or older or metered to have an SIR of 1 or greater on the Departments refrigerator tool; (5) mobile home skirting to protect belly insulation; (6) overhangs to protect mobile home doors; (7) carpentry work to protect outside water heater from exposure; and (8) Weatherization-related health and safety safeguards as defined by DOE.	X

**Benefit Levels**

*Do you have a maximum LIHEAP weatherization benefit/expenditure per household?*

Yes

*If yes, what is the maximum amount?*

\$5,000 or otherwise calculated by the Department.

**Types of Rules (DOE or LIHEAP)**

*Under what rules do you administer LIHEAP weatherization?*

<b>Type of Rules</b>	<b>Used to Administer LIHEAP Weatherization</b>
Entirely under LIHEAP (not DOE) rules	
Entirely under DOE LIWAP rules	
Mostly under LIHEAP rules with the following DOE LIWAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply):	X
Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days	X
Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).	X
Mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)	
Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit.	X
Other (Please describe.) <u>Energy Related Home Repair</u> . TDHCA will allow the use of a client’s LIHEAP weatherization award for structural and ancillary repairs only if required to enable effective weatherization.	X

## Agency Designation

Statutory Reference 2605(b)(6)

*The state administers LIHEAP through the following types of local agencies:*

Agency Type	Designated for LIHEAP
county welfare offices	
community action agencies (weatherization component only)	X
community action agencies (heating, cooling or crisis)	X
charitable organizations (nonprofit)	X
not applicable (i.e. state energy office)	
tribal office	
other, describe: Units of local government and Councils of Government.	X

*Have you changed local administering agencies from last year?*

Yes

*If Yes, please describe how you selected them.*

Request for Application (RFA)

*What components are affected by the change?*

Heating, cooling, crisis, weatherization.

## Targeting of Assistance

Statutory Reference 2605(c)(1)(E)

*Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. (This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)*

N/A

## Energy Suppliers

Statutory Reference 2605(b)(7)

*Do you make payments directly to home energy suppliers?*

Program Component	Payment to Supplier? (Yes or No)
Heating	Yes
Cooling	Yes
Crisis	Yes
If yes, are there exceptions? If yes, please describe.	No

Statutory Reference 2605(b)(7)(A)

*If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)*

When the client applies for assistance, the subrecipient determines eligibility, the amount of assistance, and the appropriate component. This information is given to the client along with the client agreement.

Statutory Reference 2605(b)(7), (B) & (C)

*How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.*

Vendor agreements are used in all components. A sample copy is attached.

## **Owners & Renters**

Statutory Reference 2605(b)(8)(B)

*Is there any difference in the way owners and renters are treated? If Yes, please describe.*

<b>Program Component</b>	<b>Difference for owners and Renters? (Yes or No)</b>
Heating	No
Cooling	No
Crisis	No
Weatherization	No

## **Program, Fiscal Monitoring, and Audit**

Statutory Reference 2605(b)(10)

*How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)*

- (1) review annual audits;
- (2) monitor fiscal records;
- (3) review Monthly Expenditure and Performance Reports.

*How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)*

- The Department requires each subrecipient to submit monthly funding and performance reports. Reports are due on the fifteenth of the following month.
- The Contract Specialist will complete a desk monitoring review of monthly funding and performance reports to ensure the subrecipient has the capacity to carry out program activities in a timely manner.
- Assigned Program Officer for each subrecipient will track program compliance and performance activities.
- Program Officers will perform an onsite monitoring visit of each subrecipient at least once every two years based on a Risk Assessment Module. On-site monitoring will be performed in conjunction with the Division's Community Service Block Grant whenever possible. TDHCA

may monitor a subrecipient more than once based on the previous monitoring report and current contract performance.

- Program Officer will review the subrecipient's financial records such as the single audit, general ledgers, receipts, bank statements, bank reconciliation reports, and checks to ensure that program funds are being expended on allowable program activities.
- Program Officer will review individual client records to ensure the clients are eligible, prioritized, and served within the contract and TDHCA established guidelines. Client files will also be reviewed to ensure household needs have been identified, the client has been provided client education, and referred to other programs that have been identified by the subrecipient.
- Program Officer will complete a monitoring check list and report that outlines findings and recommendations.
- Upon the Manager's review a report will be mailed to each subrecipient.
- Subrecipient must submit a written response within 45 days of the report. The response must address any possible corrective actions if any.
- A review of the response in order to ensure all possible corrective actions has been implemented by the subrecipient.

*How is your LIHEAP program audited? Under the Single Audit Act?*

Yes

*If not, please describe:*

N/A

*For States and Territories, is there an annual audit of local administering agencies?*

Yes. TDHCA contract requires subrecipients that exceed \$500,000 in expenditures to follow the single Audit procedures and submit a copy of the Audit to the Department for review.

*If not, please explain.*

N/A

## **Timely and Meaningful Public Participation**

Statutory Reference 2605(b)(12)

*How did you get timely and meaningful public participation in the development of the plan? (Please describe.)*

The Department prepared a Draft LIHEAP Plan for FFY 2013 as a means of informing interested parties prior to the annual LIHEAP Public Hearing on July 12, 2012.

The draft plan was submitted for The Department Board approval at the June 14, 2012 meeting – prior to publication.

A Texas Register announcement (see appendix), the Department website, and opt-in email distribution publication informed the Texas Legislature and general public about the public hearing.

The Draft LIHEAP Plan appeared on the Department website beginning June 18, 2012.

The Department transmitted the Draft LIHEAP Plan by e-mail to all TDHCA Energy Assistance subrecipients, Weatherization Policy Advisory Committee members, and other interested parties and let them know the document's internet location (<http://www.tdhca.state.tx.us/community-affairs/index.htm>).

The Department accepted written and verbal comments within the public participation process through July 15, 2012, 5:00 p.m. The Department requested that comments be sent by e-mail to [cate.taylor@tdhca.state.tx.us](mailto:cate.taylor@tdhca.state.tx.us) or by fax (512) 475-3935 or by postal service to TDHCA, Energy Assistance Section, P.O. Box 13941, Austin, Texas 78711-3941.

The Department incorporates public comments, including workable suggestions that do not alter the intent of LIHEAP, into the final plan.

The Department Board receives the final plan for approval on July 26, 2012.

## **Public Hearings**

Statutory Reference 2605(a)(2)

*Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds?*

Yes

*When and where?*

July 12, 2012; 9:00 a.m. – 11:00 a.m.  
Texas Department of Housing and Community Affairs  
221 East 11th Street, Room 116  
Austin, Texas 78701

## **Fair Hearing Procedures**

Statutory Reference 2605(b)(13)

*Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?*

The Department will ensure that subrecipients provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied or not acted upon in a timely manner by requiring subrecipients to:

- print information about clients' rights on the application forms and information sheets;
- provide opportunity for fair administrative hearings in cases of application denial, delay, or inaction;
- Provide written notification to applicant of denial of assistance within ten (10) days of the adverse determination. Notification includes written instructions of the appeals process and specific reasons for the denial. Applicants wishing to appeal a decision must provide written notice to subrecipient within 10 days of receipt of the denial notice. Subrecipient maintains documentation of appeals in the client files.

Applicants may subsequently appeal to the Department. An applicant must provide a written appeal request to the Department within 10 days of receiving the subrecipient's second determination. The Department appeals committee composed of at least three persons hears the appeal within 10 days of receiving the appeal. The subrecipient provides to the Department an audio tape recording or detailed notes of its hearing and pertinent client files. The Department will review the recording and notes from *Texas LIHEAP Plan 2013 – (Amended June 2013)*

the hearing, the committee’s decision and any other relevant information. The Department will not take additional oral testimony. The Department will notify all parties in writing of its decision within 30 days of the receipt of the appeal.

## **Alternate Outreach and Intake**

Statutory Reference 2605(b)(15)

*For States and Puerto Rico only (not applicable to Tribes and tribal organizations or to territories whose annual regular LIHEAP allotments are \$200,000 or less):*

*Does the State agency that administers the following LIHEAP component also administer the State's welfare program?*

<b>Program Component</b>	<b>State Welfare Program administered at State LIHEAP agency? (Yes or No)</b>
Heating	No
Cooling	No
Crisis	No

*If Yes, describe alternate process for outreach and intake.*

N/A

## **Assurance 16 Activities**

Statutory Reference 2605(b)(16)

*Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)*

Yes

*If Yes, please describe these activities.*

1. Identify household needs.
2. Provide literature and energy conservation education.
3. Refer client to other appropriate programs.
4. Encourage responsible vendor and consumer behavior.

Subrecipients provide applications, forms, and energy education materials in Spanish, English, or other language when appropriate.

*If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?*

Assurance 16 activities are a separate budget category at both the state and subrecipient levels. Both the accounting and the reporting systems do not allow expenditures over the 5% cap.

## Leveraging

### Statutory Reference 2607A

Please describe leveraging activities planned for the fiscal year. (**This entry is optional.**\*) Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:

- (1) Identify and described each resource/benefit;
- (2) Identify the source(s) of each resource; and
- (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).

**Amended June 2013: The Department amends the FFY 2013 LIHEAP State Plan, in accordance with §2607A of the LIHEAP statute, to acquire non-Federal leveraged utility assistance resources by entering into a Memorandum of Understanding (MOU) with the Public Utility Commission of Texas (PUC).**

45 CFR 96 Section Reference	Leveraging Activities
96.87(d)(2)(i)	In order for subrecipients to serve eligible households in a comprehensive manner, creation of partnerships with private industries and utility vendors is essential. LIHEAP staff members, both at the grantee and the subrecipient level, have devoted substantial time and resources in the negotiation and design of these partnerships.
96.87(d)(1)	The resources leveraged by these activities are from non-federal sources such as utility companies. They are provided to the LIHEAP grantee or only accessible to LIHEAP clients. They represent a net addition to the total home energy resources available to low-income households, are measurable and quantifiable, and meet the requirements for countable resources.
96.87(d)(2)(iii)(D), 96.87(d)(2)(iii)(E), 96.87(d)(2)(iii)(F), and 96.87(e)(1)(i)	The following resources have been leveraged on behalf of LIHEAP clients. Subrecipients utilize state approved vendor agreements with energy providers. These agreements may provide for waivers on reconnection fees and waivers on deposits. These agreements ensure that the energy vendor will charge the eligible household only the difference between the cost of home energy actually consumed and the amount of the payment made by TDHCA through LIHEAP. Agreements ensure that energy vendors will treat LIHEAP clients with no disadvantage relative to all other customers. <b><u>Amended June 2013: TDHCA also has a memorandum of understanding with the Public Utility Commission to refer clients to the State's general revenue funded electric discount program, LITE UP Texas.</u></b>
96.87(d)(2)(ii), 96.87(e)(1)(iii), 96.87(e)(1)(vi)	TDHCA administers the funds through its LIHEAP WAP network of weatherization contractors. These contractors leverage DOE WAP, <b><u>if available</u></b> , funds for Weatherization activities.

\* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.



## **ADDITIONAL CERTIFICATIONS AND REQUIREMENTS**

Attached are additional certifications required as follows:

- **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. (**Tribes and tribal organizations are EXEMPT**) (Above link shows source document only.)
- **Debarment and suspension certification**, which must be filed by all grantees. (Above link shows source document only.)
- **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here:  (Above link shows source document only.)
- One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

**All Tribes and those territories with allotments of less than \$200,000** need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.

- Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.

## **Attachments**

1. FFY 2013 LIHEAP Program Integrity Assessment Supplement
  - A. TDHCA Recommended Practice on Fraud, Waste, and Abuse
  - B. Texas Administrative Code for TDHCA's LIHEAP programs
  - C. Sample Vendor Agreement
  - D. Sample of Department approved Declaration of Income Statement
  - E. Sample TDHCA contract for PY 2012 CEAP Subrecipients
  - F. Sample TDHCA contract for PY 2012 LIHEAP WAP Subrecipients
  - G. Texas Register Notice of Public Hearing for FY 2013 LIHEAP Plan
2. Preliminary FFY 2012 LIHEAP Household Report
3. Subrecipient Agencies <http://www.tdhca.state.tx.us/community-affairs/index.htm>
4. Required Certifications
  - A. Lobbying Certification
  - B. Debarment and Suspension Certification
  - C. Drug-free Workplace requirement Certification
5. TX PY2012 DOE WAP Plan <http://www.tdhca.state.tx.us/community-affairs/index.htm>
6. LIHEAP Designation Letter for TDHCA

1g

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Approval of the Final FFY 2014 Low Income Home Energy Assistance Program (LIHEAP) State Plan, for submission to the U.S. Department of Health and Human Services.

**RECOMMENDED ACTION**

**WHEREAS**, the Department develops and submits a State Plan to the U.S. Department of Health and Human Services (USHHS) each year to administer the Low Income Home Energy Assistance Program (LIHEAP);

**WHEREAS**, the Department received grant guidance on development of the annual State Plan plan from USHHS on April 4, 2013, and presented a Draft FFY 2014 LIHEAP State Plan to the May 9, 2013, TDHCA Board meeting to release for public comment; and

**WHEREAS**, the Department has prepared Final FFY 2014 LIHEAP State Plan to reflect public comment received;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Final FFY 2014 LIHEAP State Plan, in the form presented to this meeting, is hereby approved for submission to the USHHS.

**BACKGROUND**

The Department develops and submits a LIHEAP Plan each year on or before September 1 to the USHHS. USHHS provides a model plan to guide the format and content. The draft, upon approval by the Board on May 9, 2013, was released for public comment. The public comment period was open from May 16, 2013, to June 14, 2013, and a public hearing was held on June 12, 2013, at Department Headquarters. Two individuals commented; a summary with Department response is below.

LIHEAP funds, as reflected in the Plan, are utilized in the following three ways:

- The Department allocates 65% of the LIHEAP funds to the Comprehensive Energy Assistance Program (CEAP) which provides utility assistance to eligible households, including crisis assistance and “Assurance 16,” which provides services to reduce home energy needs.
- The Department allocates up to 25% of the LIHEAP funds to the Weatherization Assistance Program (WAP). It should be noted that there is greater flexibility with LIHEAP weatherization funds than Department of Energy (DOE) weatherization funds, so continuing to allocate some

portion of these funds for this activity allows some households to receive more comprehensive assistance than if were they served solely by DOE WAP. Also, these funds allow ongoing weatherization in the state in spite of historically low DOE WAP funding.

- 10% of LIHEAP funds are used for Department and Subrecipient administration.

### **Summary of Comments and Department Response**

The Department received two public comments. The following summary represents the official comments and the Department's response. The name of the commenters and the organizations that they represent appear at the end.

#### **Comment 1:**

Commenter submitted comment related to LIHEAP Leveraging Activities, requesting that the Department add "if available" to qualify DOE WAP funds in the following description of leveraging activities: *TDHCA administers the funds through its LIHEAP WAP network of weatherization contractors. These contractors leverage DOE WAP funds, if available, for Weatherization activities.*

#### **Department Response 1:**

In response to the comment on Leveraging Activities, the Department agrees with the commenter and will add "if available" to the description of Leveraging Activities.

#### **Comment 2A:**

Commenter submitted comments related to maximum eligibility limits and client income guidelines. For maximum eligibility limits, commenter recommends that the Department use the higher income threshold of 60% of State Median Income as the maximum allowable benefit for all CEAP components to account for the high cost of living, particularly in the State's metro areas. Commenter indicates that assisting households with these slightly higher incomes will benefit more families with earned income that struggle from paycheck to paycheck to pay their utility bills while keeping them as active participants in the economy.

#### **Department response 2A:**

In response to comments on maximum eligibility limits, Low-Income Home Energy Assistance Act of 1981, §2602, requires States to "assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs." Setting the maximum eligibility limits for CEAP at 125% of Federal Poverty Income Guidelines (FPG), allows the Department to meet this statutory requirement. Further, the majority of CEAP subrecipients administer the Community Services Block Grant (CSBG) program, which also sets maximum eligibility limits at 125% FPG, allowing for consistency during the intake and eligibility determination process. The Department will keep CEAP eligibility at 125% FPG and suggests no plan change.

#### **Comment 2B:**

For client income guidelines, commenter recommends that the Department revert to the 2012 practice of excluding all household income derived from Supplemental Security Income (SSI) and all household income from Social Security Disability. Should the Department not revert to this practice, commenter

recommends that the SSI award to household members under the age of 18 and sent to an adult representative payee not be counted as household income.

**Department response 2B:**

In response to comments on client income guidelines, the Department will continue to include regular payments from social security, including Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), to remain consistent within TDHCA programs. If the benefit check is addressed to a person over the age of 18 it is included in income calculation; if it is addressed to a person under the age of 18, it is excluded.

In sum, one change was made from the draft version of the FFY 2014 LIHEAP Plan to include “if available” in the Leveraging Activities section.

**Appendix A – Collected Public Comments on the FFY 2014 LIHEAP Plan**

<b>Commenter #</b>	<b>Contact</b>	<b>Organization</b>
1	Stella Rodriguez	Texas Association of Community Action Agencies (TACAA)
2	Dennis Chapman	Travis County Health and Human Services and Veteran Services, Family Support Services (TCHHS&VS)



**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**

**PUBLIC LAW 97-35, AS AMENDED**

**FISCAL YEAR (FY) 2014**

Grantee	Texas Department of Housing and Community Affairs
Entity Identification Number	17426105429
Mailing Address	P.O. Box 13941 Austin, TX 78711-3941
Name of LIHEAP Coordinator	Michael DeYoung
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Telephone	(512) 475-2125
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PLEASE CHECK ONE: TRIBE  STATE  INSULAR AREA

**[Department of Health and Human Services \(http://www.acf.hhs.gov/programs/ocs/liheap/\)](http://www.acf.hhs.gov/programs/ocs/liheap/)**

**Administration for Children and Families**

**Office of Community Services**

**Washington, DC 20447**

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01**

**OMB Approval No. 0970-0075**

**Expiration Date: 04/30/2014**

**THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)**

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

# Table of Contents

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Assurances.....	3
Certification to the Assurances.....	6
Components Operated Under LIHEAP.....	7
Use of Funds.....	7
Alternate Use of Crisis Assistance Funds.....	8
Eligibility.....	8
Outreach Activities.....	10
Coordination.....	10
Benefit Levels: Equal Treatment.....	11
Determination of Benefits.....	11
Heating Component and Cooling Component.....	11
Crisis Component.....	12
WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS.....	12
Types of Assistance.....	12
Benefit Levels.....	13
Types of Rules (DOE or LIHEAP).....	13
Agency Designation.....	13
Targeting of Assistance.....	14
Energy Suppliers.....	14
Owners & Renters.....	15
Program, Fiscal Monitoring, and Audit.....	15
Timely and Meaningful Public Participation.....	17
Public Hearings.....	17
Fair Hearing Procedures.....	18
Alternate Outreach and Intake.....	18
Assurance 16 Activities.....	19
Leveraging.....	19
ADDITIONAL CERTIFICATIONS AND REQUIREMENTS.....	21
Attachments.....	22



## **Assurances**

The Texas Department of Housing & Community Affairs agrees to:

- (1) use the funds available under this title to –
  - (A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);
  - (B) intervene in energy crisis situations;
  - (C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and
  - (D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

- (2) make payments under this title only with respect to –
  - (A) households in which one or more individuals are receiving –
    - (i) assistance under the State program funded under part A of title IV of the Social Security Act;
    - (ii) supplemental security income payments under title XVI of the Social Security Act;
    - (iii) food stamps under the Food Stamp Act of 1977; or
    - (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
  - (B) households with incomes which do not exceed the greater of –
    - (i) an amount equal to 150 percent of the poverty level for such State; or
    - (ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

- (3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

- (4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;
- (5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;
- (6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that –
  - (A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and
  - (B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;
- (7) if the State chooses to pay home energy suppliers directly, establish procedures to –
  - (A) notify each participating household of the amount of assistance paid on its behalf;
  - (B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;
  - (C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and
  - (D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;
- (8) provide assurances that,

- (A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and
  - (B) the State will treat owners and renters equitably under the program assisted under this title;
- (9) provide that –
- (A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and
  - (B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));
- (10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");
- (11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;
- (12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);
- (13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and
- (14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.
- (15) beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.
- (16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

## **Certification to the Assurances**

As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: \_\_\_\_\_

Title: Executive Director

Date: August , 2013

**The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.**

**The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

## Components Operated Under LIHEAP

Statutory Reference 2605(a) and 2605(b)(1)

*Please check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)*

### Use of Funds

Program Component	Dates of Operation
heating assistance	December – February
cooling assistance	March – November
crisis assistance	January – December
weatherization assistance	April – March

The Texas Department of Housing and Community Affairs (TDHCA or the Department) administers LIHEAP funds year round through Utility Assistance, Household Crisis, and Weatherization Assistance Components. The Utility Assistance Component provides both heating and cooling assistance. For planning and reporting purposes, the Department considers Utility Assistance provided in December – February as heating assistance and Utility Assistance provided in March – November as cooling assistance. Components will be listed at heating, cooling, crisis, and weatherization in the following plan to maintain consistence in the HHS provided format.

Statutory Reference 2605(c)(1)(C)

*Please estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.*

Statutory Reference	Percentage of Funds	Program Component
	10%	heating assistance
	40%	cooling assistance
	10%	crisis assistance
2605(k)(1)	up to 25%	weatherization assistance
2605(b)(9)	0%	carryover to the following fiscal year
	10%	administrative and planning costs
2605(b)(16)	5%	services to reduce home energy needs including needs assessment (assurance 16)
	0%	used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).
	100%	<b>TOTAL</b>

**Alternate Use of Crisis Assistance Funds**

Statutory Reference 2605(c)(1)(C)

*The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:*

<b>Program Component</b>	<b>Yes/No</b>
Heating assistance	No
Cooling assistance	No
Weatherization assistance	No
Other(specify): Year-round crisis	Yes

*Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)*

Yes

**Eligibility**

Statutory Reference 2605(b)(2) and 2605(c)(1)(A)

*What are your maximum eligibility limits? (Please check the components to which they apply.) Current year guidelines must be used.*

<b>Maximum Eligibility Limit</b>	<b>Heating Component</b>	<b>Cooling Component</b>	<b>Crisis Component</b>	<b>Weatherization Component</b>
150% of the poverty guidelines				
125% of the poverty guidelines	X	X	X	X
111% of the poverty guidelines				
60% of the State's median income**				

\*\*In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, the State will use the higher of 125% of the poverty guidelines or 60% of the State’s median income. The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department’s Executive Director. The State will communicate this designation to affected subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI.

Subrecipient agencies will base applicant household eligibility on Texas Administrative Code Title 10, Part 1, Chapter 5, Subchapter A, §5.19 Client Income Guidelines and §5.20 Determining Income Eligibility; or any subsequent sections of the Texas Administrative Code covering LIHEAP household eligibility.

Households are not automatically eligible if one person is receiving TANF, SSI, Food Stamps, or Certain means-tested veterans programs for any Program Component.

Statutory Reference 2605(c)(1)(A) and 2605(b)(2)

*Additional eligibility requirements for Heating Component and Cooling Component.*

<b>Additional Eligibility Criteria</b>	<b>Heating Component (Yes or No)</b>	<b>Cooling Component (Yes or No)</b>
Do you have additional eligibility requirements?	No	No
Do you use assets test?	No	No
Do you give priority eligibility to elderly?	Yes	Yes
Do you give priority eligibility to disabled?	Yes	Yes
Do you give priority eligibility to young children?	Yes	Yes
Other: High Energy Burden and High Energy Consumption	Yes	Yes

Statutory Reference 2604(c) and 2605(c)(1)(A)

*Additional eligibility requirements for Crisis component.*

<b>Additional Eligibility Criteria</b>	<b>Crisis Component (Yes or No)</b>
Do you have additional eligibility requirements?	No
Do you use assets test?	No
Must the household have received a shut-off notice or have an empty tank?	No
Must the household have exhausted regular benefit?	No
Must the household have received a rent eviction notice?	No
Must heating/cooling be medically necessary?	No

*What constitutes a crisis? Please describe*

A utility disconnection notice may constitute an energy crisis as will extreme hot or cold weather, defined at the local level.

Statutory Reference 2605(c)(1)(A)

*Additional eligibility requirements for Weatherization.*

<b>Additional Eligibility Criteria</b>	<b>Weatherization (Yes or No)</b>
Do you have additional eligibility requirements?	No
Do you use assets test?	No
Do you give priority eligibility to elderly?	Yes
Do you give priority eligibility to disabled?	Yes
Do you give priority eligibility to young children?	Yes
Other: High Energy Burden and High Energy Consumption	Yes

*Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules (<http://www1.eere.energy.gov/wip/wap.html>) to establish eligibility or to establish priority eligibility for households with certain characteristics?*

Yes

*If Yes, are there exceptions? Please list below.*

Texas Administrative Code Title 10, Part 1, Chapter 5, Subchapter E. Weatherization Assistance Program General ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=5&ti=10&pt=1&ch=5&sch=E&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=E&rl=Y))

RULE §5.507 - Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria; or any subsequent sections of the Texas Administrative Code covering LIHEAP household eligibility.

## Outreach Activities

Statutory Reference 2605(b)(3) and 2605(c)(3)(A)

*Please indicate the outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:*

<b>Outreach Activity</b>	<b>Do you conduct this activity? (Yes or No)</b>
Provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).	Yes
Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.	Yes
Publish articles in local newspapers or broadcast media announcements.	Yes
Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.	Yes
Make mass mailing to past recipients of LIHEAP.	No
Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.	Yes
Execute interagency agreements with other low-income program offices to perform outreach to target groups.	Yes

## Coordination

Statutory Reference 2605(b)(4)

*Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.*

Subrecipients coordinate with other social service agencies to provide services to eligible households. In particular, subrecipients make documented referrals to the local WAP subrecipient.

Subrecipients coordinate with local energy vendors to arrange for arrearage reduction, reasonably reduced payment schedules, or cost reductions.

Community Action Agencies, local government entities, and private nonprofit agencies, administer the LIHEAP program. To share information, enhance and develop service capacities, and integrate resources, The Department and Subrecipients work with the Texas Association of Community Action Agencies, the Public Utility Commission of Texas, the Texas Railroad Commission, the Texas Department of Aging and Disability Services, utility companies, and other State entities serving the low-income population.



Community Action Agencies are contractually required to refer eligible clients to the Lite-Up Texas Program.

## **Benefit Levels: Equal Treatment**

Statutory Reference 2605(b)(5), 2605(b)(2), and 2605(b)(8A)

*The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.*

There is no difference in treatment based on the receipt or non-receipt of public assistance benefits. Subrecipients will base applicant household eligibility on TAC Title 10, Part 1, §5.19 (Client Income Guidelines), §5.20 (Determining Income Eligibility) for all Community Affairs programs, or any subsequent sections of the Texas Administrative Code covering LIHEAP household eligibility.

## **Determination of Benefits**

### **Heating Component and Cooling Component**

Statutory Reference 2605(b)(5)

*Please check the variables you use to determine your benefit levels (check all that apply.)*

<b>Variable</b>	<b>Heating benefit</b>	<b>Cooling benefit</b>
Income	X	X
family (household) size	X	X
home energy cost or need	X	X
fuel type		
climate/region		
individual bill	X	X
dwelling type		
energy burden (% of income spent on home energy)	X	X
energy need	X	X

## **Benefit Levels**

Statutory Reference 2605(b)(5) and 2605(c)(1)(B)

*Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.*

*Please describe benefit levels or attach a copy of your payment matrix.*

Household may receive an amount needed to address their energy payment shortfall not to exceed the following amounts:

Households Incomes	Maximum Heating Component Benefit	Maximum Cooling Component Benefit
0 to 50% of Poverty	\$1,200.00	\$1,200.00
50% to 75% of Poverty	\$1,100.00	\$1,100.00
75% to 125% of Poverty	\$1,000.00	\$1,000.00

Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

No

### Crisis Component

Statutory Reference 2605(b)(5) and 2605(c)(1)(B)

How do you handle crisis situations?

Crisis situations are handled as a separate component.

If you have a separate component, how do you determine crisis assistance benefits?

Crisis assistance benefit is the amount needed to resolve crisis, up to the maximum.

### Benefit Levels

Please indicate the maximum benefit for each type of crisis assistance offered.

Type of crisis assistance offered	Maximum Benefit
Heating	n/a
Cooling	n/a
Year-round	\$4,900

Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

No

## WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS

### Types of Assistance

Statutory Reference 2605(b)(5), 2605(c)(1), (B) & (D)

What LIHEAP weatherization services/materials do you provide? (Check all categories that apply.)

LIHEAP weatherization services/materials	Provided
Weatherization needs assessments/audits.	X
Caulking, insulation, storm windows, etc.	X
Furnace/heating system modifications/repairs	X
Furnace replacement	X
Cooling efficiency modifications/repairs/replacement	X
Other <u>Energy Related Home Repair</u> (Please describe) (1) roof, wall, and floor repair to complete weatherization measures; (2) repair or replace essential electrical wiring to complete related weatherization measures, while complying with safety codes; (3) solar screens or window film (where appropriate);	X

<b>LIHEAP weatherization services/materials</b>	<b>Provided</b>
(4) replacement of refrigerators 1993 or older or metered to have an SIR of 1 or greater on the Departments refrigerator tool; (5) mobile home skirting to protect belly insulation; (6) overhangs to protect mobile home doors; (7) carpentry work to protect outside water heater from exposure; and (8) Weatherization-related health and safety safeguards as defined by DOE.	

**Benefit Levels**

*Do you have a maximum LIHEAP weatherization benefit/expenditure per household?*

Yes

*If yes, what is the maximum amount?*

\$5,000 or otherwise calculated by the Department.

**Types of Rules (DOE or LIHEAP)**

*Under what rules do you administer LIHEAP weatherization?*

<b>Type of Rules</b>	<b>Used to Administer LIHEAP Weatherization</b>
Entirely under LIHEAP (not DOE) rules	
Entirely under DOE LIWAP rules	
Mostly under LIHEAP rules with the following DOE LIWAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply):	X
Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days	X
Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).	X
Mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)	
Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit.	X
Other (Please describe.) <u>Energy Related Home Repair</u> . TDHCA will allow the use of a client’s LIHEAP weatherization award for structural and ancillary repairs only if required to enable effective weatherization.	X

**Agency Designation**

Statutory Reference 2605(b)(6)

*The state administers LIHEAP through the following types of local agencies:*

<b>Agency Type</b>	<b>Designated for LIHEAP</b>
county welfare offices	
community action agencies (weatherization component only)	X

<b>Agency Type</b>	<b>Designated for LIHEAP</b>
community action agencies (heating, cooling or crisis)	X
charitable organizations (nonprofit)	X
not applicable (i.e. state energy office)	
tribal office	
other, describe: Units of local government and Councils of Government.	X

*Have you changed local administering agencies from last year?*

Yes

*If Yes, please describe how you selected them.*

Request for Application (RFA)

*What components are affected by the change?*

Heating, cooling, crisis, weatherization.

## Targeting of Assistance

Statutory Reference 2605(c)(1)(E)

*Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. (This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)*

N/A

## Energy Suppliers

Statutory Reference 2605(b)(7)

*Do you make payments directly to home energy suppliers?*

<b>Program Component</b>	<b>Payment to Supplier? (Yes or No)</b>
Heating	Yes
Cooling	Yes
Crisis	Yes
If yes, are there exceptions? If yes, please describe.	No

Statutory Reference 2605(b)(7)(A)

*If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)*

When the client applies for assistance, the subrecipient determines eligibility, the amount of assistance, and the appropriate component. This information is provided to the client for their records.

Statutory Reference 2605(b)(7), (B) & (C)

*How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.*

Vendor agreements are used in all components. A sample copy is attached with the Program Integrity Assessment Supplement.

## **Owners & Renters**

Statutory Reference 2605(b)(8)(B)

*Is there any difference in the way owners and renters are treated? If Yes, please describe.*

<b>Program Component</b>	<b>Difference for owners and Renters? (Yes or No)</b>
Heating	No
Cooling	No
Crisis	No
Weatherization	No

## **Program, Fiscal Monitoring, and Audit**

Statutory Reference 2605(b)(10)

*How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)*

- (1) review annual audits;
- (2) monitor fiscal records;
- (3) review Monthly Expenditure and Performance Reports.

*How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)*

- The Department requires each subrecipient to submit monthly funding and performance reports. Reports are due on the fifteenth of the following month.
- The Contract Specialist will complete a desk monitoring review of monthly funding and performance reports to ensure the subrecipient has the capacity to carry out program activities in a timely manner. The Contract Specialist will review each monthly expenditure request to determine if a Subrecipient expenditure report contains anomalies that may pose a risk to the program.
- Monitors review necessary program documents and financial records through desk reviews and on-site reviews to ascertain compliance with program requirements.
- Selection of contracts for monitoring is primarily based on risk assessment. Contracts may also be selected for monitoring based on other factors, such as prior findings, complaints and/or special requests.

- Monitors will perform an onsite monitoring visit of each subrecipient at least once every three years based on a Risk Assessment Module. On-site monitoring will be performed in conjunction with the Division's Community Service Block Grant whenever possible. TDHCA may monitor a subrecipient more than once based on the previous monitoring report and current contract performance.
- The Monitor will utilize a monitoring instrument to document the Subrecipient's compliance of specific program rules, regulations and requirements. The Compliance Division will frequently review and/or revise the monitoring instrument to address a change in or the applicability of program rules and regulations.
- Monitors will review the Subrecipient's financial records such as the single audit, general ledgers, program expenditures, receipts, bank statements, bank reconciliation reports, and cancelled checks to ensure that program funds are being expended on allowable program activities.
- Monitors will review the administration of the program and individual client records to ensure the clients are eligible, prioritized, and served within the requirements of the LIHEAP Act, TAC Rules, Subrecipient funding contract and TDHCA established guidelines. Client files will also be reviewed to ensure household needs have been identified, the client has been provided client education, and referred to other programs and services that have been identified by the subrecipient.
- Monitors will develop a report that details the issues found during the on-site monitoring. The report will note the issues in findings and recommended Improvements. The report may also note a requirement of the Subrecipient to complete a corrective action.
- Upon the Monitoring Manager's review, a report will be mailed to each subrecipient.
- Subrecipient must submit a written response within 30 days of the report. The response must address the requirement(s) of the corrective action, if any.
- The monitor will review of the Subrecipient's response and compliance with the corrective action, to ensure the corrective action has been completed and/or implemented.

*How is your LIHEAP program audited? Under the Single Audit Act?*

The program is audited under the Single Audit Act.

*If not, please describe:*

N/A

*For States and Territories, is there an annual audit of local administering agencies?*

Yes. TDHCA contract requires subrecipients that exceed \$500,000 in expenditures to follow the Single Audit procedures and submit a copy of the Audit to the Department for review.

*If not, please explain.*

N/A

## **Timely and Meaningful Public Participation**

Statutory Reference 2605(b)(12)

*How did you get timely and meaningful public participation in the development of the plan? (Please describe.)*

The Department prepared a Draft FFY2014 LIHEAP Plan to present to the Department Board of Directors at the May 9, 2013 Board meeting. At this meeting, the Board approved the release of the Draft FFY2014 LIHEAP Plan and directed publication of a notice of public hearing in the Texas Register.

The May 24, 2013 edition of the *Texas Register* announced the availability of the Draft FFY2014 LIHEAP Plan and details of the June 12, 2013 public hearing. A copy of the *Texas Register* announcement is attached and public hearing details are listed in the following section.

Further, the Department website (<http://www.tdhca.state.tx.us/community-affairs/index.htm>) and opt-in email distribution publication informed the Texas Legislature, Subrecipient network, and general public about the public hearing and the availability of the Draft FFY2014 LIHEAP Plan.

The Department accepted written and verbal comments within the public participation process through June 13, 2013, 5:00 p.m. Central. The Department requested that comments be sent by e-mail to [cate.taylor@tdhca.state.tx.us](mailto:cate.taylor@tdhca.state.tx.us) or by fax (512) 475-3935 or by postal service to TDHCA, Community Affairs Division, P.O. Box 13941, Austin, Texas 78711-3941.

The Department incorporates public comments, including workable suggestions that do not alter the intent of LIHEAP, into the final plan.

If so required, the Department Board will approve the final plan on July 11, 2013.

## **Public Hearings**

Statutory Reference 2605(a)(2)

*Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds?*

Yes, Texas Government Code, §2105.053, requires that, in developing a request for appropriations before each regular legislative session, the Department shall hold public hearings in four locations in different areas of the state to solicit public comment on the intended use of block grant funds.

*When and where?*

The first of these required hearings will be held as follows:

June 12, 2013, 1:00pm Central  
Texas Department of Housing and Community Affairs  
221 East 11th Street, Room 116  
Austin, Texas 78701

## **Fair Hearing Procedures**

### **Statutory Reference 2605(b)(13)**

*Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?*

The Department will ensure that subrecipients provide an opportunity for a fair administrative hearing or income recertification to individuals or households whose application for assistance is denied or not acted upon in a timely manner by requiring subrecipients to:

- print information about clients' rights on the application forms and information sheets;
- establish a denial of service complaint procedure to address written complaints from program applicants/clients;
- provide opportunity for fair administrative hearings or income recertification in cases of application denial, delay, or inaction;
- provide written notification to applicant of denial of assistance within ten (10) days of the adverse determination. Notification includes written instructions of the appeals or recertification process and specific reasons for the denial. Applicants wishing to appeal a decision must provide written notice to subrecipient within 20 days of receipt of the denial notice. Subrecipient maintains documentation of appeals in the client files.

If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) days of receiving the Subrecipient's second determination.

Applicants/clients who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Texas Government Code, Chapter 2001.

The hearing shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient.

## **Alternate Outreach and Intake**

### **Statutory Reference 2605(b)(15)**

*For States and Puerto Rico only (not applicable to Tribes and tribal organizations or to territories whose annual regular LIHEAP allotments are \$200,000 or less):*

*Does the State agency that administers the following LIHEAP component also administer the State's welfare program?*

<b>Program Component</b>	<b>State Welfare Program administered at State LIHEAP agency? (Yes or No)</b>
Heating	No
Cooling	No
Crisis	No



*If Yes, describe alternate process for outreach and intake.*

N/A

## **Assurance 16 Activities**

Statutory Reference 2605(b)(16)

*Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)*

Yes

*If Yes, please describe these activities.*

1. Identify household needs.
2. Provide literature and energy conservation education.
3. Refer client to other appropriate programs.
4. Encourage responsible vendor and consumer behavior.
5. Subrecipients provide applications, forms, and energy education materials in Spanish, English, or other language when appropriate.

*If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?*

Assurance 16 activities are a separate budget category at both the state and subrecipient levels. Both the accounting and the reporting systems do not allow expenditures over the 5% cap.

## **Leveraging**

Statutory Reference 2607A

*Please describe leveraging activities planned for the fiscal year. (This entry is optional.)\* Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:*

- (1) *Identify and described each resource/benefit;*
- (2) *Identify the source(s) of each resource; and*
- (3) *Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).*

<b>45 CFR 96 Section Reference</b>	<b>Leveraging Activities</b>
96.87(d)(2)(i)	In order for subrecipients to serve eligible households in a comprehensive manner, creation of partnerships with private industries and utility vendors is essential. LIHEAP staff members, both at the grantee and the subrecipient level, have devoted substantial time and resources in the negotiation and design of these partnerships.
96.87(d)(1)	The resources leveraged by these activities are from non-federal sources such as utility companies. They are provided to the LIHEAP grantee or only accessible to LIHEAP clients. They represent a net addition to the total home energy resources available to low-income households, are measurable and quantifiable, and meet the requirements for countable resources.
96.87(d)(2)(iii)(D), 96.87(d)(2)(iii)(E), 96.87(d)(2)(iii)(F), and 96.87(e)(1)(i)	The following resources have been leveraged on behalf of LIHEAP clients. Subrecipients utilize State approved vendor agreements with energy providers. These agreements may provide for waivers on reconnection fees and waivers on deposits. These agreements ensure that the energy vendor will charge the eligible household only the difference between the cost of home energy actually consumed and the amount of the payment made by TDHCA through LIHEAP. Agreements ensure that energy vendors will treat LIHEAP clients with no disadvantage relative to all other customers. TDHCA also has an memorandum of understanding with the Public Utility Commission to refer clients to the State’s general revenue funded electric discount program, Texas LITE UP.
96.87(d)(2)(ii), 96.87(e)(1)(iii), 96.87(e)(1)(vi)	TDHCA administers the funds through its LIHEAP WAP network of weatherization contractors. These contractors leverage DOE WAP funds, if available, for Weatherization activities within Department rules.

\* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

## ADDITIONAL CERTIFICATIONS AND REQUIREMENTS

Attached are additional certifications required as follows:

- [Lobbying certification](#), which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. (**Tribes and tribal organizations are EXEMPT**) (Above link shows source document only.)
- [Debarment and suspension certification](#), which must be filed by all grantees. (Above link shows source document only.)
- [Drug-free workplace requirement certification](#), which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here:  (Above link shows source document only.)
- One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

**All Tribes and those territories with allotments of less than \$200,000** need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.

- Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.

## **Attachments**

1. FFY 2014 LIHEAP Program Integrity Assessment Supplement
  - A. TDHCA Recommended Practice on Fraud, Waste, and Abuse (PDF) <http://www.tdhca.state.tx.us/community-affairs/docs/BestPractice-FraudWasteAbuse.pdf>
  - B. Texas Administrative Code for TDHCA's LIHEAP programs [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=10&pt=1&ch=5](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=5)
  - C. Sample Vendor Agreement
  - D. Sample of Department approved Declaration of Income Statement
  - E. Sample TDHCA contract for PY 2013 CEAP Subrecipients
  - F. Sample TDHCA contract for PY 2013 LIHEAP WAP Subrecipients
  - G. Texas Register Notice of Public Hearing for FY 2014 LIHEAP Plan
2. Preliminary FFY 2013 LIHEAP Household Report
3. Subrecipient Agencies <http://www.tdhca.state.tx.us/community-affairs/index.htm>
4. Required Certifications
  - A. Lobbying Certification
  - B. Debarment and Suspension Certification
  - C. Drug-free Workplace requirement Certification
5. TX PY2013 DOE WAP Plan <http://www.tdhca.state.tx.us/community-affairs/index.htm>
6. LIHEAP Designation Letter for TDHCA



## PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT

### TEXAS FFY 2014 LIHEAP PLAN

## CONTENTS

ABSTRACT:.....	2
INSTRUCTIONS:.....	2
1. RECENT AUDIT FINDINGS .....	2
2. COMPLIANCE MONITORING.....	2
3. FRAUD REPORTING MECHANISMS.....	4
4. VERIFYING APPLICANT IDENTITIES .....	6
5. SOCIAL SECURITY NUMBER REQUESTS.....	7
6. CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES.....	8
7. VERIFYING APPLICANT INCOME.....	9
8. PRIVACY-PROTECTION AND CONFIDENTIALITY .....	10
9. LIHEAP BENEFITS POLICY .....	10
10. PROCEDURES FOR UNREGULATED ENERGY VENDORS .....	11
11. VERIFYING THE AUTHENTICITY OF ENERGY VENDORS.....	11
12. TRAINING AND TECHNICAL ASSISTANCE.....	12
13. AUDITS OF LOCAL ADMINISTERING AGENCIES.....	13
Additional Information and Attachments.....	14

## ABSTRACT:

HHS is requiring further detail from Grantees on their FY2014 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2014 plan which represent improvements or changes to the Grantees' FY2013 plan for preventing and detecting fraud, abuse and improper payment prevention.

## INSTRUCTIONS:

Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.

### 1. RECENT AUDIT FINDINGS

*Necessary outcomes from these systems and strategies: The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.*

- a. **Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2013 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.**

In FY 2010, Grantee monitoring assessment revealed inadequate management of LIHEAP programs by two subrecipient organizations. LIHEAP contracts with both organizations were terminated.

In FY 2012, Grantee monitoring assessment revealed inadequate management of LIHEAP programs by two subrecipient organizations. LIHEAP contracts with both organizations were terminated.

- b. **Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2014.**

Resolved – Termination of all contracts for the inadequate management of LIHEAP programs by all subrecipient organizations referenced in 1.a.

- c. **If there is no plan in place, please explain why not.**

N/A. The Department has timely and thorough resolution of weaknesses or reportable conditions as revealed by audits at the Subrecipient level.

### 2. COMPLIANCE MONITORING

*Necessary outcomes from these systems and strategies: A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.*

- a. **Describe the Grantee's FY 2013 strategies that will continue in FY 2014 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.**

In June of 2012, the Department undertook a Department-wide reorganization that included moving all staff associated with compliance and monitoring functions to the Compliance Division. Staff that provide planning, contract execution and training and technical assistance for LIHEAP, remained within the Community Affairs Division.

The Department requires each subrecipient to submit monthly funding and performance reports. Reports are due on the fifteenth of the following month. The Contract Specialist will complete a desk monitoring review of monthly funding and performance reports to ensure the subrecipient has the capacity to carry out program activities in a timely manner. The Contract Specialist will review each monthly expenditure request to determine if a Subrecipient expenditure report contains anomalies that may pose a risk to the program.

Monitors review necessary program documents and financial records through desk reviews and on-site reviews to ascertain compliance with program requirements. Selection of contracts for monitoring is primarily based on risk assessment. Contracts may also be selected for monitoring based on other factors, such as prior findings, complaints and/or special requests.

Monitors will perform an onsite monitoring visit of each subrecipient at least once every three years based on a Risk Assessment Module. On-site monitoring will be performed in conjunction with the Division's Community Service Block Grant whenever possible. TDHCA may monitor a subrecipient more than once based on the previous monitoring report and current contract performance.

The Monitor will utilize a monitoring instrument to document the Subrecipient's compliance of specific program rules, regulations and requirements. The Compliance Division will frequently review and/or revise the monitoring instrument to address a change in or the applicability of program rules and regulations.

Monitors will review the Subrecipient's financial records such as the single audit, general ledgers, program expenditures, receipts, bank statements, bank reconciliation reports, and cancelled checks to ensure that program funds are being expended on allowable program activities.

Monitors will review the administration of the program and individual client records to ensure the clients are eligible, prioritized, and served within the requirements of the LIHEAP Act, TAC Rules, Subrecipient funding contract and TDHCA established guidelines. Client files will also be reviewed to ensure household needs have been identified, the client has been provided client education, and referred to other programs and services that have been identified by the subrecipient.

Monitors will develop a report that details the issues found during the on-site monitoring. The report will note the issues in findings and recommended Improvements. The report may also note a requirement of the Subrecipient to complete a corrective action.

Upon the Monitoring Manager's review, a report will be mailed to each subrecipient. Subrecipient must submit a written response within 30 days of the report. The response must address the requirement(s) of the corrective action, if any. The monitor will review of the Subrecipient's response and compliance with the corrective action, to ensure the corrective action has been completed and/or implemented.

- b. Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.**

n/a

- c. If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are being followed.**

n/a

### **3. FRAUD REPORTING MECHANISMS**

*Necessary outcomes of these strategies and systems: Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.*

- a. For FY 2013 activities continuing in FY 2014, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.**

The Internal Audit Division of TDHCA has initiated a toll free hotline that can be used by the general public or other stakeholders, as well as the Department's employees, to anonymously report instances of fraud, waste and abuse.

Internal Audit contracts with The Network to provide the hotline services. The Network is a third-party administrator of anonymous hotlines. The hotline is available 24 hours a day, 365 days a year and calls are answered by employees of The Network. Information can be provided anonymously via a telephone call, a fax, a letter or an e-mail. If reports are made by fax or e-mail, The Network will ensure that the complaint remains anonymous.

Matters brought to the attention of the Department in which fraud, waste or abuse of funds may have occurred will be forwarded to the State Auditor's Office as required by the Texas Government Code, Section 321.022.

(1) If the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department



Texas Department of Housing and Community Affairs  
FFY 2014 LIHEAP Program Integrity Assessment Supplement

or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor.

The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.

(2) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.

(3) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

As posted on the TDHCA website at <http://www.tdhca.state.tx.us/fraud-waste-abuse.htm>, an incident of fraud, waste or abuse at the Texas Department of Housing and Community Affairs, can be reported in any of the following ways:

**By Phone**

Call toll free: 877-749-3316

**By Mail**

The Network

ATTN: Texas Department of Housing and Community Affairs

333 Research Court

Norcross, GA 30092

**By Fax**

770-409-5008

Faxes need to include the following information on the cover sheet:

TO: The Network

ATTN: The Texas Department of Housing and Community Affairs

**By E-Mail**

[Reportline@tnwinc.com](mailto:Reportline@tnwinc.com)

Please include "Texas Department of Housing and Community Affairs" in the email text.

The public can also directly file a complaint with the State Auditor's Office at 1-800-TX-AUDIT or online at <https://sao.fraud.state.tx.us/Hotline.aspx>.

In October 2010, TDHCA developed and distributed its Recommended Practice on Fraud, Waste, and Abuse to all TDHCA Employees, posted on the Department's website and distributed via the TDHCA ListServ email system. The Recommended Practice on Fraud, Waste, and Abuse document is attached.

This email system is open to the public but subscription is required of subrecipients for all Community Affairs programs, including all LIHEAP funded programs. Program-specific

Texas Department of Housing and Community Affairs  
FFY 2014 LIHEAP Program Integrity Assessment Supplement

announcements, policy updates, changes in requirements, and other notifications are sent via this email system.

In July 2010, the Department created The Previously Weatherized Units (PW Units) module that is used to collect the address, city, zip, date weatherized, and subrecipient name for houses and units weatherized since September 30, 1994 through non-ARRA Department of Energy (DOE) WAP funds and Low Income Housing Energy Assistance Program (LIHEAP) WAP funds. This database is only available to subrecipient agencies of LIHEAP and DOE funds.

The data collected through this module will be used to ensure no houses or units in Texas have been weatherized twice since 1994 using non-ARRA DOE WAP or LIHEAP WAP funds. Subrecipients must search using this module prior to weatherizing units.

**b. Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.**

TDHCA will continue to post information on the Department website and distribute Listserv announcements about fraud, waste, and abuse policies.

**c. If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.**

n/a

**4. VERIFYING APPLICANT IDENTITIES**

*Necessary outcomes from these systems and strategies: Income and energy supplier data that allow program benefits to be provided to eligible individuals.*

**a. Describe all FY 2013 Grantee policies continuing in FY 2014 for how identities of applicants and household members are verified.**

TDHCA policies for how identities of applicants and household members are documented are detailed in TAC Title 10, Part 1, Chapter 5, or any subsequent sections of the Texas Administrative Code covering LIHEAP household eligibility. :

(1) Subchapter A, Rule 5.19: Client Income Guidelines,

(2) Subchapter A, Rule 5.20: Determining Income Eligibility, and

(3) Subchapter D, Rule 5.407: Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria.

TAC Rules effective at the time of Plan submission are attached.

Texas Department of Housing and Community Affairs  
FFY 2014 LIHEAP Program Integrity Assessment Supplement

TDHCA has also been working to assist LIHEAP subrecipient agencies that must meet the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) to gain access to the Systemic Alien Verification for Entitlements (SAVE) system. Accordingly, the Department is seeking a Memorandum of Agreement (MOA) with the Department of Homeland Security, U.S. Citizenship and Immigration Services (DHS-USCIS).

**b. Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.**

In addition to SAVE, the Department continues to seek partnerships with other state agencies that maintain systems and databases to verify individual or household member identities. Discussions have begun with The Texas Health and Human Services Commission, the state designated hub for Social Security Administration data.

Partnerships are being sought with agencies such as the Texas Workforce Commission, the Texas Department of State Health Services, and the Texas Department of Criminal Justice for linkages to new hire databases, state death records, and prisoner databases respectively.

The Department hopes to move to a statewide database for all Community Affairs Division Programs, LIHEAP included. Currently, application intake and income verification are handled by the local subrecipient agencies. By centralizing this information in a statewide database, the Department will be able to more effectively and efficiently verify LIHEAP individual applicants and households. The Department is using the three year timeline for implementation that has been adopted by the National LIHEAP Program Integrity Workgroup.

**c. If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.**

TDHCA does not have a system in place for verification of applicant's identities as there has previously been no requirement nationally. The Department has informed the statewide LIHEAP network that the LIHEAP program is moving towards the implementation of the recommendations in LIHEAP IM-2010-06.

With the achievement of the partnerships and statewide database described above, TDHCA will have more tools available to check the identity and eligibility of applicants receiving LIHEAP benefits statewide.

## **5. SOCIAL SECURITY NUMBER REQUESTS**

*Necessary outcomes from these systems and strategies: All valid household members are reported for correct benefit determination.*

**a. Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.**

Texas Department of Housing and Community Affairs  
FFY 2014 LIHEAP Program Integrity Assessment Supplement

According to the Texas Administrative Code (TAC), the Department does not currently require SSNs to verify eligibility of applicants and/or household members applying for LIHEAP benefits. See Subchapter D, Rule 5.407: Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria in the attached TAC Rules. As described in the previous sections, the Department is moving towards implementation of the recommendations in LIHEAP IM-2010-06.

**b. Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.**

The Department's policy for not requiring Social Security numbers will remain the same for PY 2014. The Department is moving towards implementation of HHS guidance from IM-2010-06 that strongly encourages States to establish and implement policies and procedures governing individual program application requirements to be used in requiring Social Security Numbers for recipients in LIHEAP, including the utility of information by local administering agencies that administer LIHEAP benefits. States are to ensure that adequate procedures are in place for the safeguarding of such information in the administration of the program.

**c. If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.**

As described in sections 2 and 3 above, the Department has a robust and effective compliance monitoring system and fraud reporting system in place. These systems will continue to be enhanced with the partnership with additional state and federal partners.

**6. CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES**

*Necessary outcomes from these systems and strategies: Use of all available database systems to make sound eligibility determination.*

**a. Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2012 and continuing in FY 2013. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)**

The Department does not currently use existing government systems and databases to verify applicant or household member identities.

As described above in Section 3, the Department uses its internal Previously Weatherized Units database to ensure no houses or units in Texas have been weatherized more than once since 1994 using DOE WAP or LIHEAP WAP funds.

- b. Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.**

As described above in section 4b, partnerships are being sought with agencies such as the Texas Workforce Commission, the Texas Department of State Health Services, and the Texas Department of Criminal Justice for linkages to new hire databases, state death records, and prisoner databases respectively. Partnership discussions have begun with The Texas Health and Human Services Commission, the state designated hub for Social Security Numbers.

- c. If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.**

The fraud, waste, and abuse policies described in section 3 will continue to be practiced and enhanced as the LIHEAP program is administered statewide.

## **7. VERIFYING APPLICANT INCOME**

*Necessary outcomes from these systems and strategies: Effective income determination achieved through coordination across program lines.*

- a. Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013 and continuing in FY 2014.**

The Department does not currently use State Directories of new hires or similar systems to confirm income eligibility in FY2013.

To determine income eligibility for program services, subrecipients must base annualized eligibility determinations on household income from thirty (30) days prior to the date of application for assistance. Each subrecipient must maintain documentation of income from all sources for all household members for the entire thirty (30) day period prior to the date of application and multiply the monthly amount by twelve (12) to annualize income. Income documentation must be collected from all income sources for all household members eighteen (18) years and older for the entire thirty (30) day period.

If proof of income is unavailable, the applicant must complete and sign a Department approved Declaration of Income Statement (DIS). A sample Declaration of Income Statement is attached.

- b. Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.**

As stated in previous sections, the Department is seeking partnerships with other state agencies that maintain systems and databases to verify individual or household member identities. Partnership is being sought with the Texas Workforce Commission for linkage to a new hire database.

- c. If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?**

In an attempt to limit use of the DIS described above, all self-certifications of client income must include a notarized statement signed by the potential applicant indicating that the client has no other proof of income.

All Declaration of Income Statements must be accompanied by a statement written by the client indicating that the client has no other proof of income and documenting efforts made to obtain income statements. The client statement must include a notarized signature.

## **8. PRIVACY-PROTECTION AND CONFIDENTIALITY**

*Necessary outcomes from these systems and strategies: Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.*

- a. Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 to protect client information against improper use or disclosure.**

Subrecipients maintain client information onsite. Each subrecipient is required to have policies and procedures in place to protect client confidentiality. Data submitted to TDHCA electronically is stored on a secure server.

The Department has a coding system in place for all monitoring reports that reference client data to ensure that no client information is released.

- b. Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.**

As indicated in 4. a., the Department is seeking a MOA with DHS-USCIS to gain access to the SAVE system. The Department will adhere to procedures as outlined in this agreement to maintain confidentiality and safeguard the private information of LIHEAP applicants

**If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.**

n/a

## **9. LIHEAP BENEFITS POLICY**

*Necessary outcomes from these systems and strategies: Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.*

- a. Describe FY 2013 Grantee policies continuing in FY 2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.**

Texas Department of Housing and Community Affairs  
FFY 2014 LIHEAP Program Integrity Assessment Supplement

Federal law requires that all LIHEAP subrecipients have vendor agreements in place with energy vendors. The Department monitors each subrecipient to ensure that vendor agreements are in place. Monitoring practices are described in Section 2 above.

These vendor agreements ensure that no LIHEAP benefit payments are made directly to clients or to vendors without agreements.

- b. Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.**

All policies described above will continue. There is nothing new for the 2014 plan.

- c. If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.**

n/a

#### **10. PROCEDURES FOR UNREGULATED ENERGY VENDORS**

*Necessary outcomes from these systems and strategies: Participating vendors are thoroughly researched and inspected before benefits are issued.*

- a. Describe the Grantee's FY 2013 procedures continuing in FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.**

As above, Federal law requires that all LIHEAP subrecipients have vendor agreements in place with energy vendors. The Department applies this practice to both regulated and unregulated energy vendors. The Department monitors each subrecipient to ensure that vendor agreements are in place.

- b. Please highlight any strategies policy in this area which will be newly implemented in FY 2014.**

All policies described above will continue. There is nothing new for the 2014 plan.

- c. If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.**

n/a

#### **11. VERIFYING THE AUTHENTICITY OF ENERGY VENDORS**

*Necessary outcomes from these systems and strategies: An effective process that effectively confirms the existence of entities receiving federal funds.*

- a. Describe Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.**

As above, Federal law requires that all LIHEAP subrecipients have vendor agreements in place with energy vendors. The Department monitors each subrecipient to ensure that vendor agreements are in place

- b. Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.**

The Department plans to amend vendor agreements to require a Tax Identification Number (TIN) from each vendor. This TIN will be verified with the Texas Comptroller and/or Secretary of State.

Further, the Department plans to verify energy vendors through the Public Utilities Commission database of regulated electric vendors and the Texas Railroad Commission database of regulated propane vendors.

- c. If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?**

n/a

## **12. TRAINING AND TECHNICAL ASSISTANCE**

*Necessary outcomes from these systems and strategies: The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.*

- a. In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.**

The Department provides training and technical assistance to employees, non-governmental staff involved in the eligibility process, clients, and energy vendors as requested. Further, the Department provides in person training and technical assistance at cluster workshops and statewide conferences.

In 2012, the Department established an on-line question portal for Subrecipient staff to request training and/or technical assistance. This information is used to create FAQ's, Best Practices, or to initiate specific trainings.

- b. Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2014.**

The Fraud Prevention training class developed for the Department's Weatherization Assistance Program will be made available online.



Texas Department of Housing and Community Affairs  
FFY 2014 LIHEAP Program Integrity Assessment Supplement

Subrecipient agencies will be required to post Fraud, Waste and Abuse posters where non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors are present.

Any entity that has signed a vendor agreement will receive the Department's monitoring practices for fraud compliance.

- c. **If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.**

n/a

### **13. AUDITS OF LOCAL ADMINISTERING AGENCIES**

*Necessary outcomes from these systems and strategies: Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.*

- a. **Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.**

The Department's LIHEAP program is audited under the Single Audit Act. TDHCA contracts require subrecipients that exceed \$500,000 in expenditures to follow the single Audit procedures and submit a copy of the Audit to the Department for review.

Subrecipients not exempt from the single audit requirements are responsible for submitting their Single Audit Report within thirty (30) days of completion of their audit and no later than nine (9) months after the end of the audit period (fiscal year end) to the Department's Portfolio Management and Compliance Division as well as to the CA Division. Refer to 31 U.S.C. §7502.

In addition to the Audit requirement described above, subrecipients are also subject to monitoring visits from the Department as described in section 2. Compliance Monitoring.

- b. **Please describe new policies or strategies to be implemented in FY 2014.**

All policies described above will continue. There is nothing new for the 2014 plan.

- c. **If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.**

n/a

**ADDITIONAL INFORMATION**

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

**Supplement Attachments**

- A) TDHCA Recommended Practice on Fraud, Waste, and Abuse
- B) Texas Administrative Code for TDHCA's LIHEAP programs effective at the time of Plan submission
- C) Sample of Vendor Agreement
- D) Sample of Department approved Declaration of Income Statement
- E) Sample TDHCA contract for PY 2013 CEAP Subrecipients
- F) Sample TDHCA contract for PY 2013 LIHEAP WAP Subrecipients

**VENDOR AGREEMENT  
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM**

The purpose of the Comprehensive Energy Assistance Program (CEAP) funded from the Low-Income Home Energy Assistance Program (LIHEAP) grant is to maintain an energy supply to heat and cool the residences of eligible low-income clients.

For purposes of this agreement, a Retail Energy Provider is defined as an electricity, natural gas, propane, or wood vendor who sells the energy product to residential customers of energy for the purposes of heating or cooling the residence.

The Retail Energy Provider (Vendor) agrees to honor the purpose of the CEAP and to accept pledges of payment from CEAP Agencies only for certified customers to whom Vendor continues to provide energy services. The Energy Assistance Provider (Agency) agrees to make payments only for eligible low-income clients.

This vendor agreement is by and between:

\_\_\_\_\_ and  
Energy Assistance Provider (Agency)

\_\_\_\_\_ and  
Retail Energy Provider (Vendor)

Vendor and Agency agree to assist customers in the following counties:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This agreement shall be effective from the \_\_\_\_ day of \_\_\_\_\_ 20\_\_ for a period not to exceed two years from the effective date. Either party may terminate this agreement by written notice. Such written notice of termination shall not be effect any obligation by either party incurred prior to the receipt of such notice. Notice shall be sent via certified mail with return receipt requested.

\_\_\_\_\_  
(Vendor Name)

\_\_\_\_\_  
(Vendor Mailing Address)

\_\_\_\_\_  
(Name of Agency)

\_\_\_\_\_  
(Agency Mailing Address)

\_\_\_\_\_

The Agency named above represents and warrants to Vendor that it is a subrecipient of the Texas Department of Housing and Community Affairs ("TDHCA") and as such is authorized and has received funding from the TDHCA to provide bill payment assistance service for eligible low-income households.

The Vendor named above is a Retail Energy Provider who represents and warrants that it is authorized to receive payment from Agency on behalf of a customer that the Agency has determined to be eligible under the CEAP guidelines and as such is a "Certified Customer".

**Vendor will, with reference to a Certified Customer:**

- Extend the CEAP applicants energy service for up to five (5) business days while the Agency determines whether the CEAP applicant is eligible pursuant to the CEAP guidelines;
- Upon receipt of a completed and signed Energy Assistance Pledge Agreement (the form of which is attached hereto and incorporated herein as Exhibit "A") (Pledge Agreement) continue or restore energy service to Certified Customer without any increase in energy charges, service charges, or other charges affecting the total cost of the bill excluding disconnect/reconnect fees and tampering fees;
- Invoice the Certified Customer in accordance with Vendor's normal billing practices;
- Upon verbal or written request from Agency, provide at no cost to the Agency the Certified Customer's billing history for the previous twelve (12) months, or available history plus estimates if less than 12 months of billing history and usage is available. Vendor will transmit such billing history via electronic mail or facsimile no later than the end of the next business day following the request.
- Work with Agency and Certified Customer to explore the feasibility of offering flexible payment arrangements that may include, without limitation, waiving security deposits, reconnect fees, application fees, and all other fees whenever possible;
- Not discriminate against Certified Customer in price or services, including the availability of deferred payment plans, level or average payment plans, discount, budget, advance payment or other credit plans; provided, however, that the Certified Customer must meet the qualification criteria of Vendor for any such plans.
- Not refuse to provide energy service or otherwise discriminate in the marketing and provision of energy service to any Certified Customer because of race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability financial status, location of customer in an economically distressed geographic area, or qualification for low-income or energy efficiency services;
- Allow Agency forty-five (45) days from the date of the pledge to forward payment to the vendor. Vendor agrees not to consider the portion of the Certified Customer's account to be paid by the Agency delinquent if said payment is received within the above mentioned forty-five (45) day period and Vendor is provided with a signed pledge from the Agency within 5 days of identifying a Certified Customer and making a pledge;

- Not interrupt service if Certified Customer enters into an agreement with the Vendor concerning how the Certified Customer will pay the balance owed Vendor and the Certified Customer is meeting the obligations under such agreement.
- The Agency will:
- Not provide pledges on behalf of a Certified Customer to Vendor without having adequate funds to pay such pledge;
- Pay pledges within forty-five (45) of making pledge to Vendor;
- Determine if a customer is a Certified Customer within five (5) business days of contacting Vendor.
- Provide Vendor a list of names, telephone numbers and email addresses of Agency staff designated to make pledges on behalf of the Agency in Certified Clients.

\_\_\_\_\_  
Authorized Vendor Signature

\_\_\_\_\_  
Date Agreement Signed

\_\_\_\_\_  
Typed Name of Authorized Signature

\_\_\_\_\_  
Title of Authorized Signature

\_\_\_\_\_  
(Area Code) Telephone Number

\_\_\_\_\_  
Authorized Agency Signature

\_\_\_\_\_  
Date Agreement Signed

\_\_\_\_\_  
Typed Name of Authorized Signature

\_\_\_\_\_  
Title of Authorized Signature

\_\_\_\_\_  
(Area Code) Telephone Number

DECLARATION OF INCOME STATEMENT  
(DECLARACION DE INGRESOS)

I, \_\_\_\_\_, do hereby declare on \_\_\_\_\_ (date) that:  
(Yo) (Applicant's Name/Nombre del Solicitante) (declaro que:) en esta fecha

- I have no documented proof of income due to the following situation \_\_\_\_\_

(No tengo prueba para documentar mis ingresos por medio de tal razones)

- I am applying for assistance from \_\_\_\_\_  
(Yo deseo aplicar para asistencia con \_\_\_\_\_ (agencia):) (Agency Name)

My household consists of \_\_\_\_\_ number of persons and the following household members, 18 years and older, have earned the following gross income during the 30 day period prior to the date of application for assistance:

Name: _____	Gross Amount Earned: _____
Name: _____	Gross Amount Earned: _____
Name: _____	Gross Amount Earned: _____
Name: _____	Gross Amount Earned: _____

(En mi hogar radican (¿cuántas?) personas, y los siguientes miembros que tienen 18 años de edad ó mas que han ganado dinero durante los pasados 30 dias antes de aplicar para asistencia. Indique el nombre y los ingresos ganados de cada miembro.)

- My household's gross income, for all household members 18 years and older, for the 30 day period prior to the date of application for assistance is \$ \_\_\_\_\_  
(El total de los ingresos de mi hogar, para los miembros que tienen 18 años de edad ó mas por los pasado 30 dias pasados, antes de aplicar por asistencia es (¿cuánto?))
- and my household's gross annualized income based on the 30 day period prior to the date of application for assistance is \$ \_\_\_\_\_  
(y el ingreso anual de mi hogar ha sido calculado para el año, según los pasados 30 dias, antes de aplicar para asistencia, llegan a (¿cuántos dólares?))

I certify that the above information for the income of all household members 18 years and older is true and correct to the best of my knowledge and belief. (Yo certifico que la información proveida de los ingresos de los miembros de mi hogar que tienen 18 años ó mas es verdadera y correcta según mi saber y creencia.)

I understand that the information will be verified to the extent possible; and that I may be subject to prosecution for providing false or fraudulent information. (Comprendo que la información será verificada hasta donde sea posible y que puedo ser enjuiciado por haber proveido información falsa ó fraudulenta.)

\_\_\_\_\_  
(Applicant Signature/Firma del Solicitante)

\_\_\_\_\_  
(Date/Fecha)

\_\_\_\_\_  
(Street Address/Dirección)

\_\_\_\_\_  
(City/Ciudad)

\_\_\_\_\_  
(County/Condado)

\_\_\_\_\_  
(Zip/Código Postal)

\_\_\_\_\_  
(Subrecipient Representative's Signature and Title)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Reviewed & Approved (Ex.Dir. or Prog. Dir. Name & Title)

\_\_\_\_\_  
Date

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

CONTRACT NO. [REDACTED] FOR THE  
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM  
(CFDA # 93.568)

**SECTION 1. PARTIES TO THE CONTRACT**

This Comprehensive Energy Assistance Program Contract No. [REDACTED] (the "Contract") is made by and between the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas (the "Department"), and [REDACTED] a non-profit corporation (the "Subrecipient"), hereinafter the "Parties".

**SECTION 2. CONTRACT PERIOD**

The period for performance of this Contract, unless earlier terminated, is January 01, 2013 through December 31, 2013 (hereinafter the "Contract Term").

**SECTION 3. SUBRECIPIENT PERFORMANCE**

Subrecipient shall, on an equitable basis throughout its service area, operate a Comprehensive Energy Assistance Program, (hereinafter the "CEAP"), in accordance with the Economic Opportunity Act of 1964 (Public Law 88-452), the Low-Income Home Energy Assistance Act of 1981 as amended (42 U.S.C. Sec. 8621 et seq.) (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended) (hereinafter the "LIHEAP Act"), Chapter 2306 of the Texas Government Code (hereinafter the "State Act"), the implementing State regulations under Title 10, Part 1, Chapter 5, Subchapters A and D of the Texas Administrative Code, as amended or supplemented from time to time (hereinafter the "State Rules"), the LIHEAP State Plan, Subrecipient's Service Delivery Plan as defined in the State Rules, the Department's guidance related to CEAP, all applicable state and federal regulations and the terms of this Contract. Subrecipient shall assist low-income households with priority being given in no particular order to elderly, persons with disabilities, households with a young child 5 years of age or under, households with high energy burden and households with high energy consumption. Subrecipient shall implement the CEAP in accordance with the Certifications attached hereto as Exhibit A, the Budget attached hereto as Exhibit B, , the Documentation of Disability requirements attached hereto as Exhibit C, and all such Exhibits incorporated herein for all relevant purposes; the assurances, certifications, and all other statements made by Subrecipient in its application funding under this Contract; and with all other terms, provisions, and requirements herein set forth. Subrecipient shall perform direct services under this Contract beginning on January 7, 2013 and continuing until the end of the Contract Term in accordance with the State Rules, amended to be effective January 7, 2013.

**SECTION 4. DEPARTMENT OBLIGATIONS**

- A. In consideration of Subrecipient's satisfactory performance of this Contract, Department shall reimburse Subrecipient for the actual allowable costs for administrative expenditures and Assurance 16 activities as defined herein incurred by Subrecipient during the Contract Term and for the actual allowable costs for direct services incurred by Subrecipient on or after January 7, 2013, in the amount(s) specified in Exhibit B, Budget, of this Contract.
- B. Any decision to obligate additional funds or deobligate funds shall be made in writing by Department in its sole discretion based upon factors including, but not limited to, the status of funding under grants to Department, the rate of Subrecipient's utilization of funds under this or previous contracts, the existence of questioned or disallowed costs under this or other contracts between the Parties, and Subrecipient's overall compliance with the terms of this Contract.
- C. Department's obligations under this Contract are contingent upon the actual receipt of funds from the U.S. Department of Health and Human Services. If sufficient funds are not available to make payments under this Contract, Department shall notify Subrecipient in writing within a reasonable time after such fact is determined. Department shall then terminate this Contract and will not be liable for the failure to make any payment to Subrecipient under this Contract. Department acknowledges that it has received obligations from those sources which, if paid, will be sufficient to pay the allowable costs incurred by Subrecipient under this Contract.

- D. Department is not liable for any cost incurred by Subrecipient which:
1. is subject to reimbursement by a source other than Department;
  2. is for performance of services or activities not authorized by the LIHEAP Act, or which is not in accordance with the terms of this Contract;
  3. is for non-administrative services such as direct services incurred from January 1, 2013 to January 6, 2013;
  4. is not incurred during the Contract Term;
  5. is not reported to Department on a monthly expenditure or performance report within forty five (45) days following the end of the Contract Term; or
  6. is incurred for the purchase or permanent improvement of real property.
- E. Subrecipient shall refund, within fifteen (15) days of the Department's request, any sum of money paid to Subrecipient which Department determines has resulted in an overpayment or has not been spent in accordance with the terms of this Contract.
- F. Notwithstanding any other provision of this Contract, the total of all payments and other obligations incurred by Department under this Contract shall not exceed the sum of [REDACTED].

#### **SECTION 5. METHOD OF PAYMENT/CASH BALANCES**

- A. Each month, Subrecipient may request an advance payment of CEAP funds under this Contract. As per the Uniform Grant Management Standards, 34 T.A.C. §20.421 et seq (herein "UGMS"), Subrecipient's requests for advances shall be limited to the amount needed and be timed to be in accordance with actual immediate cash requirements of the Subrecipient in carrying out the purpose of this Contract.
- B. Subrecipient shall establish procedures to minimize the time elapsing between the disbursement of funds from Department to Subrecipient and the expenditure of such funds by Subrecipient.
- C. Subrecipient must request an advance payment by submitting a properly completed monthly expenditure report to the Department through the electronic reporting system no later than the fifteenth (15th) day of the month prior to the month for which advance payment is sought.
- D. Subsection 4(A) notwithstanding, Department reserves the right to utilize a modified cost reimbursement method of payment, whereby reimbursement of costs incurred by a Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs for all funds if (1) Subrecipient maintains excessive cash balances or requests advance payments in excess of thirty (30) days need; (2) Department identifies any deficiency in the internal controls or financial management system used by Subrecipient; (3) Subrecipient violates any of the terms of this Contract; (4) Department's funding sources require the use of a cost reimbursement method of payment or (5) Subrecipient owes the Department funds.
- E. Department may offset or withhold any amounts otherwise owed to Subrecipient under this Contract against any amount owed by Subrecipient to Department arising under this Contract.
- F. All funds paid to Subrecipient under this Contract are paid in trust for the exclusive benefit of the eligible clients of the CEAP and for allowable direct services incurred on or after January 7, 2013 and for allowable administrative expenditures and Assurance 16 activities defined below incurred during the Contract Term, including but not limited to, training/travel expenditures, and services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance (hereafter "Assurance 16 activities") as defined in the LIHEAP Act.



## **SECTION 6. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS**

- A. Except as expressly modified by law or the terms of this Contract, Subrecipient shall comply with the cost principles and uniform administrative requirements set forth in the UGMS. All references therein to "local government" shall be construed to mean Subrecipient
- B. Uniform cost principles for non-profit organizations are set forth in OMB Circular A-122 as implemented by 2 C.F.R. Part 230. Uniform administrative requirements for non-profits are set forth in OMB Circular A-110. OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," sets forth audit standards for governmental organizations and other organizations expending Federal funds. The expenditure threshold requiring an audit under Circular A-133 is \$500,000.
- C. Notwithstanding any other provision of this Contract, Department shall only be liable to Subrecipient for costs incurred or performances rendered for activities specified in the LIHEAP Act.
- D. Subrecipient may incur costs for activities associated with the closeout of the CEAP Contract for a period not to exceed forty five (45) days from the end of the Contract Term defined in Section 2 of this Contract.

## **SECTION 7. TERMINATION AND SUSPENSION**

- A. Pursuant to §5.17 of the State Rules, Department may terminate this Contract, in whole or in part, at any time Department determines that there is cause for termination. Cause for termination includes, but is not limited to, Subrecipient's failure to comply with any term of this Contract or reasonable belief that Subrecipient cannot or will not comply with the requirements of the Contract. If the Department determines that a Subrecipient has failed to comply with the terms of the Contract, or has failed to provide services that meet appropriate standards, goals, or other requirements established by the Department, Department will notify Subrecipient of the deficiencies to be corrected and require the deficiencies be corrected prior to implementing termination.
- B. Subrecipient's failure to expend the funds provided under this Contract in a timely manner may result in either the termination of this Contract or Subrecipient's ineligibility to receive additional funding under CEAP, or a reduction in the original allocation of funds to Subrecipient.
- C. Nothing in this Section shall be construed to limit Department's authority to withhold payment and immediately suspend this Contract if Department identifies possible instances of fraud, abuse, waste, fiscal mismanagement, or other deficiencies in Subrecipient's performance including but not limited to, Subrecipient's failure to correct any monitoring findings on this or any state contract or on a single audit review. Suspension shall be a temporary measure pending either corrective action by Subrecipient or a decision by Department to terminate this Contract.
- D. Notwithstanding any exercise by Department of its right of termination or suspension, Subrecipient shall not be relieved of any liability to Department for damages by virtue of any breach of this contract by Subrecipient. Department may withhold any payment due to Subrecipient until such time as the exact amount of damages due to Department is agreed upon or is otherwise determined in writing between Parties.
- E. Department shall not be liable for any costs incurred by Subrecipient after termination or during suspension of this Contract.

## **SECTION 8. ALLOWABLE EXPENDITURES**

- A. The allowability of Subrecipient's costs incurred in the performance of this Contract shall be determined in accordance with the provisions of Section 4 and the regulations set forth in the LIHEAP Act and the State Rules, subject to the limitations and exceptions set forth in this Section.
- B. CEAP funds may be used for administrative activities and Assurance 16 activities during the Contract Term as well as other allowable expenditures under this Contract such as direct services incurred on or after January 7, 2013 until the end of the Contract Term, and include the following:

1. Conducting Assurance 16 activities, to include needs assessment, referrals, budget counseling, energy conservation education and assistance with energy vendors;
  2. Providing assistance to low income households in meeting their home energy costs;
  3. Intervening in energy crisis situations; or
  4. Department-approved travel and training.
- C. CEAP funds allow up to 6% of the award amount to be utilized for administrative costs. Administrative costs incurred by Subrecipient in performing this Contract are to be based on actual programmatic expenditures and shall be allowed up to the amount outlined in Exhibit B of this Contract. Eligible administrative costs include costs related to staff performance of management, accounting and reporting activities.
- D. Administrative and Assurance 16 Activities funds as defined under and in accordance with the State Rules are earned through provision of direct services to clients. Subrecipient may choose to submit a final budget revision no later than forty five (45) days prior to the end of the Contract Term to use its administration and Assurance 16 activities funds for direct service categories; however, Subrecipient is still required to perform Assurance 16 activities.
- E. Subrecipient shall provide direct services to clients on or after January 7, 2013 and within sixty (60) days of receipt of funds under this Contract pursuant to §5.406(b) of the State Rules, effective January 7, 2013.

#### **SECTION 9. RECORD KEEPING REQUIREMENTS**

- A. Subrecipient shall maintain fiscal and programmatic records and supporting documentation for all expenditures of funds made under this Contract in accordance with the UGMS, Section III, Common Rule: State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart C -Post Award Requirements, \_\_.42.
- B. Open Records. Subrecipient acknowledges that all information collected, assembled, or maintained by Subrecipient pertaining to this Contract is subject to the Texas Public Information Act, Chapter 552 of Texas Government Code and must provide citizens, public agencies, and other interested parties with reasonable access to all records pertaining to this Contract subject to and in accordance with the Texas Public Information Act.
- C. Subrecipient shall give the U.S. Department of Health and Human Services, the U.S. General Accounting Office, the Texas Comptroller, the State Auditor's Office, and Department, or any of their duly authorized representatives, access to and the right to examine and copy, on or off the premises of Subrecipient, all records pertaining to this Contract. Such right to access shall continue as long as the records are retained by Subrecipient. Subrecipient agrees to maintain such records in an accessible location for the greater of: (i) four (4) years; (ii) if notified by the Department in writing, the date that the final audit is accepted with all audit issues resolved to the Department's satisfaction; (iii) if any litigation claim, negotiation, inspection, or other action has started before the expiration of the required retention period records must be retained until completion of the action and resolution of all issues which arise under it; (iv) a date consistent with any other period required by federal or state law or regulation. Subrecipient agrees to cooperate with any examination conducted pursuant to this Subsection. Upon termination of this Contract, all records are property of the Department.
- D. Subrecipient shall maintain a client file system to document direct services rendered. The direct services must be rendered on or after January 7, 2013. Each client file shall contain the following:
1. Client application containing all Department requirements;
  2. Documentation/verification of client income for the thirty (30) days preceding their application for all household members eighteen (18) years and older, or Declaration of Income Statement (DIS) (if applicable). In order to use the DIS form, each subrecipient shall develop and implement a written policy and procedure on the use of the form, including policies requiring a client statement of efforts to obtain documentation of income with a notarized client signature; as outlined in § 5.407(e) of the State Rules.
  3. Copy of client's utility bill(s);

4. Energy consumption history for previous twelve (12) months (all fuel types) (not applicable for Household Crisis);
  5. Documentation of payment (Documentation of payment may be maintained in a separate file, but must be accessible to the Department.);
  6. Documentation of benefits determination;
  7. Notice of Denial Form (if applicable);
  8. Right of appeal and procedures for denial or termination of services (if applicable);
  9. Any documentation required by directives;
  10. Priority rating form; and
  11. Case notes sufficient to document that Assurance 16 activity has occurred.
- E. Subrecipient shall maintain complete client files at all times. Costs associated with incomplete files found at the time of program monitoring may be disallowed.

#### **SECTION 10. REPORTING REQUIREMENTS**

- A. Subrecipient shall electronically submit to Department, no later than fifteen (15) days after the end of each month of the Contract Term, a Funding Report of all expenditures of funds and clients served under this Contract during the previous month. **These reports are due even if Subrecipient has no new activity to report during the month.**
- B. Subrecipient shall submit to Department, no later than forty five (45) days after the end of the Contract Term, an inventory of all vehicles, tools, and equipment with a unit acquisition cost of \$5,000 and /or a useful life of more than one year, if purchased in whole or in part with funds received under this Contract or previous CEAP contracts. The inventory shall include the vehicles, tools, equipment, and appliances purchased with Energy Crisis funds on hand as of the last day of the Contract Term. Subrecipient acknowledges that all equipment and supplies purchased with funds from the CEAP are the property of CEAP and as such, stay with the subrecipient which provides CEAP services in the service area.
- C. Subrecipient shall electronically submit to Department, no later than forty five (45) days after the end of the Contract Term, a final report of all expenditures of funds and clients served under this Contract. Failure of Subrecipient to provide a full accounting of funds expended under this Contract may result in the termination of this Contract and ineligibility to receive additional funds. If Subrecipient fails to submit a final expenditure/performance report within 45 days of the end of the Contract Term, Department will use the last report submitted by Subrecipient as the final report.
- D. If Subrecipient fails to submit, in a timely and satisfactory manner, any report or response required by this Contract, Department may withhold any or all payments otherwise due or requested by Subrecipient hereunder. Payments may be withheld until such time as the delinquent report or response is received by Department. If the delinquent report or response is not received within forty-five (45) days of its due date, Department may suspend or terminate this Contract. If Subrecipient receives funds from Department over two or more Contract Terms, funds may be withheld or this Contract suspended or terminated for Subrecipient's failure to submit a past due report or response (including an audit report) from a prior contract or Contract Term.
- E. Subrecipient shall provide the Department with a Data Universal Numbering System (DUNS) number and a Central Contractor Registration (CCR) System number. The DUNS number must be provided in a document from Dun and Bradstreet and the current CCR number must be submitted from a document retrieved from the <https://www.sam.gov/portal/public/SAM/> website. These documents must be provided to the Department prior to the processing first payment to Subrecipient. Subrecipient shall maintain a current DUNS number and CCR number for the entire Contract Term.

**SECTION 11. VENDOR AGREEMENTS**

For each of Subrecipient's vendors, Subrecipient shall implement and maintain a vendor agreement that contains assurances relating to fair billing practices, delivery procedures, and pricing procedures for business transactions involving CEAP clients. All vendor agreements are subject to monitoring procedures performed by TDHCA. All vendor agreements must be renegotiated every two years.

**SECTION 12. CHANGES AND AMENDMENTS**

- A. Any change, addition or deletion to the terms of this Contract required by a change in federal or state law or regulation is automatically incorporated herein and is effective on the date designated by such law or regulation.
- B. Except as specifically provided otherwise in this Contract, any changes, additions, or deletions to the terms of this Contract shall be in writing and executed by both Parties to this Contract. If any Party returns an executed copy by facsimile machine or electronic transmission, the signing party intends the copy of its authorized signature printed by the receiving machine or the electronic transmission, to be its original signature.
- C. Written requests for Contract amendment must be received by the Department by no later than forty five (45) days prior to the end of the Contract Term.

**SECTION 13. PROGRAM INCOME**

Subrecipient shall account for and expend program income derived from activities financed in whole or in part with funds provided under this Contract in accordance with the UGMS, Common Rule, § 25 and OMB Circular A 110 § 24

**SECTION 14 TECHNICAL ASSISTANCE AND MONITORING**

Department may issue technical guidance to explain the rules and provide directions on terms of this Contract. Department or its designee may conduct on and off-site monitoring and evaluation of Subrecipient's compliance with the terms of this Contract. Department's monitoring may include a review of the efficiency, economy, and efficacy of Subrecipient's performance. Department will notify Subrecipient in writing of any deficiencies noted during such monitoring. Department may provide training and technical assistance to Subrecipient in correcting the deficiencies noted. Department may require corrective action to remedy deficiencies noted in Subrecipient's accounting, personnel, procurement, and management procedures and systems in order to comply with State or Federal requirements. Department may conduct follow-up visits to review the previously noted deficiencies and to assess the Subrecipient's efforts made to correct them. Repeated deficiencies may result in disallowed costs. Department may terminate or suspend this Contract or invoke other remedies Department determines to be appropriate in the event monitoring reveals material deficiencies in Subrecipient's performance, or Subrecipient fails to correct any deficiency within a reasonable period of time, as determined by the Department. Department or its designee may conduct an ongoing program evaluation throughout the Contract Term.

**SECTION 15 INDEPENDENT SUBRECIPIENT**

It is agreed that Department is contracting with Subrecipient as an independent contractor. Subrecipient agrees to indemnify Department against any disallowed costs or other claims which may be asserted by any third party in connection with the services to be performed by Subrecipient under this Contract.

**SECTION 16. PROCUREMENT STANDARDS**

- A. For making procurements under this contract, Subrecipient shall comply with 45 C.F.R. Part 74, OMB Circular A-110, 10 T.A.C. §5.10, and all applicable federal, state, and local laws, regulations, and ordinances.
- B. Subrecipient may not use funds provided under this Contract to purchase personal property, equipment, goods, or services with a unit acquisition cost (the net invoice unit price of an item of equipment) of more than \$5,000 unless Subrecipient has received the prior written approval of Department for such purchase.

- C. Upon the termination or non-renewal of this Contract, Department may transfer title to any such property or equipment having a unit acquisition cost (the net invoice unit price of an item of equipment) of \$5,000 or more to itself or to any other entity receiving Department funding.

**SECTION 17 SUBCONTRACTS**

- A Subrecipient may not subcontract the primary performance of this Contract, including but not limited to expenditure and performance reporting and drawing funds through the Community Affairs Contract System, and only may enter into properly procured contractual agreements for consulting and other professional services, if Subrecipient has received Department's prior written approval. Subrecipient may subcontract for the delivery of client assistance without obtaining Department's prior approval. Any subcontract for the delivery of client assistance will be subject to monitoring by the Department as per Section 14.
  
- B In no event shall any provision of this Section 17, specifically the requirement that Subrecipient obtain Department's prior written approval of a subcontractor, be construed as relieving Subrecipient of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the terms of this Contract, as if such performances rendered were rendered by Subrecipient. Department's approval under this section does not constitute adoption, ratification, or acceptance of Subrecipient's or subcontractor's performance hereunder. Department maintains the right to monitor and require Subrecipient's full compliance with the terms of this Contract. Department's approval under this section does not waive any right of action which may exist or which may subsequently accrue to Department under this Contract.

**SECTION 18. AUDIT**

- A. Subrecipient shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this Contract, subject to the following conditions and limitations:
  - 1. Subrecipient expending \$500,000 or more in total Federal awards or \$500,000 in total state financial assistance shall have an audit performed in accordance with the Single Audit Act Amendments of 1996, 31 U.S.C. 7501, and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations" issued June 30, 1997. For purposes of this Section 18, "Federal financial assistance" means assistance provided by a Federal agency in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance or direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with OMB guidelines. The term includes awards of Federal financial assistance received directly from Federal agencies, or indirectly through other units of State and local government;
  - 2. Sections 4 D (3) and (4) above notwithstanding, Subrecipient may utilize funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by Department under this Contract.
  - 3. Subrecipient shall submit three (3) copies of such audit report and any associated management letter to the Department, two (2) copies of the audit report to Department's Compliance and Asset Oversight Division and one (1) copy of the audit report to the Department's Community Affairs Division within the earlier of thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period. Subrecipient shall make audit report available for public inspection within thirty (30) days after receipt of the audit report(s). Audits performed under this Section are subject to review and resolution by Department or its authorized representative. Subrecipient shall submit such audit report to the Federal clearinghouse designated by OMB in accordance with OMB A-133.
  - 4. The audit report must include verification of all expenditures by budget category, in accordance with Exhibit B, Budget, of this Contract.
  
- B. The cost of auditing services for a Subrecipient expending less than \$500,000 in total Federal awards per fiscal year is not an allowable charge under Federal awards.

- C. Subsection A of this Section 18 notwithstanding, Department reserves the right to conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient agrees to permit Department or its authorized representative to audit Subrecipient's records and obtain any documents, materials, or information necessary to facilitate such audit.
- D. Subrecipient understands and agrees that it shall be liable to the Department for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Contract. Subrecipient further understands and agrees that reimbursement to Department of such disallowed costs shall be paid by Subrecipient from funds which were not provided or otherwise made available to Subrecipient under this Contract.
- E. Subrecipient shall facilitate the performance of such audit or audits conducted pursuant to this Section 18 as Department may require of Subrecipient.
- F. Subrecipient shall procure audit services through an open, competitive process at least once every four years. The auditor shall retain working papers and reports for a minimum of the three years after the date of directive of the auditor's report to the Subrecipient. Audit working papers shall be made available upon request to Department at the completion of the audit, as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this Section. Access to working papers includes the right to obtain copies of working papers, as is reasonable and necessary.
- G. For any fiscal year ending within or immediately after the Contract Term, Subrecipient must submit an "Audit Certification Form" (available from the Department) within sixty (60) days after the Subrecipient's fiscal year end.

#### **SECTION 19. MANAGEMENT OF EQUIPMENT AND INVENTORY**

- A. Subrecipient shall comply with Subchapter A of the State Rules.
- B. Subrecipient may not use funds provided under this Contract to purchase personal property, equipment, goods, or services with a unit acquisition cost (the net invoice unit price of an item of equipment) of more than \$5,000 unless Subrecipient has received the prior written approval of Department for such purchase
- C. Upon the termination or non-renewal of this Contract, Department may transfer title to any such property or equipment having a useful life of one year or more or a unit acquisition cost (the net invoice unit price of an item of equipment) of \$5,000 or more to itself or to any other entity receiving Department funding.

#### **SECTION 20. TRAVEL AND TRAINING**

The travel funds are to be used only for Department-approved training events. Subrecipient shall adhere to OMB Circular A-122 and either its board-approved travel policy, or in the absence of such a policy, the State of Texas travel policies.

#### **SECTION 21. BONDING AND INSURANCE REQUIREMENTS**

- A. If Subrecipient will enter in to a construction or facility improvements contract with a third-party in the amount of \$25,000 of greater, Subrecipient must execute with the contractor a payment bond in the full amount of the contract. If the Subrecipient will enter in to contract with a prime contractor in excess of \$100,000, a performance bond in the full amount of the contract is also required. These bonds must be executed by a corporate surety authorized to do business in Texas, a list of which may be obtained from the State Insurance Department. Such assurances of completion will run to the Department as obligee and must be documented prior to the start of construction.
- B. Subrecipient shall maintain adequate fidelity bond coverage as set forth in Section 5.7 of the State Rules.

- C. Subrecipient shall maintain adequate personal injury and property damage liability insurance. Subrecipient is encouraged to obtain pollution occurrence insurance in addition to the general liability insurance. Generally, regular liability insurance policies do not provide coverage for potential effects of many health and safety measures, such as lead disturbances and other pollution occurrence items. Subrecipient should review existing policies to determine if lead contamination is covered. If it is not, Subrecipient should consider securing adequate coverage for all construction projects. Additional liability insurance costs may be paid from administrative funds. The Department strongly recommends the Subrecipient require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each agency should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

## **SECTION 22. LITIGATION AND CLAIMS**

Subrecipient shall give Department immediate written notice of any claim or action filed with a court or administrative agency against Subrecipient and arising out of the performance of this Contract or any subcontract hereunder. Subrecipient shall furnish to Department copies of all pertinent papers received by Subrecipient with respect to such action or claim.

## **SECTION 23. LEGAL AUTHORITY**

- A. Subrecipient assures and guarantees that it possesses the legal authority to enter into this Contract, to receive and manage the funds authorized by this Contract, and to perform the services Subrecipient has obligated itself to perform hereunder. The execution, delivery, and performance of this Contract will not violate Subrecipient's constitutive documents or any requirement to which Subrecipient is subject and represents the legal, valid, and binding agreement of Subrecipient, enforceable in accordance with its terms.
- B. The person signing this Contract on behalf of Subrecipient hereby warrants that he/she has been duly authorized by Contract to execute this Contract on behalf of Subrecipient and to validly and legally bind Subrecipient to the terms, provisions and performances herein.
- C. Department shall have the right to suspend or terminate this Contract if there is a dispute as to the legal authority of either Subrecipient, or the person signing this Contract on behalf of Subrecipient, to enter into this Contract or to render performances hereunder. Subrecipient is liable to Department for any money it has received from Department for performance of the provisions of this Contract, if the Department has terminated this Contract for reasons enumerated in this Section 23.

## **SECTION 24. COMPLIANCE WITH LAWS**

- A. FEDERAL, STATE AND LOCAL LAW. Subrecipient shall comply with the LIHEAP Act, the federal rules and regulations promulgated under the LIHEAP Act, the State Act, the State CEAP Rules, LIHEAP State Plan, and all federal, state, and local laws and regulations applicable to the performance of this Contract.
- B. DRUG-FREE WORKPLACE ACT OF 1988. The Subrecipient affirms by signing this contract that it is implementing the Drug-Free Workplace Act of 1988.
- C. PRO-CHILDREN ACT OF 1994. Subrecipient shall follow the requirements of the Pro-Children Act of 1994, (20 U.S.C. Sec. 6081 et seq.) which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted 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 Federal programs either directly or through States or local governments by Federal grant, contract, loan or loan guarantee
- D. LIMITED ENGLISH PROFICIENCY (LEP). Subrecipients must provide program applications, forms, and educational materials in English, Spanish, and any appropriate language, based on the needs of the service area and in compliance with the requirements in Executive Order 13166 of August 11, 2000. To ensure compliance, the Subrecipient must take reasonable steps to insure that persons with Limited English Proficiency have meaningful access to the program. Meaningful access may entail provide language assistance services, including oral and written translation, where necessary.

**SECTION 25. PREVENTION OF WASTE, FRAUD, AND ABUSE**

- A. Subrecipient shall establish, maintain, and utilize systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under this Contract. The systems and procedures shall address possible waste, fraud, and abuse by Subrecipient, its employees, clients, vendors, subcontractors and administering agencies. Subrecipient's internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for monitoring by Department.
- B. Subrecipient shall give Department complete access to all of its records, employees, and agents for the purposes of any investigation of the Comprehensive Energy Assistance Program. Subrecipient shall immediately notify Department of any discovery of waste, fraud, or abuse. Subrecipient shall fully cooperate with Department's efforts to detect, investigate, and prevent waste, fraud, and abuse in the Comprehensive Energy Assistance Program.
- C. Subrecipient may not discriminate against any employee or other person who reports a violation of the terms of this Contract, or of any law or regulation, to Department or to any appropriate law enforcement authority, if the report is made in good faith.

**SECTION 26. CERTIFICATION REGARDING UNDOCUMENTED WORKERS**

Pursuant to Chapter 2264 of the Texas Government Code, by execution of this Contract, Subrecipient hereby certifies that Subrecipient/Local Operator, or a branch, division, or department of Subrecipient does not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States. If, after receiving a public subsidy, Subrecipient, or a branch, division, or department of Subrecipient is convicted of a violation under 8 U.S.C. Section 1324a(f), Subrecipient shall repay the public subsidy with interest, at a rate of five percent (5%) per annum, not later than the 120th day after the date the Department notifies Subrecipient of the violation.

**SECTION 27. CONFLICT OF INTEREST/NEPOTISM**

- A. Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts
- B. No employee, officer, or agent of Subrecipient shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award.
- C. The officers, employees, and agents of the Subrecipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. Subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Subrecipient.
- D. Subrecipients who are local governmental entities shall, in addition to the requirements of this Section, follow the requirements of Chapter 171 of the Local Government Code regarding conflicts of interest of officers of municipalities, counties, and certain other local governments.
- E. Failure to maintain written standards of conduct and to follow and enforce the written standards is a condition of default under this Contract and may result in termination of the Contract or deobligation of funds

**SECTION 28. POLITICAL ACTIVITY PROHIBITED**

- A. Funds provided under this Contract shall not be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of Subrecipient from furnishing to any member of its governing body upon request, or to any other local or state official or employee, or to any citizen, information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.



- B. Funds provided under this Contract may not be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of Subrecipient, the State of Texas, or the government of the United States

**SECTION 29. NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

- A. A person shall not be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this Contract, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief.
- B. Subrecipient agrees to carry out an Equal Employment Opportunity Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965.
- C. Subrecipient will include the substance of this Section 29 in all subcontracts.

**SECTION 30. CERTIFICATION REGARDING CERTAIN DISASTER RELIEF CONTRACTS**

The Department may not award a Contract that includes proposed financial participation by a person who, during the five year period preceding the date of this Contract, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or 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.

By execution of this Contract, the Subrecipient/Local Operator hereby certifies that it is eligible to participate in this Program and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

**SECTION 31. MAINTENANCE OF EFFORT**

Funds provided to Subrecipient under this Contract may not be substituted for funds or resources from any other source nor in any way serve to reduce the funds or resources which would have been available to, or provided through, Subrecipient had this Contract never been executed.

**SECTION 32. DEBARRED AND SUSPENDED PARTIES**

By signing this Contract, Subrecipient certifies that its principal employees, board members, agents, or contractors agents are not included in the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA). Subrecipient also certifies that it will not award any funds provided by this Contract to any party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. Subrecipient agrees that prior to entering into any agreement with a potential subcontractor that the verification process to comply with this requirement will be accomplished by checking the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) and including a copy of the results in its project files.

**SECTION 33. FAITH BASED AND SECTARIAN ACTIVITY**

Funds provided under this Contract may not be used for sectarian or inherently religious activities such as worship, religious instruction or proselytization, and must be for the benefit of persons regardless of religious affiliation. Subrecipient shall comply with the regulations promulgated by the HHS at 45 C.F.R. §87.2.

**SECTION 34. COPYRIGHT**

Subrecipient may copyright materials developed in the performance of this Contract or with funds expended under this Contract. Department and HHS shall each have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the copyrighted work for government purposes

**SECTION 35. NO WAIVER**

Any right or remedy given to Department by this Contract shall not preclude the existence of any other right or remedy, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other right or remedy. The failure of Department to exercise any right or remedy on any occasion shall not constitute a waiver of Department's right to exercise that or any other right or remedy at a later time.

**SECTION 36. SEVERABILITY**

If any section or provision of this Contract is held to be invalid or unenforceable by a court or administrative tribunal of competent jurisdiction, the remainder shall remain valid and binding.

**SECTION 37. ORAL AND WRITTEN AGREEMENTS**

- A. All oral and written agreements between the Parties relating to the subject matter of this Contract have been reduced to writing and are contained in this Contract.
  
- B. The attachments enumerated and denominated below are a part of this Contract and constitute promised performances under this Contract:
  - 1 Exhibit A, Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements
  
  - 2 Exhibit B, Budget
  
  - 3 Exhibit C, Documentation of Disability

**SECTION 38. SPECIAL CONDITIONS**

- A. In order to achieve compliance with the LIHEAP Act, Subrecipient must coordinate with other energy related programs. Specifically, Subrecipient must make documented referrals to the local Weatherization Assistance Program subrecipient and the Lite Up Texas program administered by the Public Utility Commission of Texas
  
- B. Subrecipient shall accept applications for CEAP benefits at sites that are geographically accessible to all households in the service area. Subrecipient shall provide elderly and disabled individuals the means to submit applications for CEAP benefits without leaving their residence or by securing transportation for them to the sites that accept such applications.

**SECTION 39. APPEALS PROCESS**

In compliance with the LIHEAP Act, Subrecipient must provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied, terminated or not acted upon in a timely manner. Subrecipient must establish a denial of service complaint procedure in accordance with §5.405 the State Rules.

**SECTION 40. USE OF ALCOHOLIC BEVERAGES**

Funds provided under this Contract may not be used for the payment of salaries to any Subrecipient's employees who use alcoholic beverages while on active duty, for travel expenses expended for alcoholic beverages, or for the purchase of alcoholic beverages.

**SECTION 41. FORCE MAJURE**

If the obligations are delayed by the following, an equitable adjustment will be made for delay or failure to perform hereunder:

- A. Any of the following events: (i) catastrophic weather conditions or other extraordinary elements of nature or acts of God; (ii) acts of war (declared or undeclared), (iii) acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; and (iv) quarantines, embargoes and other similar unusual actions of federal, provincial, local or foreign Governmental Authorities; and
  
- B. The non-performing party is without fault in causing or failing to prevent the occurrence of such event, and such occurrence could not have been circumvented by reasonable precautions and could not have been prevented or circumvented through the use of commercially reasonable alternative sources, workaround plans or other means.

**SECTION 42. TIME IS OF THE ESSENCE**

Time is of the essence with respect to Subrecipient's compliance with all covenants, agreements, terms and conditions of this Contract.

**SECTION 43. COUNTERPARTS AND FACSIMILE SIGNATURES**

This Contract may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signed signature pages may be transmitted by facsimile or other electronic transmission, and any such signature shall have the same legal effect as an original.

**SECTION 44. NUMBER, GENDER**

Unless the context requires otherwise, the words of the masculine gender shall include the feminine, and singular words shall include the plural.

**SECTION 45. NOTICE**

- A. If notice is provided concerning this Contract, notice may be given at the following (herein referred to as "Notice Address"):

**As to Department:**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
P. O. Box 13941  
Austin, Texas 78711-3941  
Attention: Michael DeYoung  
Telephone: (512) 475-3950  
Fax: (512) 475-3935  
michael.deyoung@tdhca.state.tx.us

**As to Subrecipient:**



- B. All notices or other communications hereunder shall be deemed given when delivered, mailed by overnight service, or five days after mailing by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address as defined in the above Subsection A of this Section 45.

**SECTION 46. VENUE AND JURISDICTION**

This Contract is delivered and intended to be performed in the State of Texas. For purposes of litigation pursuant to this Contract, venue shall lie in Travis County, Texas.

EXECUTED to be effective on :1/1/2013

[REDACTED]

a non-profit corporation

By: [REDACTED]

Title:Executive Director

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

**a public and official agency of the State of Texas**

By: Timothy K. Irvine

Title:Its duly authorized officer or representative

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CONTRACT NO. [REDACTED] FOR THE FY 2013  
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM (CEAP)  
(CFDA # 93.568)

EXHIBIT A  
CERTIFICATION REGARDING LOBBYING FOR  
CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

[REDACTED]  
a non-profit corporation

The undersigned certifies, to the best of its 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, 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 sub-awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is material representation of fact on 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.

[REDACTED]  
a non-profit corporation

By: [REDACTED]  
Title:Executive Director

Date:1/23/2013

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CONTRACT NO. [REDACTED] FOR THE FY 2013  
 COMPREHENSIVE ENERGY ASSISTANCE PROGRAM (CEAP)  
 (CFDA # 93.568)

EXHIBIT B  
 BUDGET

[REDACTED]  
 a non-profit corporation

DEPARTMENT FINANCIAL OBLIGATIONS

[REDACTED] CEAP FUNDS CURRENTLY AVAILABLE  
 [REDACTED] TRAINING TRAVEL ALLOWANCE FUNDS CURRENTLY AVAILABLE

BUDGET FOR AVAILABLE ALLOCATIONS

BUDGET CATEGORY	FUNDS	%
Administration	[REDACTED]	-
Assurance 16	[REDACTED]	-
Direct Services	[REDACTED]	-
<b>TOTAL CEAP BUDGET</b>	[REDACTED]	-

BUDGET CATEGORY	FUNDS	%
Household Crisis	[REDACTED]	50.00
Utility Assistance	[REDACTED]	50.00
<b>TOTAL DIRECT SERVICES</b>	[REDACTED]	100.00

Subrecipient's service area consists of the following Texas counties:

[REDACTED]

Administrative costs, salaries, fringe benefits, non-training travel, equipment, supplies, audit and office space are limited to 6.2% of the contract expenditures, excluding Training/Travel costs. All other administrative costs, exclusive of administrative costs for Assurance 16 Activities, must be paid with nonfederal funds.

Assurance 16 Activities costs will be the maximum allowable under the total State of Texas LIHEAP award but at least 6.6% of the contract expenditures excluding Training and Travel costs and must be expended on or after January 7, 2013.

Department's prior written approval for purchase or lease of equipment with an acquisition cost of \$5,000 and over is required. Approval of this budget does not constitute prior approval for such purchases.

Funds may not be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement of any building or facility.

Subrecipient is limited to only one budget revision request during the first 6 months of the Contract Term. A second and final budget revision must be received by the Department no later than 45 days prior to the end of the Contract Period.

Subrecipient shall provide outreach services under all components in this category. Failure to do so may result in contract termination. Subrecipient must document outreach, whether the outreach is conducted with CEAP funds or other funds.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

CONTRACT NO. [REDACTED] FOR THE FY 2013  
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM (CEAP)  
(CFDA # 93.568)

EXHIBIT C  
DOCUMENTATION OF DISABILITY

[REDACTED]  
a non-profit corporation

1. All CEAP purchases of portable heating/cooling units are allowable only for households "that include at least one member that is elderly, disabled, or a child aged 5 or younger when Subrecipient has met local weather crisis criteria, pursuant to 10 TAC 5.423(d)(4). No other reason for purchase, including medical reasons, shall be accepted. Notwithstanding the provisions under 10 TAC 10 TAC 5.402, 10 TAC 5.422(c), 10 TAC 5.422(d)(3), and 5.423(d)(4), under NO CIRCUMSTANCES should clients' medical information be collected or kept by Subrecipients.
2. Documentation of Disability must NOT include protected health information as defined in the Texas Health and Safety Code, Subtitle I, Chapter 181.



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
CONTRACT NUMBER. [REDACTED] FOR THE  
LOW-INCOME HOME ENERGY ASSISTANCE ACT WEATHERIZATION ASSISTANCE PROGRAM  
(CFDA# 93.568)

**SECTION 1 PARTIES TO THE CONTRACT**

This Low Income Home Energy Assistance Program ("LIHEAP") Weatherization Assistance Program Contract (hereinafter "Contract") is made by and between the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas ("Department") and [REDACTED], a political subdivision of the State of Texas ("Subrecipient").

**SECTION 2. CONTRACT TERM**

The period for performance of this Contract, unless earlier terminated, is **April 01, 2013** through **March 31, 2014** (hereinafter the "Contract Term").

**SECTION 3 SUBRECIPIENT PERFORMANCE**

Subrecipient shall implement a Weatherization Assistance Program ("WAP") in accordance with the provisions of Part A of the Energy Conservation in Existing Buildings Act of 1976, as amended (42 U.S.C. §6861 et seq.) ("WAP Act"), the sections of the U.S. Department of Energy ("DOE") implementing regulations codified in 10 C.F.R. Parts 440 and 600 ("WAP Regulations") as indicated herein, any applicable Office of Management and Budget ("OMB") Circulars, the Texas WAP State Plan, the Texas LIHEAP State Plan; the implementing State regulations at Title 10, Part I, Chapter 5, Subchapters A, E and G of the Texas Administrative Code as amended or supplemented from time to time ("State Rules"), the Low-Income Home Energy Assistance Act of 1981 as amended (42 U.S.C. §8621 et seq.) ("LIHEAP Act"), and the implementing regulations codified in 45 C.F.R. Part 96 ("LIHEAP Regulations").

Subrecipient shall, on an equitable basis throughout its service area, develop and implement a WAP in the counties and in accordance with the term of the Contract and the "Budget and Performance Statement" attached as Exhibit A, the Certifications attached hereto as Exhibit B, the Personal Responsibility and Work Opportunity Act of 1996 ("PRWORA") Requirements for the WAP attached hereto as Exhibit C, the Documentation of Disability requirements attached hereto as Exhibit D, the LIHEAP Priority List attached hereto as Exhibit E, and all such Exhibits incorporated herein for all relevant purposes; the assurances, certifications, and all other statements made by Subrecipient in its funding under this Contract; and with all other terms, provisions, and requirements herein set forth. Subrecipient shall develop and implement the WAP to assist in achieving a prescribed level of energy efficiency in the dwellings of low-income persons. WAP services will be provided to owner occupied units as well as rental units. Priority will be given to in no particular order (1) households with Elderly Persons as defined in State Rules, (2) Persons with Disabilities as defined in State Rules, (3) households with young children that are age five (5) or younger, and/or (4) households with a high energy burden and households with high energy consumption. Subrecipients are allowed to perform weatherization measures as detailed in Exhibit E of this Contract. If Subrecipient leverages with any Department of Energy weatherization funds, all federal and state DOE rules and requirements will apply including but not limited to income calculation requirements as outlined in Department of Energy - Weatherization Program Notice 13-3. The work will be completed in accordance with the International Energy Conservation Code and the minimum requirements set in the State of Texas adopted International Residential Code or in jurisdictions authorized by State law to adopt later editions.

**SECTION 4. DEPARTMENT FINANCIAL OBLIGATIONS**

- A In consideration of Subrecipient's satisfactory performance of this Contract, Department shall reimburse Subrecipient for the actual allowable costs incurred by Subrecipient in the amount specified in the "Budget and Performance Statement" attached hereto as Exhibit A.
  
- B Department's obligations under this Contract are contingent upon the actual receipt by Department of adequate 2013 LIHEAP federal program funds. If sufficient funds are not available to make payments under this Contract, Department shall notify Subrecipient in writing within a reasonable time after such fact is determined. Department may then terminate this Contract and will not be liable for the failure to make any payment to Subrecipient under this Contract. Department acknowledges that it has received obligations from those sources which, if paid, will be sufficient to pay the allowable costs incurred by Subrecipient under this Contract.
  
- C Department is not liable for any cost incurred by Subrecipient which

- (1) is incurred to weatherize a dwelling unit which is not an eligible dwelling unit as defined in §440.22 of the WAP Regulations, except that pursuant to §5.2(b)(34) of the State Rules the dwelling unit shall be eligible for weatherization assistance if it is occupied by a family unit whose income is at or below 125 percent of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. §9902(2) "Poverty Income Guidelines" as;
  - (2) is incurred to weatherize a dwelling unit which is designated for acquisition or clearance by a federal, state, or local program within twelve months from the date weatherization of the dwelling unit is scheduled to be completed;
  - (3) is incurred to weatherize a dwelling unit previously weatherized with weatherization assistance program funds, except as provided for in §440.18(e)(2) of the WAP Regulations;
  - (4) is for Subrecipient's administrative costs incurred in excess of the maximum limitation set forth in Section 8 of this Contract;
  - (5) is not incurred during the Contract Term;
  - (6) is not reported to Department on a monthly expenditure or performance report within forty five (45) days after the termination of the Contract Term;
  - (7) is subject to reimbursement by a source other than Department; or
  - (8) is made in violation of any provision of this Contract or any provision of federal or state law or regulation, including, but not limited to those enumerated in this Contract.
- D. Subrecipient shall refund, within fifteen (15) days of Department's request, any sum of money paid to Subrecipient which Department determines has resulted in an overpayment or has not been spent in accordance with the terms of this Contract. Department may offset or withhold any amount otherwise owed to Subrecipient under this Contract against any amount owed by Subrecipient to Department arising under this or any other Contract between the parties.
- E. Notwithstanding any other provision of this Contract to the contrary, the total of all payments and other obligations incurred by the Department under this Contract shall not exceed the sum of [REDACTED].

#### **SECTION 5 METHOD OF PAYMENT/CASH BALANCES**

- A Each month, Subrecipient may request an advance payment of LIHEAP WAP funds under this Contract. As per the Uniform Grant Management Standards, 34 T.A.C. §20.421 et seq ("UGMS"), Subrecipient's requests for advances shall be limited to the amount needed and be timed to be in accordance with actual immediate cash requirements of the Subrecipient in carrying out the purpose of this Contract.
- B The timing and amount of cash advances shall be as close as administratively feasible, not to exceed a 30 day projection of the actual disbursements by the Subrecipient to direct program costs and the proportionate share of any allowable indirect costs.
- C Subsection 4(A) notwithstanding, pursuant to §5.17 of the State Rules, the Department reserves the right to use a modified cost reimbursement method of payment for all funds, whereby reimbursement of costs incurred by a Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs for all funds if (1) Department determines that Subrecipient has maintained excess cash balances; (2) Department identifies any deficiency in the cash controls or financial management system maintained by Subrecipient; (3) Department identifies any deficiency in the quality of weatherization work performed by Subrecipient; (4) Department determines that a modified cost reimbursement method would benefit the program; (5) Department's funding sources require the use of a modified cost reimbursement method; or (6) Subrecipient fails to comply with any of the reporting requirements of Section 10.
- D All funds paid to Subrecipient under this Contract are paid in trust for the exclusive benefit of the eligible dwelling units of the weatherization assistance program and for the payment of the allowable expenditures identified in Section 8 of this Contract.

## SECTION 6. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

- A. Except as expressly modified by law or the terms of this Contract, Subrecipient shall comply with the cost principles and uniform administrative requirements set forth in 34 T.A.C. §20.421, Uniform Grant Management Standards and 10 T.A.C. §5.10. All references therein to "local government" shall be construed to mean Subrecipient.
- B. Uniform cost principles for political subdivisions are set forth in Office of Management and Budget ("OMB") Circular A-87 as implemented by 2 C.F.R. Part 225. Uniform administrative requirements for political subdivisions are set forth in OMB Circular A-102. OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," sets forth audit standards for governmental organizations and other organizations expending Federal funds. The expenditure threshold requiring an audit under Circular A-133 is \$500,000.
- C. Notwithstanding any other provision of this Contract, Department shall only be liable to Subrecipient for costs incurred or performances rendered for activities specified in the WAP Act and LIHEAP Act.

## SECTION 7. TERMINATION AND SUSPENSION

- A. Department may terminate this Contract, in whole or in part, at any time Department determines that there is cause for termination. Cause for termination includes but is not limited to Subrecipient's failure to comply with any term of this Contract. Department shall notify Subrecipient in writing no less than thirty (30) days prior to the date of termination.
- B. Nothing in this Section shall be construed to limit Department's authority to withhold payment and immediately suspend Subrecipient's performance under this Contract if Department identifies possible instances of fraud, abuse, waste, fiscal mismanagement, or other serious deficiencies in Subrecipient's performance. Suspension shall be a temporary measure pending either corrective action by Subrecipient or a decision by Department to terminate this Contract.
- C. Notwithstanding any exercise by Department of its right of termination or suspension, Subrecipient shall not be relieved of any liability to Department for damages by virtue of any breach of this Contract by Subrecipient. Department may withhold any payment due to Subrecipient until such time as the exact amount of damages due to Department is agreed upon or is otherwise determined in writing between parties.
- D. Department shall not be liable for any costs incurred by Subrecipient after termination or during suspension of this Contract.
- E. Notwithstanding any exercise by Department of its right of termination or suspension, Subrecipient shall not be relieved of any liability to Department for damages by virtue of any breach of this Contract by Subrecipient.
- F. Subrecipient's failure to expend the funds provided under this Contract in a timely manner may result in either the termination of this Contract or Subrecipient's ineligibility to receive additional funding under WAP, or a reduction in the original allocation of funds to Subrecipient.

## SECTION 8. ALLOWABLE EXPENDITURES

- A. The allowability of Subrecipient's costs incurred in the performance of this Contract shall be determined in accordance with the provisions of Sections 4 and 5 of this Contract and the regulations set forth in §440.18 of the WAP Regulations, subject to the limitations and exceptions set forth in this Section.

To the maximum extent practicable, Subrecipient shall utilize funds provided under this Contract for the purchase of weatherization materials. Subrecipient shall weatherize eligible dwelling units using only weatherization materials which meet or exceed the standards prescribed by DOE in Appendix A to Part 440 of the WAP Regulations, State of Texas adopted International Residential Code (IRC) or jurisdictions authorized by State law to adopt later editions.

- B. For units where Subrecipient leverages with any Department of Energy weatherization funds, all weatherization measures installed must have an approved State of Texas Energy Audit savings-to-investment ratio (SIR) of one or greater unless otherwise indicated as health and safety or incidental repair items. Weatherization measures installed shall begin with those having the greatest SIR (on approved State of Texas Energy Audit) and proceed in descending order to the measures with the smallest SIR or until the maximum allowable per unit expenditures are achieved.

Allowable expenditures under this Contract include:

- (1) the purchase and delivery of weatherization materials as defined in §440.3 of the WAP Regulations;
- (2) if Subrecipient leverages with any Department of Energy weatherization funds, labor costs for doors, primary windows and storm windows that will result in approved energy savings with a SIR of one or greater in accordance with §440.19 of the WAP Regulations;

- (3) the cost of weatherization materials and labor for heating and cooling system tune ups, repairs, modification, or replacements. Whenever available, heating and cooling systems must have an Energy Star rating;
  - (4) transportation of weatherization and repair materials, tools, equipment, and work crews to a storage site and to the site of weatherization work;
  - (5) maintenance, operation, and insurance of vehicles used to transport weatherization materials;
  - (6) maintenance of tools and equipment;
  - (7) purchase or lease of tools or equipment;
  - (8) employment of on-site supervisory personnel;
  - (9) storage of weatherization materials, tools, and equipment;
  - (10) incidental repairs (such as repairs to roofs, walls, floors, and other parts of a dwelling unit) if such repairs are necessary for the effective performance or preservation of weatherization measures (If incidental repairs are necessary to make the installation of the weatherization measures effective, the cost of incidental repair measures charged to WAP funds awarded under this Contract shall not exceed the cost of weatherization measures charged to WAP);
  - (11) allowable health and safety measures; and
  - (12) allowable base load reduction measures.
- C. Health and Safety funds not expended may be moved to the labor, materials, and program support category. These changes will require a Contract action; therefore, Subrecipient must provide written notification to the Department at least forty-five (45) days prior to the end of the Contract Term before these funds can be moved.
- D. Administrative costs incurred by Subrecipient in performing this Contract are to be based on actual programmatic expenditures and shall be allowed up to the amount outlined in the "Budget and Performance Statement" attached hereto as Exhibit A. Allowable administrative costs may include reasonable costs associated with Subrecipient's administrative personnel, travel, audit fees, office space, equipment, and supplies which are necessary for the administration of WAP. Administrative costs are earned based upon the allowable percentage of total allowable expenditures, excluding the allowance for Department/LIHEAP Training Travel or special equipment purchases. Subrecipient may use any or all of the funds allowed for administrative purposes under this Contract for the purchase and delivery of weatherization materials. These changes will require a contract action; therefore, Subrecipient must provide written notification to the Department at least sixty (60) days prior to the end of the Contract Term before these funds can be moved.
- E. To the maximum extent practicable, Subrecipient shall secure the services of volunteers to weatherize dwelling units under the direction of qualified supervisors.

## SECTION 9. RECORD KEEPING REQUIREMENTS

- A. Subrecipient shall comply with the record keeping requirements set forth at §440.24 of the WAP Regulations and §5.22 of the State Rules and with such additional record keeping requirements as specified by Department.
- B. For each dwelling unit weatherized with funds received from LIHEAP WAP under this Contract, Subrecipient shall maintain a file containing the following information, including the following Department forms found in the Community Affairs Division section of the Department's website at <http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm#forms>:
- (1) Signed and completed Application for Weatherization Services indicating the ages of the residents, presence in the household of children age five (5) or younger, Elderly Persons (60 years or older), as defined in the State Rules, and Persons with Disabilities as defined in the State Rules. Date of Application for Weatherization Services and associated documents must be within 12 months of the start date indicated on the Building Weatherization Report (BWR);
  - (2) Twelve month consumer billing history for utilities;
  - (3) Consumption disclosure release form (for access to consumption data for use in surveys and studies);
  - (4) Eligibility and Eligibility documentation:
    - a. For units where Subrecipient leverages with any Department of Energy weatherization funds the following Definition of Income must be adhered to:
      - I. INCOME: Income means Cash Receipts earned and/or received by the applicant before taxes during applicable tax year(s) but not the Income Exclusions listed below in Section C. Gross Income is to be used, not Net Income.
      - II. CASH RECEIPTS: Cash Receipts include the following:
        - i. money, wages and salaries before any deductions;
        - ii. net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses);

- iii. regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments;
  - iv. private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments;
  - v. dividend and/or interest;
  - vi. net rental income and net royalties;
  - vii. periodic receipts from estates or trusts;
  - viii. net gambling or lottery winnings; and
  - ix. any other required by Federal Laws.
- III. INCOME EXCLUSIONS: The following Cash Receipts are not considered sources of Income for the purposes of determining applicant eligibility:
- i. capital gains;
  - ii. any assets drawn down as withdrawals from a bank;
  - iii. money received from the sale of a property, house, or car;
  - iv. one-time payments from a welfare agency to a family or person who is in temporary financial difficulty;
  - v. tax refunds;
  - vi. gifts, loans, or lump-sum inheritances;
  - vii. college scholarships;
  - viii. one-time insurance payments, or compensation for injury;
  - ix. non-cash benefits, such as the employer-paid or union-paid portion of health insurance;
  - x. employee fringe benefits, food or housing received in lieu of wages;
  - xi. the value of food and fuel produced and consumed on farms;
  - xii. the imputed value of rent from owner-occupied non-farm or farm housing;
  - xiii. Depreciation for farm or business assets;
  - xiv. Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance;
  - xv. combat zone pay to the military;
  - xvi. Child Support;
  - xvii. Reverse mortgages;
  - xviii. Payments for care of Foster Children; and
  - xix. Any other required by Federal Laws.
- b. Documentation/verification of client income for the thirty (30) days preceding their application for all household members eighteen (18) years and older, or Declaration of Income Statement (DIS) (if applicable). In order to use the DIS form, each Subrecipient shall develop and implement a written policy and procedure on the user of the form, including policies requiring a client statement of efforts to obtain documentation of income with a notarized client signature; as outlined in §5.407(e) of the State Rules. Proof of income documentation requirements are the same for both single and multifamily housing. All proof of income must reflect earnings from within 12 months of the start date indicated on the Building Weatherization Report (BWR).
- c. No dwelling unit shall be weatherized without documentation that the dwelling unit is an eligible dwelling unit as defined in §440.22 of the WAP Regulations, except that pursuant to §5.2(b)(34) of the State Rules the dwelling unit shall be eligible for weatherization assistance if it is occupied by a family unit whose income is at or below 125 percent of the Poverty Income Guidelines;
- (5) BWR to include certification of final inspection and Justification for Omission of Priorities if applicable;
  - (6) invoices of materials purchased or inventory removal sheets;
  - (7) invoices of labor;
  - (8) If a rental unit, Landlord Agreement form, Landlord Financial Participation form and Landlord Permission to Perform Assessment & Inspections for Rental Units" form and all other landlord forms found in the Community Affairs Division section of the Department's website at <http://www.tdhca.state.tx.us/community-affairs/wap/docs/10-WAPLandlord.pdf> ;
  - (9) "Notice of Denial and Appeal Rights," if applicable;
  - (10) Signed and dated "Building Assessment" form, to include at a minimum, existing efficiencies of all heating and cooling appliances;
  - (11) "Attic Inspection" form (local design allowed);
  - (12) "Wall Inspection" form (local design allowed);

- (13) Documentation of pre weatherization carbon monoxide readings for all combustible appliances;
- (14) Documentation of post weatherization carbon monoxide readings for all combustible appliances;
- (15) "Blower Door Performance Standards and Data Sheet";
- (16) "Duct Blower Data Sheet" (if applicable);
- (17) Refrigerator metering information;
- (18) Signed client "Refrigerator Replacement Form" (if applicable);
- (19) Completed, signed and dated "LIHEAP Priority List" form (if applicable);
- (20) A complete copy of the approved State of Texas Energy Audit (if applicable);
- (21) A complete "Energy Audit Data Collection Form" (local design allowed);
- (22) A complete electronic copy of the approved State of Texas Energy Audit (if applicable);
- (23) Signed client receipt of the "Unified Weatherization Elements Notification Form" that includes Lead Hazard information, identification of Mold Like Substance, and State Historical Preservation information; and
- (24) Signed client receipt of "Mold-Like Substance Notification and Release Form for Texas Weatherization Programs"

- C. For each multi-family project weatherized with funds received from LIHEAP under this Contract, Subrecipient shall maintain a master file containing the following information:
  - (1) "Multifamily Project Building Data Checklist";
  - (2) "Multifamily Project Completion Checklist";
  - (3) "Landlord Permission to Perform an Assessment and Inspections for Rental Units";
  - (4) "Landlord Agreement" form;
  - (5) "Landlord Financial Participation Form"; and
  - (6) Significant Data Required in all Multifamily Projects
- D. Materials standards documentation for weatherization material purchased under this Contract must be maintained. These standards must meet the requirements according to Appendix A to Part 440 of the WAP Regulations.
- E. Subrecipient shall give the federal and state funding agencies, the Comptroller General of the United States, and Department access to and the right to reproduce all records pertaining to this Contract. All such records shall be maintained for at least three years after final payment has been made and all other pending matters are closed. Subrecipient shall include the requirements of this Subsection in all subcontracts.
- F. All LIHEAP WAP records maintained by Subrecipient, except records made confidential by law, shall be available for inspection by the public during Subrecipient's normal business hours to the extent required by the Texas Public Information Act (Chapter 552 of the Texas Government Code).
- G. All subrecipients must conduct a full household assessment addressing all possible allowable weatherization measures.

#### SECTION 10. REPORTING REQUIREMENTS

- A. Subrecipient shall electronically submit to Department no later than fifteen (15) days after the end of each month of the Contract Term a Performance Report listing demographic information on all units completed in the previous month and an Expenditure Report listing all expenditures of funds under this Contract during the previous month. **These reports are due even if Subrecipient has no new activity to report during the month. Both reports shall be submitted electronically.**
- B. Subrecipient shall electronically submit to Department no later than forty-five (45) days after the end of the Contract Term a final expenditure and programmatic report utilizing the Monthly Expenditure Report. The failure of Subrecipient to provide a full accounting of all funds expended under this Contract may result in ineligibility to receive additional funds or additional contracts. After forty-five (45) days, any expenditures not reported to the Department will result in funds being reallocated to LIHEAP purposes.
- C. Subrecipient shall submit to Department no later than forty-five (45) days after the end of the Contract Term an inventory of all vehicles, tools, and equipment with a unit acquisition cost of \$5,000.00 or more and a useful life of more than one year, if purchased in whole or in part with funds received under this or previous weatherization assistance program Contracts. The inventory shall reflect the tools and equipment on hand as of the last day of the Contract Term.
- D. Subrecipient shall update the Previously Weatherized Units database no later than fifteen (15) days after the end of each month of the contract for units weatherized under this Contract.
- E. Subrecipients are required to determine if households assisted under this Contract shall be reported as duplicated or unduplicated by accessing the LIHEAP Household Database located in the Community Affairs Contract System.

- F. Subrecipient shall submit other reports, data, and information on the performance of this Contract as may be required by DOE pursuant to §440.25 of the WAP Regulations, by U. S. Department of Health and Human Services (HHS), or by the Department.
- G. If Subrecipient fails to submit, in a timely and satisfactory manner, any report or response required by this Contract, including responses to monitoring reports, Department may withhold any and all payments otherwise due or requested by Subrecipient hereunder. Payments may be withheld until such time as the delinquent report or response is received by Department. If the delinquent report or response is not received within forty-five (45) days of its due date, Department may suspend or terminate this Contract. If Subrecipient receives LIHEAP WAP funds from the Department over two or more Contracts of subsequent terms, funds may be withheld or this Contract suspended or terminated by Subrecipient's failure to submit a past due report or response (including a report of audit) from a prior Contract Term.
- H. Subrecipient shall provide the Department with a Data Universal Numbering System (DUNS) number and a Central Contractor Registration (CCR) System number. The DUNS number must be provided in a document from Dun and Bradstreet and the current CCR number must be submitted from a document retrieved from the [www.sam.gov](http://www.sam.gov) website. These documents must be provided to the Department prior to the processing first payment to Subrecipient. Subrecipient shall maintain a current DUNS number and CCR number for the entire Contract Term.

#### **SECTION 11. CHANGES AND AMENDMENTS**

- A. Any change, addition or deletion to the terms of this Contract required by a change in federal or state law or regulation is automatically incorporated herein and is effective on the date designated by such law or regulation, so long as approved by the Department.
- B. Except as specifically provided otherwise in this Contract, any changes, additions, or deletions to the terms of this Contract shall be in writing and executed by both parties to this Contract. If any Party returns an executed copy by facsimile machine or electronic transmission, the signing party intends the copy of its authorized signature printed by the receiving machine or the electronic transmission, to be its original signature.
- C. Written requests for Contract amendment must be received by the Department by no later than forty-five (45) days prior to the end of the Contract Term.

#### **SECTION 12. PROGRAM INCOME**

Subrecipient shall account for and expend program income derived from activities financed in whole or in part with funds provided under this Contract in accordance with the Uniform Grant Management Standards, Common Rule, §\_25 and OMB Circular A-102, Attachment, 2e.

#### **SECTION 13. INDEPENDENT SUBRECIPIENT**

It is agreed that Department is contracting with Subrecipient as an independent contractor. Subrecipient agrees to indemnify Department against any disallowed costs or other claims, which may be asserted by any third party in connection with the services to be performed by Subrecipient under this Contract.

#### **SECTION 14. PROCUREMENT STANDARDS**

- A. Subrecipient shall comply with OMB Circular A-102 and 10 T.A.C. § 5.10. If leveraging DOE funds, Subrecipient shall also comply with 10 C.F.R. § 600.236(b-i).
- B. Subrecipient may not use funds provided under this Contract to purchase personal property, equipment, goods, or services with a unit acquisition cost (the net invoice unit price of an item of equipment) of more than \$5,000 unless Subrecipient has received the prior written approval of Department for such purchase.
- C. Upon the termination or non-renewal of this Contract, Department may transfer title to any such property or equipment having a useful life of one year or more or a unit acquisition cost (the net invoice unit price of an item of equipment) of \$5,000 or more to itself or to any other entity receiving Department funding.

## SECTION 15. SUBCONTRACTS

- A. Subrecipient may not subcontract the primary performance of this Contract, including but not limited to expenditure and performance reporting and drawing funds through the Community Affairs Contract System. Subrecipient may subcontract for the delivery of client assistance without obtaining Department's prior approval. Any subcontract for the delivery of client assistance will be subject to monitoring by the Department as per Section 20. Subrecipient shall inspect all subcontractors' work and shall be responsible for ensuring that it is completed in a good and workmanlike manner. Subrecipient shall make no payment to subcontractor until all work is complete and has passed a final inspection.
- B. In no event shall any provision of this Section 15, specifically the requirement that Subrecipient obtain Department's prior written approval of a subcontractor, be construed as relieving Subrecipient of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the terms of this Contract, as if such performances rendered were rendered by Subrecipient. Department's approval under this section does not constitute adoption, ratification, or acceptance of Subrecipient's or subcontractor's performance hereunder. Department maintains the right to monitor and require Subrecipient's full compliance with the terms of this Contract. Department's approval under this Section does not waive any right of action which may exist or which may subsequently accrue to Department under this Contract.
- C. Every initial assessment, every approved State of Texas Energy Audit, and every final inspection is the sole responsibility of the Subrecipient. Subrecipients may request in writing that the Department permit the Subrecipient to subcontract the performance of assessments, audits and final inspections. The Department will review each request separately to determine whether the request will be granted.

## SECTION 16. AUDIT

- A. Subrecipient shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this Contract, subject to the following conditions and limitations:
  - (1) Subrecipients expending \$500,000 or more in federal financial assistance for any fiscal year ending on or after December 31, 2003, shall have an audit made in accordance with Single Audit Act Amendments of 1996, 31 U.S.C. 7501 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations" issued June 30, 1997. For purposes of this Section 16, "federal financial assistance" means assistance provided by a federal agency in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance or direct appropriations, but does not include direct federal cash assistance to individuals. The term includes awards of federal financial assistance received directly from federal agencies, or indirectly through other units of state and local government.
  - (2) Subrecipient shall utilize funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by Department under this Contract, provided however that Department shall not make payment for the cost of such audit services until Department has received a satisfactory audit report, as determined by Department, from Subrecipient.
  - (3) Subrecipient shall submit two (2) copies of such audit report and any associated management letter to the Department's Compliance and Asset Oversight Division within the earlier of thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period. Subrecipient shall make audit report available for public inspection within thirty (30) days after receipt of the audit report(s). Audits performed under this Section 16 are subject to review and resolution by Department or its authorized representative. Subrecipient shall submit such audit report to the Federal clearinghouse designated by OMB in accordance with OMB A-133.
  - (4) The audit report must include verification of all expenditures by budget category, in accordance with the final "Monthly Expenditure Report" submitted to close out each year during the Contract Term.
- B. The cost of auditing services for a Subrecipient expending less than \$500,000 in total Federal awards per fiscal year is not an allowable charge under Federal awards.
- C. Subsection A of this Section 16 notwithstanding, Department reserves the right to conduct an annual financial and compliance audit of funds received and performances rendered under this Contract. Subrecipient agrees to permit Department or its authorized representative to audit Subrecipient's records and to obtain any documents, materials, or information necessary to facilitate such audit.



- D. Subrecipient understands and agrees that it shall be liable to Department for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Contract. Subrecipient further understands and agrees that reimbursement to Department of such disallowed costs shall be paid by Subrecipient from funds which were not provided or otherwise made available to Subrecipient under this Contract.
- E. Subsection A of this section notwithstanding, Subrecipients expending less than \$500,000 in Federal financial assistance may arrange for the performance of an annual financial statement audit. Such audit should include verification as required in Subsection 16(A)(4) of this Section.
- F. Subrecipient shall take such action to facilitate the performance of such audit or audits conducted pursuant to this section as Department may require of Subrecipient.
- G. Subrecipient shall procure audit services through an open, competitive process at least once every five years. The auditor shall retain working papers and reports for a minimum of three years after the date of issuance of the auditor's report to the auditee. Audit working papers shall be made available upon request to Department at the completion of the audit, as a part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right to obtain copies of working papers, as is reasonable and necessary.
- H. For any fiscal year ending within or immediately after the Contract Term, Subrecipient must submit an "Audit Certification Form (available from the Department) within sixty (60) days after the Subrecipient's fiscal year end.

#### **SECTION 17. MANAGEMENT OF EQUIPMENT AND INVENTORY**

- A. Subrecipient acknowledges that any vehicles, tools, and equipment with a unit acquisition cost of \$5,000 or more and a useful life of more than one year, if purchased in whole or in part with funds received under this or previous weatherization assistance program Contracts, are not assets of either the Subrecipient or the Department but are held in trust for the Weatherization Assistance Program and as such are assets of the Weatherization Assistance Program. Any equipment, tools, or vehicles having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit must receive prior approval from the Department before the purchase is made.
- B. Subrecipient shall develop and implement a property management system, which conforms to the uniform administrative requirements referenced in Section 6. Subrecipient shall not use, transfer, or dispose of any property acquired in whole or in part with funds provided under this or a previous weatherization assistance program Contract except in accordance with its own property management system.
- C. Upon termination or non-renewal of this Contract, the Department may transfer the title of equipment to a third party named by the Department. Such a transfer shall be subject to the following standards:
  - (1) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.
  - (2) The Department will issue disposition instructions after receipt of final inventory.
- D. Subrecipient shall establish adequate safeguards to prevent loss, damage, or theft of property acquired hereunder and shall promptly report to Department any loss, damage, or theft of property with an acquisition cost of five thousand and no/100 dollars (\$5,000) or more.
- E. In addition to the inventory of tools and equipment required under Section 10, Subrecipient shall take a physical inventory of all WAP materials and shall reconcile the results with its property records at least once every year. Any differences between quantities determined by the inventory and those shown in the property records shall be investigated by Subrecipient to determine the cause of the difference.

#### **SECTION 18. BONDING AND INSURANCE REQUIREMENTS**

- A. If Subrecipient will enter in to a contract for weatherization activities with a third-party in the amount of \$25,000 or greater, Subrecipient must execute with the contractor a payment bond in the full amount of the contract. If the Subrecipient enters into a contract with a prime contractor in excess of \$100,000, a performance bond in the full amount of the contract is also required. These bonds must be executed by a corporate surety authorized to do business in Texas, a list of which may be obtained from the State Insurance Department. Such assurances of completion will run to the Department as obligee and must be documented prior to the start of weatherization activities.

- B. Subrecipient shall maintain adequate personal injury and property damage liability insurance. Subrecipient is encouraged to obtain pollution occurrence insurance in addition to the general liability insurance. Generally, regular liability insurance policies do not provide coverage for potential effects of many health and safety measures, such as lead disturbances and other pollution occurrence items. Subrecipient should review existing policies to determine if lead contamination is covered. If it is not, Subrecipients should consider securing adequate coverage for all construction projects.
- C. Subrecipient should consider securing adequate coverage for all units to be weatherized. The Department strongly recommends the Subrecipient require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each Subrecipient should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.
- D. Subrecipients must also require all independent subcontractors to have general liability insurance. Subrecipients' insurance must cover the pollution occurrence insurance coverage for their independent subcontractors or the independent subcontractors must obtain the coverage.

#### **SECTION 19. LITIGATION AND CLAIMS**

Subrecipient shall give Department immediate written notice of any claim or action filed with a court or administrative agency against Subrecipient and arising out of the performance of this Contract or any subcontract hereunder. Subrecipient shall furnish to Department copies of all pertinent papers received by Subrecipient with respect to such action or claim.

#### **SECTION 20. TECHNICAL ASSISTANCE AND MONITORING**

- A. Department may issue technical guidance to explain the rules and provide directions on the terms of this Contract. Installation of weatherization materials shall be in accordance with the Material Installation Standards Manual.
- B. Department or its designee may conduct on and off-site monitoring and evaluation of Subrecipient's compliance with the terms of this Contract. Department's monitoring may include a review of the efficiency, economy, and efficacy of Subrecipient's performance. Department will notify Subrecipient in writing of any deficiencies noted during such monitoring. Department may provide training and technical assistance to Subrecipient in correcting the deficiencies noted. Department may require corrective action to remedy deficiencies noted in Subrecipient's accounting, personnel, procurement, and management procedures and systems in order to comply with State or Federal requirements. Department may conduct follow-up visits to review the previously noted deficiencies and to assess the Subrecipient's efforts made to correct them. Repeated deficiencies may result in disallowed costs. Department may terminate or suspend this Contract or invoke other remedies Department determines to be appropriate in the event monitoring reveals material deficiencies in Subrecipient's performance, or Subrecipient fails to correct any deficiency within a reasonable period of time, as determined by the Department. Department or its designee may conduct an ongoing program evaluation throughout the Contract Term.

#### **SECTION 21. LEGAL AUTHORITY**

- A. Subrecipient assures and guarantees that it possesses the legal authority to enter into this Contract, to receive and manage the funds authorized by this Contract, and to perform the services Subrecipient has obligated itself to perform hereunder. The execution, delivery, and performance of this Contract will not violate Subrecipient's constitutive documents or any requirement to which Subrecipient is subject and represents the legal, valid, and binding agreement of Subrecipient, enforceable in accordance with its terms.
- B. The person signing this Contract on behalf of Subrecipient hereby warrants that he/she has been authorized by Subrecipient to execute this Contract on behalf of Subrecipient and to validly and legally bind Subrecipient to all terms, provisions and performances herein set forth.
- C. Department shall have the right to suspend or terminate this Contract if there is a dispute as to the legal authority of either Subrecipient or the person signing this Contract on behalf of Subrecipient, to enter into this Contract or to render performances hereunder. Subrecipient is liable to Department for any money it has received from Department for performance of the provisions of this Contract, if the Department has terminated this Contract for reasons enumerated in this Section 21.

## **SECTION 22. COMPLIANCE WITH LAWS**

- A. FEDERAL, STATE AND LOCAL LAW. Subrecipient shall comply with the LIHEAP Act, the WAP Act, the WAP Regulations, the LIHEAP Regulations, any applicable Office of Management and Budget (OMB) Circulars, the Texas DOE WAP State Plan, LIHEAP State Plan, the State Rules, and all federal, state, and local laws and regulations applicable to the performance of this Contract.
- B. DRUG-FREE WORKPLACE ACT OF 1988. The Subrecipient affirms by signing this Contract that it is implementing the Drug-Free Workplace Act of 1988.
- C. PRO-CHILDREN ACT OF 1994. Subrecipient shall follow the requirements of the Pro-Children Act of 1994, (20 U.S.C. Sec. 6081 et seq.) which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted 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 Federal programs either directly or through States or local governments by Federal grant, contract, loan or loan guarantee.
- D. LIMITED ENGLISH PROFICIENCY (LEP). Subrecipients must provide program applications, forms, and educational materials in English, Spanish, and any appropriate language, based on the needs of the service area and in compliance with the requirements in Executive Order 13166 of August 11, 2000. To ensure compliance, the Subrecipient must take reasonable steps to insure that persons with Limited English Proficiency have meaningful access to the program. Meaningful access may entail provide language assistance services, including oral and written translation, where necessary.

## **SECTION 23. PREVENTION OF FRAUD AND ABUSE**

- A. Subrecipient shall establish, maintain, and utilize internal control systems and procedures sufficient to prevent, detect, and correct incidents of waste, fraud, and abuse in the WAP and to provide for the proper and effective management of all program and fiscal activities funded by this Contract. Subrecipient's internal control systems and all transactions and other significant events must be clearly documented and the documentation made readily available for review by Department.
- B. Subrecipient shall give Department complete access to all of its records, employees, and agents for the purpose of monitoring or investigating the WAP. Subrecipient shall fully cooperate with Department's efforts to detect, investigate, and prevent waste, fraud, and abuse. Subrecipient shall immediately notify the Department of any identified instances of waste, fraud, or abuse.
- C. Subrecipient may not discriminate against any employee or other person who reports a violation of the terms of this Contract or of any law or regulation to Department or to any appropriate law enforcement authority, if the report is made in good faith.

## **SECTION 24. CERTIFICATION REGARDING UNDOCUMENTED WORKERS**

Pursuant to Chapter 2264 of the Texas Government Code, by execution of this Contract, Subrecipient hereby certifies that Subrecipient/Local Operator, or a branch, division, or department of Subrecipient does not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States. If, after receiving a public subsidy, Subrecipient, or a branch, division, or department of Subrecipient is convicted of a violation under 8 U.S.C. Section 1324a(f), Subrecipient shall repay the public subsidy with interest, at a rate of five percent (5%) per annum, not later than the 120th day after the date the Department notifies Subrecipient of the violation.

## **SECTION 25. CONFLICT OF INTEREST/NEPOTISM**

- A. Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.
- B. No employee, officer, or agent of Subrecipient shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

- C. The officers, employees, and agents of the Subrecipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. Subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Subrecipient.
- D. Subrecipients who are local governmental entities shall, in addition to the requirements of this Section, follow the requirements of Chapter 171 of the Local Government Code regarding conflicts of interest of officers of municipalities, counties, and certain other local governments.
- E. Failure to maintain written standards of conduct and to follow and enforce the written standards is a condition of default under this Contract and may result in termination of the Contract or deobligation of funds.

**SECTION 26. POLITICAL ACTIVITY AND LOBBYING PROHIBITED**

- A. Funds provided under this Contract shall not be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of Subrecipient from furnishing to any member of its governing body upon request, or to any other local or state official or employee or to any citizen information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.
- B. Funds provided under this Contract may be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of Subrecipient, the State of Texas, or the government of the United States.

**SECTION 27. NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

- A. A person shall not be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this Contract, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief.
- B. Subrecipient agrees to carry out an Equal Employment Opportunity Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965.
- C. Subrecipient will include the substance of Section 27 in all subcontracts.

**SECTION 28. CERTIFICATION REGARDING CERTAIN DISASTER RELIEF CONTRACTS**

The Department may not award a Contract that includes proposed financial participation by a person who, during the five year period preceding the date of this Contract, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or 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.

By execution of this Contract, the Subrecipient/Local Operator hereby certifies that it is eligible to participate in this Program and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

**SECTION 29. TRAINING AND TECHNICAL ASSISTANCE FUNDS**

- A. Training and technical assistance funds shall be used for State sponsored, LIHEAP sponsored, and other relevant workshops and conferences provided the agenda includes topics directly related to administering WAP in accordance with §5.532 of the LIHEAP State Rules. For Training & Technical Assistance other than State or LIHEAP sponsored, Subrecipient must receive prior written approval from the Department.
- B. Travel funds are to be used only for Department-approved training events. Subrecipient shall adhere to OMB Circular A-87 {2 CFR 225} and either its board-approved travel policy, or in the absence of such a policy, the State of Texas travel policies.

### **SECTION 30. MAINTENANCE OF EFFORT**

Funds provided to Subrecipient under this Contract may not be substituted for funds or resources from any other source, nor may they in any way serve to reduce the funds or resources, which would have been available to or provided through Subrecipient, had this Contract never been executed.

### **SECTION 31. DEBARRED AND SUSPENDED PARTIES**

By signing this Contract, Subrecipient certifies that neither it nor its current principle parties are included in the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA). Subrecipient also certifies that it will not award any funds provided by this Contract to any party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. Subrecipient agrees that prior to entering into any agreement with a potential subcontractor that the verification process to comply with this requirement will be accomplished by checking the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) and including a copy of the results in its project files.

### **SECTION 32. NO WAIVER**

No right or remedy given to Department by this Contract shall preclude the existence of any other right or remedy, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other right or remedy. The failure of Department to exercise any right or remedy on any occasion shall not constitute a waiver of Department's right to exercise that or any other right or remedy at a later time.

### **SECTION 33. ORAL AND WRITTEN AGREEMENTS**

- A. All oral and written agreements between the parties relating to the subject matter of this Contract have been reduced to writing and are contained in this Contract.
- B. The attachments enumerated and denominated below are a part of this Contract and constitute promised performances under this Contract:
  - (1) Exhibit A, Budget and Performance Statement
  - (2) Exhibit B, Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements
  - (3) Exhibit C, PRWORA Requirements
  - (4) Exhibit D, Documentation of Disability
  - (5) Exhibit E, LIHEAP Priority List

### **SECTION 34. SEVERABILITY**

If any portion of this Contract is held to be invalid by a court of competent jurisdiction, the remainder of it shall remain valid and binding.

### **SECTION 35. HISTORICAL PRESERVATION**

Prior to the expenditure of Federal funds to alter any structure or site, the Subrecipient is required to comply with the requirements of Section 106 of the National Historic Preservation Act (16 U.S.C. 470 )(NHPA). The Department has provided guidance through the best practice document posted on the Department's website at <http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-BP-HistoricPresFlowchart.pdf>

### **SECTION 36. USE OF ALCOHOLIC BEVERAGES**

Funds provided under this Contract may not be used for the payment of salaries to any Subrecipient's employees who use alcoholic beverages while on active duty, for travel expenses expended for alcoholic beverages, or for the purchase of alcoholic beverages.

### **SECTION 37. APPEALS PROCESS**

In compliance with the WAP Act, Subrecipient must provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied, terminated or not acted upon in a timely manner, according to §5.505 of the WAP State Rules.

**SECTION 38. SPECIAL CONDITIONS**

Subrecipient shall accept applications for WAP benefits at sites that are geographically accessible to all households in the service area. Subrecipient shall provide elderly and disabled individuals the means to submit applications for WAP benefits without leaving their residence or by securing transportation for them to the sites that accept such applications.

**SECTION 39. FORCE MAJURE**

If the obligations are delayed by the following, an equitable adjustment will be made for delay or failure to perform hereunder:

- A. Any of the following events: (i) catastrophic weather conditions or other extraordinary elements of nature or acts of God; (ii) acts of war (declared or undeclared), (iii) acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; and (iv) quarantines, embargoes and other similar unusual actions of federal, provincial, local or foreign Governmental Authorities; and
- B. The non-performing party is without fault in causing or failing to prevent the occurrence of such event, and such occurrence could not have been circumvented by reasonable precautions and could not have been prevented or circumvented through the use of commercially reasonable alternative sources, workaround plans or other means.

**SECTION 40. TIME IS OF THE ESSENCE**

Time is of the essence with respect to Subrecipient's compliance with all covenants, agreements, terms and conditions of this Contract.

**SECTION 41. COUNTERPARTS AND FACSIMILIE SIGNATURES**

This Contract may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signed signature pages may be transmitted by facsimile or other electronic transmission, and any such signature shall have the same legal effect as an original.

**SECTION 42. NUMBER, GENDER**

Unless the context requires otherwise, the words of the masculine gender shall include the feminine, and singular words shall include the plural.

**SECTION 43. NOTICE**

- A. If notice is provided concerning this Contract, notice may be given at the following (herein referred to as "Notice Address"):

**As to Department:**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 P. O. Box 13941  
 Austin, Texas 78711-3941  
 Attention: Michael De Young  
 Telephone: (512) 475-2125  
 Fax: (512) 475-3935  
 michael.deyoung@tdhca.state.tx.us

**As to Subrecipient:**



- B. All notices or other communications hereunder shall be deemed given when delivered, mailed by overnight service, or five days after mailing by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address as defined in the above Subsection A of this Section 43.

**SECTION 44. VENUE AND JURISDICTION**

This Contract is delivered and intended to be performed in the State of Texas. For purposes of litigation pursuant to this Contract, venue shall lie in Travis County, Texas.

EXECUTED to be effective on: **4/1/2013**



**a political subdivision of the State of Texas**

By:

Title:

Date:

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS,  
a public and official agency of the State of Texas**

By:

Title: Its duly authorized officer or representative

Date:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 CONTRACT NUMBER [REDACTED] FOR THE FY 2013  
 LIHEAP WEATHERIZATION ASSISTANCE PROGRAM (CFDA# 93.568)

EXHIBIT A

BUDGET AND PERFORMANCE STATEMENT

[REDACTED]  
 a political subdivision of the State of Texas

**DEPARTMENT FINANCIAL OBLIGATIONS**

[REDACTED] LIHEAP FUNDS CURRENTLY AVAILABLE  
 [REDACTED] TRAINING & TECHNICAL ASSISTANCE FUNDS CURRENTLY AVAILABLE  
 [REDACTED] TOTAL ANTICIPATED LIHEAP FUNDS  
 [REDACTED] TOTAL ANTICIPATED TRAINING & TECHNICAL ASSISTANCE FUNDS

Additional funds may be obligated via Amendment(s). Funds may only be obligated and expended during the current Contract Term. Unexpended fund balances will be recaptured.

**BUDGET FOR AVAILABLE ALLOCATIONS** 1

CATEGORIES	FUNDS
<sup>2</sup> Administration	\$ [REDACTED]
<sup>3</sup> Materials / Program Support / Labor	\$ [REDACTED]
<sup>4</sup> Health and Safety	\$ [REDACTED]
SUB-TOTAL	\$ [REDACTED]
<sup>5</sup> Training and Technical Assistance	\$ [REDACTED]
<b>TOTAL</b>	<b>\$ [REDACTED]</b>

**FOOTNOTES TO BUDGET FOR AVAILABLE ALLOCATIONS:**

- <sup>1</sup> Denotes that the Subrecipient must request in writing any adjustment needed to a budget category before the Department will make any adjustments to the budget categories. The only categories that can be reduced are the Administration, Training and Technical Assistance and/or the Health and Safety categories. Subrecipient is limited to two (2) requested budget revisions during the current Contract Term. Only those written request(s) from the Subrecipient received at least forty-five (45) days before the termination of the Contract Term will be reviewed. Department may decline to review written requests received during the final 45 days of the Contract Term.
- <sup>2</sup> Denotes maximum for administration based on 6.00% of total allowable expenditures.
- <sup>3</sup> Expenses incurred under Roof Repair will come out of your Materials / Program Support / Labor budget.
- <sup>4</sup> Denotes the maximum allowed for Health and Safety expenditures.
- <sup>5</sup> Department approved training / travel only.



**PERFORMANCE**

Subrecipient's service area consists of the following Texas counties:



Subrecipient shall provide weatherization program services sufficient to expend the Contract funds during the Contract Term. WAP costs per unit (materials, labor, and program support), excluding health and safety expenses, shall not exceed \$5,000.00 per unit without prior written approval from the Department. The cumulative total cost per unit (materials, labor, and program support), shall not exceed the maximum allowable by end of the Contract Term.

EXHIBIT B

**CERTIFICATION REGARDING LOBBYING FOR  
CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

[REDACTED]  
a political subdivision of the State of Texas

The undersigned certifies, to the best of its 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, 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 sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is material representation of fact on 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.C. 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.

[REDACTED]  
a political subdivision of the State of Texas

By:  
Title:  
Date:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CONTRACT NO. [REDACTED] FOR THE FY 2013  
LIHEAP WEATHERIZATION ASSISTANCE PROGRAM (CFDA# 93.568)

EXHIBIT C

PRWORA REQUIREMENTS

[REDACTED]  
a political subdivision of the State of Texas

If an individual is applying for LIHEAP funds, a Subrecipient must verify that the individual applying for LIHEAP funds is a qualified recipient for funding under the Personal Responsibility and Work Opportunity Act of 1996, ("PRWORA"), Pub. L. 104-193, 110 Stat. 2105, codified at 8 U.S.C. § 1601 et. seq., as amended by the Omnibus Appropriations Act, 1997, Pub. L. 104-208.

To ensure that a non-qualified applicant does not receive "federal public benefits," a unit of general purpose government that administers "federal public benefit programs" is required to determine, and to verify, the individual's alienage status before granting eligibility. 8 U.S.C. § 1642 (a) and (b). Subrecipient must use the SAVE verification system to verify and document qualified alien eligibility.

An exception to the requirement of verification of alienage status applies when the applicant's eligibility is determined by a non-profit charitable organization. To be eligible for this exemption, an organization must be both "nonprofit" and "charitable." An organization is "nonprofit" if it is organized and operated for purposes other than making gains or profits for the organization, its member or its shareholders, and is precluded from distributing any gains or profits to its members or shareholders. An organization is "charitable" if it is organized and operated for charitable purposes. The term "charitable" should be interpreted in its generally accepted legal sense as developed by judicial decisions. It includes organizations dedicated to relief of the poor and distressed or the underprivileged, as well as religiously-affiliated organizations and educational organizations. Federal Register on November 17, 1997 at 62 Fed. Reg. 61344.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CONTRACT NO. [REDACTED] FOR THE FY 2013  
LIHEAP WEATHERIZATION ASSISTANCE PROGRAM (CFDA# 93.568)

EXHIBIT D

DOCUMENTATION OF DISABILITY

[REDACTED]  
a political subdivision of the State of Texas

1. All LIHEAP WAP repairs, purchases and/or replacements of heating/cooling units are allowable only for eligible units for which a priority list has been completed and health and safety issues documented. No other reason for repair, purchase and/or replacements, including medical reasons, shall be accepted. Under NO CIRCUMSTANCES should clients' medical information be collected or kept by Subrecipients.
2. Acceptable forms of Documentation of Disability include: Social Security or Supplemental Security Income Statement, and acceptable proof of disability shall be kept in the client's file to validate eligibility. In no instance should a medical professional's documentation of disability be considered acceptable proof of a disability.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CONTRACT NO [REDACTED] FOR THE FY 2013  
LIHEAP WEATHERIZATION ASSISTANCE PROGRAM (CFDA# 93.568)

EXHIBIT E

LIHEAP PRIORITY LIST

[REDACTED]  
a political subdivision of the State of Texas

1. Health & Safety Items

- Refer to H&S guidance located on the Department website at the following link:  
<http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm#healthsafety>

2. Infiltration Measures, Maximum Cost

- \$750, maximum cost
- Must follow Material Installation Standards Manual located on the Department's website at the following link:  
<http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-MISM.pdf>
- Home must have final blower door reading above Building Tightness Limit
- When solely utilizing the LIHEAP Priority List, minimum CFM reduction is not
- All cost (labor and materials) must be detailed on the Building Weatherization Report (BWR)
- No window or door replacements allowed
- Complete Blower Door Data Sheet as instructed

3. Duct Sealing

- \$750, maximum cost
- All return ducts to be sealed regardless of location
- All supply ducts to be sealed when in un-conditioned space

4. Attic Insulation

- Follow current code
- Block all heat sources & attic hatches
- If no insulation is added but ventilation needed, install ventilation under H&S

5. Compact Florescent Lighting (CFLs)

- Install maximum of 10 CFLs per house

6. Sidewall Insulation

- Dense pack all exterior wall cavities including above and below all windows and doors if no insulation exists

7. Smart Thermostat

- Install only after consultation/training with client

8. Refrigerator Replacement

- Meter for minimum of 30 minutes
- Pre-1993 units can be replaced without metering, as long as manufactured year is documented
- Replaced units must be de-manufactured properly, materials must be recycled and refrigerant properly disposed of to E.P.A. regulations

9. Solar Screens/Window Film

- Install in the following order:
  - West, South, East, then North side of house
- If overhang/eaves are 18" in depth or greater, or if the windows are covered by porches, garages, or any other permanent shading structure, then solar screens/window film cannot be installed on that window

10. Floor Insulation

- Follow current code
- Follow OSHA accessibility standards

11. Miscellaneous Repairs

- Maximum expenditure allowed is \$500
- Must be related to weatherization measure
- No window or door replacements allowed
- Materials include: lumber, shingles, flashing, siding, drywall, masonry supplies, minor window and door repair, gutters, downspouts, paint, stains, and sealants
- Regarding mobile homes, could include mobile home skirting and overhangs to protect mobile home doors
- Could also include carpentry work to protect water heaters located outside to protect DWH from weather elements
- Could include roof, wall, and floor repair; excluding leveling
- Repair of "essential wiring"
  - Essential wiring defined as any wiring going directly to an appliance that is being addressed by the WX program

12. HVAC/Evaporative Cooler System Service

- Complete replacement of furnace/AC/HVAC as energy efficiency measure is a possibility
  - i. Must meet current Energy Star rating
  - ii. Must document accurate Manual J and Manual S in client file
- Clean and tune
- Clean Evaporative and Condensing coils
- Check/adjust gas pressure
- Clean blower wheel (squirrel cage)
- Check all controls, set heat anticipator if applicable
- Change and leave up to twelve new air filters
- No replacement of window air-conditioners if a central system is repaired
- Replacement of window air-conditioners:
  - Maximum of three (3) window units can be replaced
  - Must be Energy Star Rated and sized according to manufacturer's room sizing specifications

TERMINATIONS OF LICENSES ISSUED:

Location	Name	License #	City	Amendment #	Date of Action
Baytown	Jacinto Medical Corporation dba Jacinto MRI and Diagnostic Center	L04808	Baytown	18	04/22/13
Bonham	Attentus Bonham, L.P. dba Red River Regional Hospital	L03331	Bonham	42	04/26/13
Bridgeport	West 380 Family Care Facility dba North Texas Community Hospital	L06456	Bridgepoint	02	04/22/13
Lubbock	Bayer Crop Science	L05811	Lubbock	06	04/16/13
Wharton	Signature Gulf Coast Hospital, L.P. dba Gulf Coast Medical Center	L01388	Wharton	46	04/16/13

In issuing new licenses, amending and renewing existing licenses, or approving license exemptions, the Department of State Health Services (department), Radiation Safety Licensing Branch, has determined that the applicant has complied with the applicable provisions of 25 Texas Administrative Code (TAC) Chapter 289 regarding radiation control. In granting termination of licenses, the department has determined that the licensee has complied with the applicable decommissioning requirements of 25 TAC Chapter 289. In denying the application for a license, license renewal or license amendment, the department has determined that the applicant has not met the applicable requirements of 25 TAC Chapter 289.

This notice affords the opportunity for a hearing on written request of a person affected within 30 days of the date of publication of this notice. A person affected is defined as a person who demonstrates that the person has suffered or will suffer actual injury or economic damage and, if the person is not a local government, is (a) a resident of a county, or a county adjacent to the county, in which radioactive material is or will be located, or (b) doing business or has a legal interest in land in the county or adjacent county. A person affected may request a hearing by writing Richard A. Ratliff, Radiation Program Officer, Department of State Health Services, Radiation Material Licensing - Mail Code 2835, P.O. Box 149347, Austin, Texas 78714-9347. For information call (512) 834-6688.

TRD-201301979  
 Lisa Hernandez  
 General Counsel  
 Department of State Health Services  
 Filed: May 15, 2013



**Texas Department of Housing and Community Affairs**

**Notice of Public Hearing on the Amended FFY 2013 Low-Income Home Energy Assistance Program (LIHEAP) State Plan and the FFY 2014 LIHEAP State Plan**

For the 2013 Federal Fiscal Year (FFY), the Texas Department of Housing and Community Affairs (the "Department") submitted the Texas FFY 2013 Low-Income Home Energy Assistance Program (LIHEAP) Plan to the U.S. Department of Health and Human Services, on August 30, 2012. During FFY 2013, the Department has determined that the Texas FFY 2013 LIHEAP Plan requires amendments to income eligibility and leveraging activities. The Department solicits public input on the Amended FFY 2013 LIHEAP State Plan.

For the 2014 FFY, the Department anticipates receiving federal funds to continue the operation of programs that assist very low-income Texans with home energy. In the process of deciding how LIHEAP funds, the Department solicits public input on the details of the FFY 2014 LIHEAP State Plan.

As part of the public information, consultation, and public hearing requirements for LIHEAP, the Community Affairs Division of the Department has posted the amended and proposed plans on the Department's

website and will conduct a public hearing. LIHEAP provides funding for the Comprehensive Energy Assistance Program (CEAP) and the Weatherization Assistance Program (WAP).

The public hearing has been scheduled as follows:

**Wednesday, June 12, 2013, 1:00 p.m.**

**Texas Department of Housing and Community Affairs  
 221 East 11th Street, Room 116  
 Austin, Texas 78701**

A representative from the Department will receive comments from stakeholders and the general public regarding the amended and proposed plans for LIHEAP. A copy of the Amended FFY 2013 LIHEAP Plan and the Draft FFY 2014 LIHEAP Plan may be obtained after May 9, 2013, through TDHCA's website, <http://www.tdhca.state.tx.us/community-affairs/ceap/index.htm> or by contacting the Texas Department of Housing and Community Affairs, Community Affairs Division, P.O. Box 13941, Austin, Texas 78711-3941 or by phone at (512) 475-1435.

The public comment period will be open from May 16, 2013, to June 14, 2013. Anyone may submit comments on the amended and draft plans in written form or oral testimony at the public hearing. The Department must receive written comments no later than 5:00 p.m., Friday, June 14, 2013. Comments concerning the amended and draft plans may be submitted via email to [cate.taylor@tdhca.state.tx.us](mailto:cate.taylor@tdhca.state.tx.us) or by fax (512) 475-3935 or by mail to the Texas Department of Housing and Community Affairs, Community Affairs Division, Attention: Cate Taylor, at TDHCA, P.O. Box 13941, Austin, Texas 78711-3941. Any questions regarding the public hearing process or any of the programs referenced above may be directed to TDHCA, Community Affairs Division.

Individuals who require auxiliary aids or services for this meeting should contact Ms. Gina Esteves, ADA responsible employee, at (512) 475-3943 or Relay Texas at 1-800-735-2989 at least three (3) days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for this meeting should contact Jorge Reyes by phone at (512) 475-4577 or by email at [jorge.reyes@tdhca.state.tx.us](mailto:jorge.reyes@tdhca.state.tx.us) at least three (3) 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 o enviarle un correo electrónico a [jorge.reyes@tdhca.state.tx.us](mailto:jorge.reyes@tdhca.state.tx.us) por lo menos tres días antes de la junta para hacer los preparativos apropiados.

TRD-201301967  
Timothy K. Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
Filed: May 15, 2013

◆ ◆ ◆  
**Texas Department of Insurance**

**Company Licensing**

Application to change the name of EMPLOYEES LIFE COMPANY (MUTUAL) to ELCO MUTUAL LIFE AND ANNUITY, a foreign life, accident and/or health company. The home office is in Lake Bluff, Illinois.

Application to do business in the State of Texas by EVERENCE ASSOCIATION, INC., a foreign life, accident and/or health company. The home office is in Goshen, Indiana.

Application to change the name of HSBC INSURANCE COMPANY OF DELAWARE to PAVONIA INSURANCE COMPANY OF DELAWARE, a fire and/or casualty company. The home office is in Newcastle, Delaware.

Application to change the name of HOUSEHOLD LIFE INSURANCE COMPANY to PAVONIA LIFE INSURANCE COMPANY OF MICHIGAN, a life, accident and/or health company. The home office is in Detroit, Michigan.

Any objections must be filed with the Texas Department of Insurance, within twenty (20) calendar days from the date of the *Texas Register* publication, addressed to the attention of Godwin Ohaechesi, 333 Guadalupe Street, MC 305-2C, Austin, Texas 78701.

TRD-201301853  
Sara Waitt  
General Counsel  
Texas Department of Insurance  
Filed: May 9, 2013

◆ ◆ ◆  
**Company Licensing**

Application to do business in the State of Texas by GLOBAL LIBERTY INSURANCE COMPANY OF NEW YORK, a foreign fire and/or casualty company. The home office is in Melville, New York.

Any objections must be filed with the Texas Department of Insurance, within twenty (20) calendar days from the date of the *Texas Register* publication, addressed to the attention of Godwin Ohaechesi, 333 Guadalupe Street, MC 305-2C, Austin, Texas 78701.

TRD-201301971  
Sara Waitt  
General Counsel  
Texas Department of Insurance  
Filed: May 15, 2013

◆ ◆ ◆  
**Company Licensing**

Application to do business in the State of Texas by CRESTBROOK INSURANCE COMPANY, a foreign fire and casualty company. The home office is in Columbus, Ohio.

Any objections must be filed with the Texas Department of Insurance, within twenty (20) calendar days from the date of the *Texas Register* publication, addressed to the attention of Godwin Ohaechesi, 333 Guadalupe Street, MC 305-2C, Austin, Texas 78701.

TRD-201301972  
Sara Waitt  
General Counsel  
Texas Department of Insurance  
Filed: May 15, 2013

◆ ◆ ◆  
**Texas Lottery Commission**

**Instant Game Number 1522 "Sizzlin' Cash"**

**1.0 Name and Style of Game.**

A. The name of Instant Game No. 1522 is "SIZZLIN' CASH". The play style is "beat score".

**1.1 Price of Instant Ticket.**

A. Tickets for Instant Game No. 1522 shall be \$2.00 per Ticket.

**1.2 Definitions in Instant Game No. 1522.**

A. Display Printing - That area of the instant game Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Ticket.

C. Play Symbol - The printed data under the latex on the front of the Instant Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, FLAME SYMBOL, \$2.00, \$4.00, \$5.00, \$10.00, \$20.00, \$50.00, \$200, \$1,000 and \$20,000.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:



## LIHEAP Household Report for-Federal Fiscal Year 2012--Long Form

Grantee Name: Texas Department of Housing and Community Affairs      Contact Person: Cate Taylor      Phone: 512.475.1435      Date: 12/14/2012

The LIHEAP Household Report--Long Form is for use by the 50 States, District of Columbia, and the Commonwealth of Puerto Rico. This report provides household counts for both LIHEAP recipient and applicant households for Federal Fiscal Year (FFY) 2012, the period of October 1, 2011 - September 30, 2012. The Long Form for this report consists of the following parts: (A) LIHEAP Assisted Households and (B) LIHEAP Applicant Households. Data on assisted households are included in the Department's *LIHEAP Report to Congress for FFY 2012*. The data are also used in measuring LIHEAP targeting performance under the Government Performance and Results Act (GPRA) of 1993, as amended by the GPRA Modernization Act of 2010. As the reported data are aggregated, the information in this report is not considered to be confidential. Submit the completed Excel spreadsheet to [LIHEAPsubmission@acf.hhs.gov](mailto:LIHEAPsubmission@acf.hhs.gov)

**REQUIRED DATA** must be reported under the LIHEAP statute. **REQUESTED DATA** can be reported (at the state's option) in response to House Report 103-483 and Senate Report 103-251. Both the LIHEAP Household Report--Long Form (FFY 12\_LIHEAP\_Long\_Form.xls) and the instructions (FFY 12\_LIHEAP\_Long\_Form\_Instructions.pdf) can be downloaded in the Forms sections of the Office of Community Services' LIHEAP web site at: [www.acf.hhs.gov/programs/liheap/](http://www.acf.hhs.gov/programs/liheap/). This Excel spreadsheet is page protected to keep the format uniform. The items requiring a response are not page protected, such as "State-Reported Total" household counts. However, other areas of this spreadsheet cannot be modified. For example, the "Calculated Total" cannot be entered as that cell contains a protected formula that automatically adds the number of households under the poverty intervals as data is entered across each row.

Do the data below include estimated figures?      NO            YES            If YES, mark "X" in the second column below for each type of assistance that has at least one estimated data entry.

**A. LIHEAP ASSISTED HOUSEHOLDS**

The 2011 HHS Poverty Guidelines are available at: [www.acf.hhs.gov/programs/ocs/liheap/guidance/information\\_memoranda/im11-08.html](http://www.acf.hhs.gov/programs/ocs/liheap/guidance/information_memoranda/im11-08.html)

REQUIRED DATA											REQUESTED DATA			
Type of LIHEAP assistance	Mark "X" for estimated data	Number of assisted households		2011 HHS Poverty Guideline interval, based on gross income and household size					At least one households member who is a member of the following target groups:				At least one member who is	
		State-Reported Total	Calculated Total	Under 75% poverty	75%-100% poverty	101%-125% poverty	126%-150% poverty	Over 150% poverty	60 years or older (elderly)	Disabled	Age 5 years or under (young child)	Elderly, disabled, or young child	Age 2 years or under	Age 3 years through 5 years
1. Heating		14,311	14,311	8,300	2,159	3,256	412	184	5,793	6,331	2,779	13,755	1,637	1,862
2. Cooling		99,995	99,955	68,826	15,460	13,455	1,681	533	46,551	54,564	15,025	67,997	7,790	9,927
3. Winter/year round crisis		75,519	75,519	53,847	10,225	9,875	1,167	405	15,846	23,076	22,147	60,645	11,972	14,716
4. Summer crisis			0											
5. Other crisis (describe below)			0											
6. Weatherization		6,513	6,513	3,029	1,129	997	593	765	2,713	1,877	1,328	6,432	733	821
7. Any type of LIHEAP assistance		112,646							47,988	56,654	27,470	76,599		

Include any notes below for section A (indicate type of assistance and item). For example, explain briefly why the state-reported total does not equal the calculated total of cooling assisted households.      = Not applicable

Heating assistance includes households that submitted applications prior to the reporting period and do not appear in "Applicant Households."  
 Cooling assistance includes households that submitted applications during "heating" months and received assistance under "Crisis."  
 Income eligibility for 1. Heating, 2. Cooling, and 3. Year round Crisis assistance reverted from 200% to 125% at the beginning of CEAP PY2012 on January 1, 2012.  
 Income eligibility for 6. Weatherization assistance reverted from 200% to 125% at the beginning of WAP PY2012 on April 1, 2012.

**B. LIHEAP APPLICANT HOUSEHOLDS** (regardless of whether assisted)

REQUIRED DATA										
Type of LIHEAP assistance	Mark "X" for estimated data	Number of applicant households		2011 HHS Poverty Guideline interval, based on gross income and household size						Income data unavailable
		State-Reported Total	Calculated Total	Under 75% poverty	75%-100% poverty	101%-125% poverty	126%-150% poverty	Over 150%		
1. Heating		14,156	14,156	9,274	2,069	1,459	784	570		0
2. Cooling		85,986	85,986	60,900	13,359	9,033	1,577	1,117		0
3. Winter/year round crisis		72,554	72,554	52,651	9,648	6,830	1,941	1,484		0
4. Summer crisis			0							
5. Other crisis (specify)			0							
6. Weatherization		9,129	9,129	3,436	1,337	1,155	797	814		1,590

Include any notes below for section B (indicate type of assistance and item). For example, explain briefly why the number of applicant households is less than or equal to the corresponding number of assisted households.

Households may apply for more than one type of assistance and be eligible for another type of assistance without having to apply for that assistance. So, the number of applicant households by type may be less than the number of households assisted by type.

## 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.

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Signature

Executive Director

Title

Texas Department of Housing and Community Affairs

Organization

## **CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

Instructions for Certification

By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.

9. 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.

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#### Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

1. 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.
2. 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.

#### Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

##### Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. 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 meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] 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 with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. 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 covered transactions, 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.
8. 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.
9. Except for transactions authorized under paragraph 5 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 with which this transaction originated may pursue available remedies, including suspension and/or debarment.

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#### Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

## CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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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.

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### Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

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.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

*Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

*Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

*Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

*Employee* means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

### 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:

Place of Performance (Street address, city, county, state, zip code)

Texas Department of Housing and Community Affairs

221 East 11<sup>th</sup> Street

Austin, TX 78701

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]





OFFICE OF THE GOVERNOR

RICK PERRY  
GOVERNOR

October 18, 2006

The Honorable Michael O. Leavitt  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Leavitt:

In accordance with the Texas Government Code, Sections 2306.092 and 2306.097, and the Low-Income Home Energy Assistance Program (42 U.S.C., Ch. 94, Section 8621 et seq.), I hereby designate the Texas Department of Housing and Community Affairs as the lead agency for administration of the Low-Income Home Energy Assistance Program (LIHEAP) 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 LIHEAP application process.

This delegation of authority 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 handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style.

Rick Perry  
Governor

Rp:aap

1h

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**JULY 11, 2013**

Presentation, Discussion and Possible Action on the Allocation of 2012 Community Services Block Grant (CSBG) TDHCA Administrative funds to replace some portion of funds in 2013 Housing and Homeless Services Program (HHSP) contracts funded with Housing Trust Fund (HTF)

**RECOMMENDED ACTION**

**WHEREAS**, the Department has identified 2012 CSBG Administrative funds which expire on September 30, 2013 and that will have an unutilized balance of available funds after additional necessary administrative expenses of the Department are applied;

**WHEREAS**, eight HHSP contracts are currently funded in part with HTF funds and those contracts include eligible expenses which are allowable under CSBG guidelines;

**WHEREAS**, the use of CSBG funds for some portion of 2013 HHSP contracts funded with HTF provide the Department with the opportunity to achieve full expenditure of the CSBG Administrative Funds, while returning HTF funds for immediate use for activities eligible under the approved 2012-2013 Housing Trust Fund Plan; and

**WHEREAS**, such action provides for the ability of the CSBG Administrative funds and HHSP contracts to perform within current contract periods of performance;

**NOW, therefore, it is hereby**

**RESOLVED**, that any portion of unutilized 2012 CSBG Administrative funds set to expire on September 30, 2013, will be used to offset HHSP contracts funded with HTF for one or more of the eight HHSP recipients;

**FURTHER RESOLVED**, that the corresponding balance of the HHSP HTF contracts made available through this action will be reprogrammed to the Amy Young Barrier Removal Program consistent with the 2012-2013 Housing Trust Fund Plan; and

**FURTHER RESOLVED**, that staff will designate which HHSP entity(ies) will be allocated CSBG Administrative funds in lieu of some portion of their HTF HHSP contract based on availability of funds, types of activities, progress in expenditures to date, and remaining balances in the respective grants.

**BACKGROUND**

The Community Services Block Grant (CSBG) provides for 5% of the annual award to be utilized for administration of a broad array of low income programs that benefit low income households. TDHCA, through efficient administration, has been able to administer the CSBG Program with fewer administrative funds than permitted, providing a unique opportunity to utilize funds to benefit low

income Texans through this action. It is estimated that approximately \$450,000 of CSBG Administrative funds will remain unutilized after remaining administrative expenses of the Department are applied.

The 2013 HHSP Program is funded by two separate fund sources (Bond Fees and HTF) and each source has a separate contract. The HTF HHSP contracts, because of the statutory directives for Housing Trust Fund resources, have more restrictions on the activity permitted by HHSP recipients that can be charged to the grant; several of the entities have struggled to fully expend under these contracts. These contracts will expire on August 31, 2013. This action replaces the more restricted HTF dollars with more flexible dollars for the HHSP contracts and “frees-up” the HTF funds for additional Amy Young projects which are in high demand. This action would ensure maximum expenditure of the federal CSBG dollars, to benefit more low income Texans, while providing more flexible funds for several of the HHSP contracts and making more funds available for accessibility modification.

# REPORT ITEMS

R1

**BOARD REPORT ITEM**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Report on Plans related to the 2014 Qualified Allocation Plan and other Multifamily Rules

**REPORT ITEM**

The 2013 Competitive Housing Tax Credit round is approaching the date by which final awards must be approved by the Governing Board. Every year these awards are followed immediately with the annual rulemaking process in which the Qualified Allocation Plan undergoes a significant amount of scrutiny and, often, revision. In 2013, the Department realigned and consolidated the Multifamily rules into a more logical and user-friendly format. Additionally, much of the rule, including the competitive selection criteria, was entirely redeveloped with Texas Government Code Chapter 2306, the Remedial Plan, and Section 42 of the Internal Revenue Code serving as the foundation on which the new rules were built. While staff believes this process was an incredibly productive and successful endeavor, staff also believes that the 2014 rulemaking process could benefit from a more limited and targeted approach. To that end, today, staff presents a preliminary plan for conducting the rulemaking process for the 2014 round by identifying those portions of the multifamily rules that will be emphasized in the rulemaking process and asks the Board for direction relating to any other issues to be addressed in that process.

The most significant changes in the rules will involve the incorporation of statutory changes made by the Texas Legislature in the 83<sup>rd</sup> regular session, which ended in May. The most significant changes are summarized as follows:

- House Bill 3361 – “TDHCA Sunset Bill”
  - New threshold requirement for a local resolution for all 4% tax credit applications, regardless of the proposed bond issuer;
  - The “top ten” scoring items have been revised to the “top eleven” scoring items with the addition of a new scoring criterion for resolutions of support from the local government in the second highest position;
  - Quantifiable Community Support from Neighborhood Organizations (“QCP”) was moved to the tenth highest item in the top eleven; and
  - Letters of support or opposition from State Representatives or Senators was modified to provide scores only for letters from State Representatives; this item was also moved to the new eleventh position in the top eleven;
- House Bill 429 eliminated the definition of Rural Area in Subchapter DD and modified the remaining Rural Area definition in Subchapter A of Chapter 2306.

While many other changes were made to the sections covering issues such as debarment and noncompliance, these changes to Chapter 2306 will be incorporated into the rules separately.

Second, and in addition to the changes necessitated by statutory changes, staff anticipates the possible need to make changes based on the results of the TDHCA Annual Report required under the Remedial Plan and Court Order in the ICP Litigation. Staff is currently working on this report, which will be finalized for submission to the court after the completion of the awards process in late July. While it is not currently clear what changes may be necessary or recommended to continue to meet the court's objectives, staff believes that the 2013 round is shaping up to accomplish many of the goals of the Remedial Plan.

Third, staff anticipates proposing more holistic changes to certain specific sections of the rules, including:

- §11.9(d)(6), Community Revitalization Plan – Staff plans to address concerns related to the “subjective” nature of the scoring item and to address other issues that arose during the review and decision making process. Staff will also address the provision in the Remedial Plan and Court Order which allowed for the preclearance process solely in the 2013 cycle;
- §§11.9(c)(4) & (5), Opportunity Index & Educational Excellence – Changes in the school testing and ratings system by the Texas Education Agency as well as the aged nature of the existing 2011 ratings necessitates a review of how school ratings will be addressed in the context of awarding points under these two scoring items;
- §11.9(e)(2), Cost of Development by Square Foot – Staff tested a new methodology for assessing points for the costs of a proposed development seeking tax credits. Staff believes improvement could be made to more effectively control costs as well as encourage Applicants to submit more accurate cost estimates and is looking into ways to redevelop this scoring item;
- §11.9(c)(5), Declared Disaster Area – Staff plans to propose changes to provide more clarity as to how points will be assessed for proposing a development in an area affected by disaster.

Lastly, staff plans to propose revisions that can be categorized as “clean up.” In general, these types of revisions are intended to provide more clarity without changing substantially the meaning of a particular provision. For example, staff intends to consider revisions to the “Economically Distressed Area” definition, to certain provisions of the QCP point item, and to the provisions relating to annexation and extra territorial jurisdictions in the Development Funding from Local Political Subdivisions point item.

This general “plan” for the upcoming rulemaking cycle is not under any circumstances intended to limit the public's or staff's ability to provide comment and propose changes outside of the scope of this write-up. Staff will fully vet all of the comments received. However, the affordable housing development process works best when developers have time to work with stakeholders, such as local governments and neighborhoods, to holistically address the needs and concerns of local communities. Staff hopes that by conducting the rulemaking process with a more targeted focus on the above issues



developers will be able to start working in their communities early and that communities will be able to incorporate the incentivizes designed to reward the input local communities provide in the process.

R2

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Report on Challenges Made in Accordance with §11.10 of the 2013 Qualified Allocation Plan (QAP)  
Concerning 2013 Housing Tax Credit (HTC) Applications

**RECOMMENDED ACTION**

**WHEREAS**, the Department allows unrelated parties to an application to submit challenges against any application pursuant to §11.10 of the QAP;

**WHEREAS**, the Department received twenty-seven challenges against twenty-five separate applications that are competing in the current competitive 9% low income housing tax credit application cycle;

**WHEREAS**, staff has reviewed all of the challenges received and has made determinations with regard to the validity of each challenge, and appeals resulting from those determinations are being considered under separate action; and

**WHEREAS**, §11.10(12) of the QAP requires that staff determinations regarding all challenges will be reported to the Board;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Board accepts this report in satisfaction of the requirements of §11.10(12) of the QAP.

**BACKGROUND**

Pursuant to §11.10 of the QAP, unrelated entities may challenge specific applications, and those challenges may pertain to any part of the application including but not limited to eligibility, selection (scoring) and threshold criteria. Staff reviews the challenge, submits a request to the Applicant for a response, and researches both sides of the challenge in order to make a determination of appropriate resolution to the challenge. A summary of the challenge and the resolution is provided in a challenge log and is published on the Department's website. Staff has finalized its determinations with regard to challenges, some of which resulted in point reductions and/or terminations of applications. In these cases, the affected applicant was given an opportunity to appeal, as is the case with point reductions and terminations generally. Some of those appeals appear as a separate item on today's agenda. To the extent

that a challenge did not result in any such action, a record of the challenge has been saved in the Department's files. Section 11.10(12) of the QAP requires that staff determinations regarding all challenges will be reported to the Board. The attached log reflects all challenges that were received by the Application Challenges Deadline, May 15, 2013, and includes a summary of the staff analysis and determination with respect to each challenge.



## 2013 Competitive Housing Tax Credit (HTC) Challenges

The following tables constitute the staff determinations for 2013 Competitive Housing Tax Credit (HTC) challenges received the deadline of May 15, 2013 and all determinations made as of **June 21, 2013**. All challenges referenced herein were received and reviewed in accordance with §11.10 of the 2013 Qualified Allocation Plan (“QAP”). Representatives for each of the challenged applications was provided the opportunity to respond to the submitted challenge and staff has applied a “preponderance of the evidence” standard in its review and determination on each challenge.

Challenges received without the corresponding non-refundable challenge processing fee as described in §10.901 of the Uniform Multifamily Rules, are included on the following log as a matter of transparency. Challenges received without the corresponding fee were deemed to have not been submitted.

Each entry identifies the HTC development/application identification number (TDHCA ID#), the name of the development, city, region, fee status, and the name and organization of the challenger. A brief summary of the challenge has been included, followed by Department staff’s analysis of the challenge, and finally the resolution to the challenge. The Department has posted each challenge and supporting documentation received to its website which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>.

Where a scoring adjustment or other staff action was required based on staff’s determinations, the applicants have already been notified of such action and have been provided the opportunity to appeal the staff determination. The Department’s Governing Board has final decision making authority on any of the issues reflected herein and thus these determinations are subject to change. However, a challenger may not formally appeal any staff determination.

Cameron F. Dorsey  
Director of Multifamily Finance  
512.475.2213  
[cameron.dorsey@tdhca.state.tx.us](mailto:cameron.dorsey@tdhca.state.tx.us)

<b>TDHCA ID#</b>	13106	<b>Development Name:</b>	Playa Lake Apartments		
<b>City:</b>	Lubbock	<b>Region:</b>	1	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Ronette Hodges, Big Sky Plains LP				

**Nature and Basis of Challenge:** The challenger asserts that two (2) points should not be awarded under §11.9(d)(2) of the QAP, Input other than Quantifiable Community Participation. The challenger stated that the letter of support did not meet the requirements of the rule because it states general support of low-income housing and does not specifically identify the development.

The challenger also asserts that the development should not qualify for the additional one (1) point claimed under §11.9(d)(3) of the QAP related to Commitment of Development Funding from a Unit of General Local Government (UGLG). The additional one point is reserved for applicants that have received a firm commitment of funding from an UGLG. The challenger claims that the resolution from the Lubbock Housing Finance Corporation conditions their award of funds on availability of such funds from the City of Lubbock and therefore is not sufficient for the Application to qualify for the additional point.

**Analysis:** The above referenced application has not been deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will address the challenge should the application become competitive in the region.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13106	<b>Development Name:</b>	Playa Lake Apartments		
<b>City:</b>	Lubbock	<b>Region:</b>	1	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Brett Johnson, Overland Group, LLC				

**Nature and Basis of Challenge:** The challenger asserts that two (2) points should not be awarded under §11.9(d)(2) of the QAP, Input other than Quantifiable Community Participation. The challenger states that the letter of support did not meet the requirements of the rule because it states general support of low-income housing and does not specifically identify the development.

**Analysis:** The above referenced application has not been deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will address the challenge should the application become competitive in the region.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13245	<b>Development Name:</b>	The Reserves at Sawgrass		
<b>City:</b>	Pampa	<b>Region:</b>	1	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Victoria Spicer, GS Plainview Housing LP				

**Nature and Basis of Challenge:** The challenger asserts that the Application does not qualify for the six (6) points selected under §11.9(d)(6)(c) of the QAP related to Community Revitalization Plan (CRP) for developments located in a rural area. The challenger argues that the “seal coating project” and the “inspection and repair of corroded and damaged water valves, piping, hydrants and meters” referenced in the letter from the Pampa Director of Public Works is a matter of preventative maintenance and not expansion of basic infrastructure.

The challenger is also questioning the validity of both letters used for a total of four (4) points (two points per letter) under §11.9(d)(2) of the QAP related to Community Input other than Quantifiable Community Participation. The challenge states that the first letter from the Panhandle Community Services was executed by an administrative assistant without the authority to sign on behalf of the entity. The challenge also states that the second letter from The Refuge should not be counted for points because the facility is located in Dumas and does not serve the city of Pampa.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is eligible for only four (4) of the six (6) points selected for CRP in a rural area. This was addressed in the supervisory application review as well. While the infrastructure project involving the upgrade to the fire hydrants and water pressure improvements qualifies for points, the seal coating of the road is considered maintenance and does not qualify. Regarding the letters of support submitted for Community Input other than QCP, staff found that three (3) letters were submitted in the Application. While one letter may be questionable because it is not on letterhead, the other two qualify for points.

**Resolution:** Staff issued a scoring notice to the Applicant which reflects the analysis above. No further action at this time.



<b>TDHCA ID#</b>	13247	<b>Development Name:</b>	Reserves at South Plains		
<b>City:</b>	Lubbock	<b>Region:</b>	1	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Tim Lang, Big Sky Plains, LP				

**Nature and Basis of Challenge:** The challenger asserts that the applicant for the Reserves at South Plains did not provide valid site control documentation as described in §10.204(9) of the Uniform Multifamily Rules. The challenger states that the development site is owned by Texico Conference Association of Seventh-Day Adventists, but the sales contract identifies Tigris Development, LLC as the seller of the land. The challenger claims that the Applicant does not demonstrate the ability to compel legal title to a developable interest in the Development site.

**Analysis:** Department staff identified this discrepancy during the application review, and requested, through the Administrative Deficiency process, that the applicant provide the sales contract between Texico Conference Association of Seventh Day Adventist and Tigris Development, LLC. Sufficient documentation was provided to clarify the site control issue.

**Resolution:** None at this time.

<b>TDHCA ID#</b>	13023	<b>Development Name:</b>	Patriot's Crossing		
<b>City:</b>	Dallas	<b>Region:</b>	3	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Kecia Boulware, AMTEX				

**Nature and Basis of Challenge:** The challenger asserts that the Application should not be eligible for points under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government because the Application as originally submitted did not contain the required resolution to substantiate a commitment of funds from the City of Dallas. The challenger further asserts that the Applicant did not provide enough evidence that the funding amount needed for the points (\$2,250,000) was awarded by the City of Dallas. This, again, was based on the assertion that the Applicant did not include a required resolution with the Application. The challenge also states that the Applicant is not eligible for two (2) points under §11.9(d)(6) Community Revitalization Plan because no resolution was submitted with the Application.

**Analysis:** Staff reviewed the challenge as well as the Applicant's response. The Application did include a resolution from the City of Dallas indicating a funding award of \$4.4 million. However, the Application also indicated that this award was for a larger site and was prorated to an amount of \$1.9 million. This was confirmed with information in the originally submitted Application as well as a letter from the City of Dallas submitted as part of an Administrative Deficiency response. Staff determined that there is no inconsistency between the resolution and the supporting documentation. In addition, staff arranged, prior to March 1 and in coordination with the City, delivery of the resolution directly from the City of Dallas. The Application itself included a statement in the Application regarding the resolution having been passed but not yet available in hard copy from the City. The resolution was passed before the Full Application Delivery Date, was delivered to the Department before the deadline, and included each of the elements required by the rule. This resolution included information that was consistent with what was submitted in the original Application and confirmed eligibility for both the UGLG and CRP points.

**Resolution:** None at this time.

<b>TDHCA ID#</b>	13032	<b>Development Name:</b>	StoneLeaf at Eustace		
<b>City:</b>	Eustace	<b>Region:</b>	4	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Jay Collins, Rusk Pines LP				

**Nature and Basis of Challenge:** The challenger claims that the Application is not eligible for nine (9) points elected under §11.9(c)(2) of the QAP, related to Rent Levels of Tenants and should also be assessed a one (1) point penalty pursuant to §11.9(f)(1) of the QAP related to Point Deductions. The challenger states that the Application as originally submitted does not reflect the appropriate number of units restricted at 30% AMI in order to be eligible for the points.

**Analysis:** Staff has reviewed the challenge as well as the Applicant’s response, and, in addition, noted the discrepancy during the initial application review. Staff issued an Administrative Deficiency, which was cured in a timely manner.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13173	<b>Development Name:</b>	Canton Village Homes		
<b>City:</b>	Canton	<b>Region:</b>	4	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Lora Myrick, BETCO Consulting, LLC				

**Nature and Basis of Challenge:** The challenger asserts that the Application is not eligible for twelve (12) points under §11.9(d)(3) of the QAP, related to Commitment of Development Funding from a Unit of General Local Government (UGLG) or two (2) points under §11.9(d)(6) of the QAP related to Community Revitalization Plan (CRP) for developments located in a Rural Area. First, the challenge states that, because the development site was not located in the city limits of Canton at the time of Application submission, the Applicant should not have assumed that funding from the city’s economic development corporation (EDC) will be allowed as a substitute source of funding come the time of commitment.

Second, the challenger indicates that the new water line and storage tank, one of the two infrastructure projects submitted for CRP points, is not eligible because it was not approved by city council and was not completed within the required timeframe, namely between December 17, 2011 and December 17, 2013. The challenger points to the city’s letter which state that only a portion of the project will be completed by December 15, 2013 and to city council meeting minutes as evidence.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that, at the time of Application, the site was indeed located outside the city limits of Canton. Therefore, funding from the county would be considered an eligible source under the scoring item. Staff will also review commitments from UGLGs for all applications that claimed these points at the time of tax credit commitment to ensure compliance with the rules.

With respect to the CRP points, staff determined that, based on a resolution passed by the city as well as the letter submitted with the Application, that the water line and storage tank were both approved by city council and completed within the required timeframe.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13053	<b>Development Name:</b>	Heritage Plaza		
<b>City:</b>	Montgomery	<b>Region:</b>	6	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Justin Hartz, LDG Development, LLC				

**Nature and Basis of Challenge:** The challenger asserts that the Applicant failed to notify the appropriate state senator and state representative by the time of Application submission. The challenger also states that the Applicant represented the development as a senior development throughout the Application and to the community, stating that this should either result in either an adjustment in scoring or possibly termination due to misrepresentation and could be construed as a violation of fair housing. The challenger states that there is a related party issue in the ownership structure that should disqualify the application with respect to sponsorship characteristics points. Finally, the challenger asserts that there is some overlap between the source of funds being used for points under §11.9(d)(3) of the QAP related to Commitment of Development Funding from a Unit of General Local Government (UGLG) and infrastructure projects being used for points under §11.9(d)(6) of the QAP related to Community Revitalization Plan. This overlap, as well as some of the details surrounding the location of one of the infrastructure projects, should result in a loss of points.

**Analysis:** Staff has reviewed the challenge as well as the Applicant’s response and determined that the Applicant failed to notify the appropriate elected officials by the March 1, 2013 deadline. Therefore, the Application is ineligible. In addition, the notifications that were later sent to the state representative referenced a “senior” development and staff will address this issue should the Applicant appeal this decision. Staff has postponed the review surrounding eligibility for points under §§11.9(d)(6), 11.9(d)(3), and 11.9(b)(2) of the QAP related to Community Revitalization Plan, Commitment of Development Funding from an UGLG, and Sponsor Characteristics.

**Resolution:** Staff terminated the Application due to failure to notify the appropriate elected officials by the time of Application submission. The termination is subject to appeal, and, should the Application be reinstated, staff will evaluate the remainder of the challenge with respect to scoring items.

<b>TDHCA ID#</b>	13022	<b>Development Name:</b>	Liberty Manor		
<b>City:</b>	Liberty Hill	<b>Region:</b>	7	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Mark Feaster, Development Services				

**Nature and Basis of Challenge:** The challenger states that the infrastructure projects submitted as evidence of community revitalization in a rural area are not within ¼ mile of the development site as required for an Application to be eligible for points under 11.9(d)(6)(C) of the QAP, Community Revitalization Plan.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is not eligible for points under §11.9(d)(6)(C) Community Revitalization Plan. Although, as the Applicant states, the proposed development does benefit from the improvements to the infrastructure by way of connecting to it, both the new water wells and the new sewer pumping station are not within ¼ mile of the site and serve the entire city.

**Resolution:** Staff issued a revised scoring notice, which is subject to appeal. The revised score is also reflected in the Application log.

<b>TDHCA ID#</b>	13022	<b>Development Name:</b>	Liberty Manor		
<b>City:</b>	Liberty Hill	<b>Region:</b>	7	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Janine Sisak, DMA Development Company, LLC				

**Nature and Basis of Challenge:** The challenger states that the infrastructure projects submitted as evidence of community revitalization in a rural area are not within ¼ mile of the development site as required in order for an Application to be eligible for points under §11.9(d)(6)(C) of the QAP related to Community Revitalization Plan. In addition, this challenger contends that the Application is not eligible for points under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government (UGLG) based on the location of the development site at the time of Application. The challenger points out that the site was located, at the time of Application submission on March 1, 2013, outside the city limits of Liberty Hill. Therefore, pursuant to the QAP, the City of Liberty Hill is not a qualifying source for funding from an UGLG. Because the Application included evidence of funding from the City of Liberty Hill, it should not be eligible for the points.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is not eligible for points under either §11.9(d)(6)(C) Community Revitalization Plan or §11.9(d)(3) Commitment of Development Funding from Unit of General Local Government. Although, as the Applicant states, the proposed development does benefit from the improvements to the infrastructure by way of connecting to them, both the new water wells and the new sewer pumping station are not within ¼ mile of the site and serve the entire city. Also, while now within the City’s boundaries, the site at the time of Application was not located inside the boundaries of the City of Liberty Hill, and therefore the City is not a qualifying source for funding from an UGLG.

**Resolution:** Staff issued a revised scoring notice which is subject to appeal. The revised score is also reflected in the Application log.

<b>TDHCA ID#</b>	13108 & 13109	<b>Development Name:</b>	Skyway Studios & Homestead Apartments		
<b>City:</b>	Austin	<b>Region:</b>	7	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Barry Palmer, Coats Rose, on behalf of J. Steve Ford of Resolution Inc.				

**Nature and Basis of Challenge:** The challenger asserts that the two applications should be terminated pursuant to §10.202(1)(M) of the Uniform Multifamily Rules, related to ineligible Applicants. The challenger claims that Walter Moreau, on behalf of Foundation Communities, worked to create opposition to other applications in the region by criticizing its proposed financing in a public forum. The challenger points out that the result of Mr. Moreau's statements are yet to be determined and could still potentially affect, not only the individual application submitted in the 2013 9% HTC cycle, but also the ability for the developer to obtain other financing. The challenger goes on to request that staff, by terminating the applications, set a precedent regarding similar statements in the future.

**Analysis:** Staff reviewed the challenge as well as the Applicant's response and determined that the actions of the Applicant did not rise to a level that violates the rule.

**Resolution:** No action at this time.



<b>TDHCA ID#</b>	13108 and 13109	<b>Development Name:</b>	Skyway Studios and Homestead Apartments		
<b>City:</b>	Austin	<b>Region:</b>	7	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Cynthia Bast, Locke Lord Attorneys & Counselors on behalf of Adrian Iglesias of GTC Properties & Rick Deyoe of Realtex Development				

**Nature and Basis of Challenge:** The challenger asserts that the two applications be terminated pursuant to §10.202(1)(M) of the Uniform Multifamily Rules, related to ineligible Applicants. The challenger claims that Walter Moreau, on behalf of Foundation Communities, worked to create opposition to Windy Ridge Apartments, another proposed development in Austin, by criticizing its proposed financing in a public forum. The challenger points out that Mr. Moreau's statements were made to gain competitive advantage and that the competing applicant suffered damage as a result of inflammatory remarks. The challenger goes on to state that, regardless of any damage suffered, that the Applicant violated the rule.

**Analysis:** Staff reviewed the challenge as well as the Applicant's response and determined that the actions of the Applicant did not rise to a level that violates the rule.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13118	<b>Development Name:</b>	Oak Ridge Apartments		
<b>City:</b>	Nolanville	<b>Region:</b>	8	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Lisa M. Stephens, Saigebrook Development				

**Nature and Basis of Challenge:** The challenger asserts that the Application is not eligible for any points under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government (UGLG) because the development site is not located within the city limits of Nolanville, but the Applicant is using the city as its source of funding. Although staff provided guidance to the Applicant regarding this issue, the challenger believes that the Applicant did not provide all of the relevant information necessary for staff to make such a determination. The challenger states that, although the Applicant is acquiring a tract of land that is partially within the city limits, that they have no intention of using that portion of the site as part of the development. Instead, that part of the site that is within the city limits will be dedicated to the city as park space. In addition, the challenger claims that this dedication is essentially a quid pro quo for the city's support in the form of a loan and that even if staff should find the city an eligible source of funding that the funds are first begin provided by the Applicant and therefore should be disqualified.

**Analysis:** Staff reviewed the challenge as well as the Applicant's response and determined that the City of Nolanville is an eligible source of UGLG funding because part of the development site is located within the city limits. In addition, it appears that the final decision regarding the location of the dedicated park space (if any at all) is yet to be made by both the developer and the city and that such dedication (or fee-in-lieu) is a requirement of the city for all proposed residential development. Staff has no evidence that the possible dedication of park land relates in any way to the City's provision of financing for the development.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13147	<b>Development Name:</b>	Eagles Crossing		
<b>City:</b>	Hillsboro	<b>Region:</b>	8	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Mark Feaster, Development Services				

**Nature and Basis of Challenge:** The challenger asserts that the Applicant is not eligible for points under §11.9(d)(6)(C) of the QAP, related to Community Revitalization Plan for developments located in a rural area, because one of the infrastructure improvements used for points, namely the expansion and resurfacing of a road, was not significant enough to qualify for points. In addition, it does not appear from photographic evidence that the resurfacing took place within the last year. The challenger also asserts that the other project used to qualify for points, the hospital expansion, should not be counted for points since it was completed and received certificates of occupancy in April 2011, which is outside the required timeframe.

**Analysis:** Staff reviewed the challenge as well as the Applicant's response. With respect to the road expansion and resurfacing, staff determined that the Applicant submitted evidence both in the Application and in the challenge response that the project meets the requirements of the rule and therefore qualifies the Application for four (4) points. Regarding the hospital expansion, staff reviewed evidence including 1) the certificates of occupancy issued in April 2011, 2) the grand opening in May 2011, and 3) information on the hospital's website referencing actual use of the new facilities prior to December 2011. Staff was able to determine that the project does not meet the requirements of the QAP because the hospital expansion was completed outside of the timeframe required by the QAP. Therefore, the hospital expansion project does not qualify under §11.9(d)(6)(C).

**Resolution:** Staff deducted from the Application score two (2) points of the requested six (6) points for Community Revitalization Plan. A scoring notice has been issued and is subject to appeal, and the score is reflected on the log.

<b>TDHCA ID#</b>	13013	<b>Development Name:</b>	Ana's Cove		
<b>City:</b>	Pleasanton	<b>Region:</b>	9	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Don Paxton, Communities for Veterans				

**Nature and Basis of Challenge:** The challenger asserts that the Applicant is not eligible for points under a number of scoring criteria in the QAP including §§11.9(d)(5) Declared Disaster Area, 11.9(c)(4) Opportunity Index, 11.9(e)(7) Development Size, 11.9(e)(3) Pre-Application Participation. In total, the challenger claims that the Application is not eligible for a total of fifteen (15) points.

**Analysis:** Staff reviewed the challenge documentation. The Applicant provided no response to the challenge. However, staff had already completed a review of the application and issued a scoring notice which accounted for each of the elements of the challenge. Staff believes that the score reflects the appropriate adjustments.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13020	<b>Development Name:</b>	The Manor at Currey Creek		
<b>City:</b>	Boerne	<b>Region:</b>	9	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Don Paxton, Communities for Veterans				

**Nature and Basis of Challenge:** The challenger asserts that the Application is not eligible for two (2) of the six (6) points claimed under §11.9(d)(6)(C) of the QAP related to Community Revitalization Plan for developments located in a rural area because the letter submitted as evidence of one of the infrastructure projects did not include enough information. In addition, the challenger claims that the Application is not eligible for points under §11.9(b)(2) of the QAP related to Sponsor Characteristics because the HUB does not have an adequate ownership interest in the development. The challenger also states that the Application is not eligible for points selected under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government because the Applicant used the wrong population figure in determining the amount of funding needed to qualify for points. Finally, the challenger states that the Application should lose points under §11.9(e)(3) of the QAP related to Pre-Application Participation because the Application’s final score should be determined to be more than six (6) points lower than that reflected on the Applicant’s self score form.

**Analysis:** The above referenced application was not deemed by staff to be competitive in the region based on the applicant’s own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will save a memo into the application file should the application become competitive in the region

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13262	<b>Development Name:</b>	Paso Fino Apartments		
<b>City:</b>	San Antonio	<b>Region:</b>	9	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Tamea Dula, Coats Rose, on behalf of Debra Guerrero of the NRP Group, LLC				

**Nature and Basis of Challenge:** The challenger asserts that the Application should not be eligible for thirteen (13) points under §11.9(d)(3) of the QAP related to Commitment of Development Funding by a Unit of General Local Government. The Application included a resolution from the Housing Authority of Bexar County which indicated that they committed to a loan with an interest rate of no higher than 3 percent but that also indicated that the Housing Authority would receive a portion of the development’s cash flow. This constitutes either an interest rate higher than the maximum allowed by the rules or a share in the profits which would equate to ownership and a related party relationship. The challenger asserts that either is not allowable under the rules.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the committed loan structure, with the inclusion of required cash flow payments, is not in compliance with the rules. However, the documentation suggests both that the Applicant applied for an eligible form of funding and that there is intent to modify the loan terms to meet the requirements of the QAP. Therefore, the staff has deducted one point due to the resolution not meeting the requirements of §11.9(d)(3)(B) of the QAP. Staff has determined, based on the complete record, that the Application is eligible for twelve (12) points under §11.9(d)(3)(A) of the QAP.

**Resolution:** A revised scoring notice has been sent to the Applicant, which is subject to appeal. In addition, staff will review the terms of the loan again at the time of commitment to ensure eligibility.

<b>TDHCA ID#</b>	13273	<b>Development Name:</b>	Richland Meadows		
<b>City:</b>	San Antonio	<b>Region:</b>	9	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Debra Guerrero, NRP Group, LLC				

**Nature and Basis of Challenge:** The challenger states that the Application should be terminated because it did not meet the requirements of §2306.6705 of Texas Government Code, related to general application requirements, specifically those regarding zoning. The Applicant did not submit evidence that a zoning application had been made to the City of San Antonio, and as of May 6, 2013, according to the City of San Antonio, such application still had not been made.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the Application was deficient with respect to the zoning requirement. The original Application submission included a copy of a letter dated February 15, 2013 to the City of San Antonio that indicated that the Applicant was in process of requesting the zoning change. However, it did not include evidence in the form of a letter from the local jurisdiction acknowledging the pending request. Staff issued an Administrative Deficiency to the Applicant to clarify that the Applicant was engaged with the City prior to March 1 in accordance with the requirements in Chapter 2306, and the Applicant was provided a letter from the City of San Antonio confirming that the Applicant was in the process of seeking appropriate zoning and that the City had received the required hold harmless letter.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13046	<b>Development Name:</b>	La Esperanza Del Rio		
<b>City:</b>	Rio Grande City (ETJ)	<b>Region:</b>	11	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Lora Myrick, BETCO Consulting, LLC				

**Nature and Basis of Challenge:** The challenger asserts that the Application should not be eligible for six (6) points claimed under §11.9(d)(6)(C) of the QAP, related to Community Revitalization Plan (CRP) for developments located in a rural area. First, the challenger asserts that the infrastructure project submitted for points is not eligible because it is located more than ¼ mile from the development site and that it also does not constitute revitalization but is economic development. Second, the challenger states that the newly constructed Texas Department of Public Safety (TxDPS) facility should not qualify for points as it should not be considered a police station.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the TxDPS facility does qualify for CRP points. However, staff also determined that the lift station and new wastewater infrastructure is located more than ¼ mile from the site. Although the Applicant states in their response that the sanitary sewer force main and the lift station easement are located within ¼ mile of the site and should be considered part of the infrastructure, staff disagrees. The Applicant also submitted evidence that another infrastructure project, new water lines and meter, was approved by the city within the required timeframe and within ¼ mile of the development site. However, this infrastructure project was entirely absent from the original Application submission and very little information was provided in the challenge response. Therefore, two (2) points have been deducted from the Application’s score.

**Resolution:** The Applicant has been sent a revised scoring notice which is subject to appeal, and the revised score is reflected on the most recent log.



<b>TDHCA ID#</b>	13100	<b>Development Name:</b>		Villages of Penitas	
<b>City:</b>	Penitas	<b>Region:</b>	11	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Sunny K. Phillip, South Texas Collaborative for Housing Development Inc.				

**Nature and Basis of Challenge:** The challenger asserts that the development site is located within 300 feet of an undesirable area feature, namely an active oil well and gas separation and compression facility, and that the Application should be terminated pursuant to §10.101(a)(3) of the Uniform Multifamily Rules.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the site is located over 300 feet from the facility. The storage tanks are located approximately 389 feet from the site and 446 feet from the proposed buildings. Staff also determined that the tanks appear to be within the acceptable separation distance for thermal radiation as determined by the assessment tool on the HUD website. In addition, the facility is not considered heavy industrial use, manufacturing plant, or blast zone. Therefore, the site was determined to be eligible.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13281	<b>Development Name:</b>	Sunquest Apartments		
<b>City:</b>	Primera	<b>Region:</b>	11	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Enrique Flores IV, Madhouse Development Services, Inc.				

**Nature and Basis of Challenge:** The challenger asserts that the Application is not eligible for the three (3) points claimed under §11.9(c)(5) of the QAP related to Educational Excellence because the development site is not located within the attendance boundaries of a middle school and high school that have ratings of recognized or exemplary. In addition, the challenger states that the Application is not eligible for points under §11.9(d)(2) Community Input other than Quantifiable Community Participation (QCP) because the organizations that submitted letters of support do not meet the requirements of the QAP. The challenger also states that the letters that were submitted were deficient in that they do not reference the development location. Finally, the challenger requests that the Application be penalized an additional point pursuant to §11.9(f)(1) of the QAP related to Point Deductions.

**Analysis:** Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is eligible for only one (1) point under Educational Excellence and the maximum four (4) points under Community Input other than QCP. During the application review, staff identified the same discrepancies and issued Administrative Deficiencies. While the Applicant was not able to prove eligibility for the three (3) points claimed under Educational Excellence, they were able to provide sufficient information with respect to the community organizations that submitted letters of support.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13043	<b>Development Name:</b>	Progress Senior Living		
<b>City:</b>	Ector Region	<b>Region:</b>	12	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Granger MacDonald, MacDonald Companies				

**Nature and Basis of Challenge:** The challenger asserts that the Application should not be eligible for points under §11.9(d)(2) of the QAP related to Community Input other than Quantifiable Community Participation because the letters submitted are from governmental entities.

**Analysis:** The above referenced application was not deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will review it further if the application becomes competitive in the region

**Resolution:** No action at this time.

<b>TDHCA ID#:</b>	13136	<b>Development Name:</b>	Concho Villas		
<b>City:</b>	San Angelo	<b>Region:</b>	12	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Granger MacDonald, MacDonald Companies				

**Nature and Basis of Challenge:** The challenger asserts that the Applicant did not disclose issues surrounding noise and pollution of an airport near the subject site but did not cite a specific rule that is being violated. The challenger also made a statement concerning site control, claiming that the Applicant cannot compel title.

**Analysis:** The above referenced application was not deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will review it further if the application becomes competitive in the region.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13211	<b>Development Name:</b>	Mustang Springs		
<b>City:</b>	Andrews	<b>Region:</b>	12	<b>Fee Received:</b>	No
<b>Challenger:</b>	Michael P. Ash, The Commonwealth Companies				

**Nature and Basis of Challenge:** The challenger asserts that the Application should be terminated because it does not meet the requirements of §10.204(9) of the Uniform Multifamily Rules related to Site Control.

**Analysis:** The above referenced application was not deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will save a memo into the application file should the application become competitive in the region.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13131	<b>Development Name:</b>	Montana Vista Palms		
<b>City:</b>	El Paso	<b>Region:</b>	13	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Cynthia Bast, Locke Lord Attorney & Counselors, on behalf of Ike J. Monty of Investment Builders Inc.				

**Nature and Basis of Challenge:** The challenger asserts that the Application violates §10.101(a)(3)(A) of the Uniform Multifamily Rules because the proposed development site is located within 300 feet of a junkyard. The challenger also made statements about the lack of wastewater service to the site.

**Analysis:** Staff reviewed the challenge as well as the Applicant's response and concluded that the development site is not located within 300 feet of a junkyard. As stated in the Applicant's response, the proposed site is more than 300 feet from H & R Auto Sales, which is the business that the challenger has categorized as a junkyard. This was confirmed by staff. Regarding wastewater service, staff also found no violation of any rule.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13133	<b>Development Name:</b>	Verde Palms		
<b>City:</b>	El Paso	<b>Region:</b>	13	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Cynthia Bast, Locke Lord Attorney & Counselors, on behalf of Ike J. Monty of Investment Builders Inc.				

**Nature and Basis of Challenge:** The challenger claims that the Applicant violated §10.203(1)(B) of the Uniform Multifamily Rules by failing to notify a neighborhood organization. The challenger states that the Applicant should have been aware of the East Side Civic Association because the organization has been active in the community, has been in the newspaper, and submitted a letter of support for another housing tax credit application in the 2012 cycle.

**Analysis:** Staff has reviewed the challenge as well as the Applicant’s response and finds no violation of the rule. The Applicant states that, although they are an active developer in the community, that they had no knowledge of the organization at the time of notification. In addition, the Applicant states that they contacted the president of the organization before Applications were submitted but that there was no mention of the organization’s existence. The Applicant also indicates that the organization is not on record with the county or state and that they likely would not qualify as a neighborhood organization under the 2013 QAP had they submitted any letters of support or opposition. Staff confirmed that the organization does not appear to be on record with the county or state. In addition, staff researched the 2012 QCP letters and found the organization to be ineligible in the previous cycle.

The Applicant also states that the challenger is in violation of §10.202(1)(K) by misrepresenting the circumstances surrounding the neighborhood organization. While staff did determine that there was no violation of the rules regarding notifications, staff also determined that the challenge issued does not constitute a material misrepresentation and therefore also does not violate the rule.

**Resolution:** No action at this time.

<b>TDHCA ID#</b>	13058	<b>Development Name:</b>	Evergreen at Hebron Senior Community		
<b>City:</b>	Hebron	<b>Region:</b>	3	<b>Fee Received:</b>	Yes
<b>Challenger:</b>	Chris Applequist, Miller Valentine Group				

**Nature and Basis of Challenge:** The challenger asserts that the Application should not be eligible for points claimed under §11.9(c)(6) of the QAP related to Underserved Area because the development is *proposed* to be located in Carrollton, a municipality which does have other housing tax credit units within its city limits. The challenger also asserts that the Application should be terminated because it did not meet the requirements of §10.204(10) of the Uniform Multifamily Rules related to zoning again because the development is *proposed* to be located in Carrollton. Finally, the challenger indicates that the Application is not eligible for points under §11.9(d)(6) of the QAP related to Commitment of Development Funding from a Unit of General Local Government (UGLG) because again the development is *proposed* to be located in Carrollton. In this case, the challenger believes that staff should use the population of Carrollton to determine the amount of funding needed to be eligible for points. In general, the challenger states that, although the development site at the time of Application submission is located in the city limits of Hebron, staff should consider the development to be located in Carrollton and evaluate the Application accordingly because the intent of the Applicant is ultimately to be annexed into Carrollton.

**Analysis:** Staff has reviewed the challenge as well as the Applicant's response and has determined that the development site was located within the city limits of Hebron as of March 1, 2013. Therefore, the Applicant dealt with the development's proposed location appropriately to qualify under the above cited scoring items.

**Resolution:** No action at this time. However, as with all awarded Applicants, they will be required to provide evidence of zoning from the appropriate municipality at the time of Commitment as well as evidence that any commitment of development funding by a UGLG is eligible.



R3

**BOARD REPORT ITEM**  
**COMMUNITY AFFAIRS DIVISION**  
**JULY 11, 2013**

Report on the provision of services through Community Services Agency of South Texas (CSA).

**BACKGROUND**

At the May 9, 2013 TDHCA Board meeting, staff presented a recommendation to reinstate utility assistance services (CEAP) in the three-county area served by CSA as well as case management services (CSBG) in two counties. Staff also recommended that CSA voluntarily relinquish the Weatherization Assistance Program and did not recommend reinstatement. At the conclusion of the Board meeting, staff was instructed to work towards resolution and report back to the Board. On May 28, 2013, senior TDHCA staff attended the Board meeting of CSA and discussed the TDHCA Board item as presented and discussed the potential restart of the contracts with CSA. The CSA Board discussed the contracts and subsequently instructed David Ojeda, Executive Director to prepare correspondence to reflect the questions and concerns of the CSA Board.

Staff responded to the questions of the CSA Board and subsequently received correspondence from CSA Executive Director David Ojeda that the responses were acceptable. Contracts for CEAP and CSBG have now been executed. CSA is assembling staff to administer the programs with assistance from TDHCA. TDHCA staff is working with Mr. Ojeda to provide training to CSA staff when they are properly staffed. One of the commitments of TDHCA to CSA was that a plan would be put in place, agreed to by both parties, outlining which issues from the prior Meliora assessment report still would require resolution and how that would be attained. That Plan is being designed at this time.

Regarding WAP, CSA has not offered to relinquish the program, nor has it requested any other action on the program. Therefore, on July 2, 2013, TDHCA sent CSA a notice that TDHCA would no longer be treating CSA as a weatherization network provider. Staff is concurrently releasing a Request for Applications (RFA) to find a permanent substitute provider for weatherization in the service area.

Unless directed otherwise, staff will consider that this item is being handled sufficiently and will no longer bring updates to the Board, unless specific further Board action is required.

R4

## TDHCA Outreach Activities, June 2013

*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*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Texas State Independent Living Council Quarterly Meeting	Houston	June 1-2	Housing Resource Center	Participant
TMP 79, MCC Program Realtor Training/SWBC Mortgage Corp	San Antonio	June 4	Homeownership	Training
HOME HBA, TBRA Training/Village of Vinton	Austin	June 5	HOME	Training
First Thursday Income Eligibility Training	Austin	June 6	Compliance	Training
Interview/Mortgage Professional America	Austin	June 11	Bond Finance, Homeownership	Interview
Public Hearing/Amended 2013 & Draft 2014 LIHEAP State Plans	Austin	June 12	Community Affairs	Public Hearing
TDHCA Lenders, Loan Officers of the Year/Recognition Ceremony	Austin	June 13	Homeownership	Presentation
HOME TBRA, Project Access Voucher Training/Coastal Bend Center for Independent Living	Corpus Christi	June 14	HOME	Training
HOME HRA Training/Central Texas Opportunities, West Central Texas Regional Foundation	Austin	June 19	HOME	Training
Community Action Program Legal Services Conference	Boston	June 19-21	Compliance	Participant
United Texas-Housing Initiatives that Work/Realtor Training	Harlingen	June 21	Homeownership	Training
MCC Program Re-Launch/Webinar	Austin	June 24-25	Homeownership	Training
NCSHA Tax Credit Conference	San Francisco	June 24-26	Compliance	Panel Moderator
Bidders Redevelopment Conference	Dickinson	June 28	Asset Management	Presentation

## Internet Postings of Note, June 2013

*A list of new or noteworthy documents posted to the Department's Web site*

**Household Relocation Assistance Budget Calculator** — used to determine temporary and permanent replacement housing budget for persons displaced by rehabilitation or reconstruction:

[www.tdhca.state.tx.us/program-services/ura/relocation.htm](http://www.tdhca.state.tx.us/program-services/ura/relocation.htm)

**Disaster Relief Resources: Communities and Nonprofits** — providing snapshot details regarding eligible beneficiaries and resources available to assist in the wake of disaster:

[www.tdhca.state.tx.us/disaster-resources/communities-nonprofits.htm](http://www.tdhca.state.tx.us/disaster-resources/communities-nonprofits.htm)

**Approved Multifamily Bond Underwriters** — listing senior managing and co-managing underwriters approved by the Department for multifamily transactions:

[www.tdhca.state.tx.us/multifamily/bond/index.htm](http://www.tdhca.state.tx.us/multifamily/bond/index.htm)

**10% Test Update: March 2013** — relating to a development owner's requirement to incur a specific amount of costs when developing housing units with equity financing through housing tax credits:

[www.tdhca.state.tx.us/asset-management/pca-manual.htm](http://www.tdhca.state.tx.us/asset-management/pca-manual.htm)

**2014-2015 CSBG State Application and Plan Draft** — *describing the planned use of funds and distribution of pass-through funds, state administration funds, and state discretionary funds for the Community Services Block Grant Program:*

[www.tdhca.state.tx.us/community-affairs/csbg/index.htm](http://www.tdhca.state.tx.us/community-affairs/csbg/index.htm)

**Request for Proposals: Document Preparation Counsel** — *seeking outside legal counsel for preparation of loan documents for Neighborhood Stabilization, HOME, Housing Trust Fund, and Bootstrap programs (links to Comptrollers Office Web page):*

[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=106347](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=106347)

**Request for Proposals: Low Income Housing Tax Credit Counsel** — *seeking legal services in connection with the administration of the Housing Tax Credit Program (links to Comptrollers Office Web page):*

[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=106349](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=106349)

**Request for Proposals: Single Family, Multifamily Bond Counsel** — *seeking legal services in connection with the administration of the Department's Single Family and Multifamily bond programs (links to Comptrollers Office Web page):*

[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=106350](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=106350)

**Invitation for Bids: ROMA Instructional Training Courses** — *seeking qualified entity to provide Results Oriented Management and Accountability (ROMA) Training for the Department's Community Services Block Grant Program subrecipients (links to Comptrollers Office Web page):*

[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=106396](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=106396)

**2013 CSBG Allocations** — *listing subrecipients participating in and corresponding funding allocations through the Department's 2013 Community Services Block Grant Program:*

[www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm](http://www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm)

**2013 4% Housing Tax Credit with TDHCA as Issuer Status Log: June 18, 2013** — *listing applicants seeking non-competitive Housing Tax Credits in conjunction with bond financing with the Department as issuer:*

[www.tdhca.state.tx.us/multifamily/bond/index.htm](http://www.tdhca.state.tx.us/multifamily/bond/index.htm)

**2013 4% Housing Tax Credit with Local Issuer Status Log: June 18, 2013** — *listing applicants seeking non-competitive Housing Tax Credits in conjunction with bond financing through local housing finance agencies:*

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**2013 Redevelopment Notice of Funding Availability** — *detailing available financing for qualified developers with respect to a proposed 34-unit rental property in Dickinson, Texas:*

[www.tdhca.state.tx.us/asset-management/announcements.htm](http://www.tdhca.state.tx.us/asset-management/announcements.htm)

**Waivers, Pre-Clearance, Determinations, and Disclosure Packets: Individually Imaged** — *providing access to documents for each applicant remaining in the 2013 Competitive Housing Tax Credit allocation cycle seeking pre-clearance or determinations regarding specific scoring items, definitions, site issues, or other concerns:*

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**Review Request Process for UPCS** — *detailing process by which property owners/agents may request a technical review of a Uniform Physical Conditions Standards inspection score:*

[www.tdhca.state.tx.us/pmcomp/inspections/physical.htm](http://www.tdhca.state.tx.us/pmcomp/inspections/physical.htm)

**2013 Competitive Housing Tax Credit Challenge Log: June 21** — *detailing challenges to applications in the 2013 Competitive Housing Tax Credit allocation cycle and staff determinations:*

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**2013 Competitive Housing Tax Credit Program Application Submission Logs: June 21** — *providing updated details on applicants competing in the 2013 9% Housing Tax Credit cycle:*  
[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**2013 HTC Applicant Request/Award Limits and Estimated Regional Allocation: June 21** — *reflecting the estimated Competitive Housing Tax Credit Ceiling that the Department expects to have available for allocation during the 2013 cycle:*  
[www.tdhca.state.tx.us/multifamily/applications.htm](http://www.tdhca.state.tx.us/multifamily/applications.htm)

2

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action to approve an amendment to the Land Use Restriction Agreement (LURA) for Sabine Park Meadows in Orange (File No 96134)

**RECOMMENDED ACTION**

**WHEREAS**, Sabine Park Meadows received an award of 9% Housing Tax Credits in 1996 to rehabilitate 200 multifamily units reserved for family households in Orange;

**WHEREAS**, ownership of Sabine Park Meadows (the "Property"), a 200 unit, 100% rent restricted property, originally constructed in 1941 and rehabilitated with tax credits in 1996, was transferred to Pine Oak Partners, LLC in August 2010, at which time occupancy was in the low 80% range;

**WHEREAS**, occupancy at the Property is currently approximately 55%;

**WHEREAS**, this has required the owner to support operations with additional financial outlays;

**WHEREAS**, the current owner and their consultant have met with staff and have expressed a belief that a contributing factor to the Property's low occupancy is the high number of recently developed affordable units in the area coupled with a perception that the Property is older and of lower quality;

**WHEREAS**, the owner has expressed that continued subsidization of the operation of the Property as an affordable property is not a viable option and that the Property is, without relief, at risk of being foreclosed;

**WHEREAS**, the owner believes that demand in the area includes unmet demand for leasing to tenants with incomes above the incomes required by the Property's current land use restriction agreement ("LURA") and, accordingly, desires to amend its LURA to release 100 of the units from income restrictions;

**WHEREAS**, Board approval is required for a reduction in the number of Low Income units and the Owner has complied with the notification requirements under 10 TAC §10.405(b); and

**WHEREAS**, the Owner has not yet established, to staff's satisfaction, that this is the only or best solution or even that it would be effective at stabilizing the Property and preserving affordable housing units, but Owner has established that developing such a comprehensive and properly documented solution will take additional time;

**NOW, therefore, it is hereby**



**RESOLVED**, that this Board authorizes and direct staff to work with the Owner for a period of up to six months, which the executive director may extend for good cause for up to an additional six months, to develop and present to this Board a comprehensive and well documented solution to preserve long term affordability for all of the units, provided that staff first secures concurrence from the Department's tax credit counsel that such accommodations will not violate the Department's obligations under the LURA or the federal requirements applicable to the Property; and,

**FURTHER RESOLVED**, that the basic parameters of such accommodation period include:

- The LURA remains in effect, but the Department will not enforce the requirement that up to 62 of the total units be rented only to income eligible households;
- The accommodation does not extend to any building (BIN) still within its compliance period;
- Any lease to an above income household during the accommodation period must provide that it is not renewable and that the tenant may be required to vacate at the end of its lease term so that the Owner may revert to leasing to income eligible households upon the expiration of this period;
- All available units will continue during the accommodation period to be marketed to income eligible households and subject to monitoring by the Department.

### **BACKGROUND**

Sabine Park Apartments is a 200 unit multifamily development originally built by the local Public Housing Authority in 1941 (72 years old). The property has 28 one bedroom units, 122 two bedroom units and 50 three bedroom units. In 1996, Three Rivers Development, Inc. was awarded housing tax credits for the rehabilitation of the Development. At the time of application, the Development was in very poor condition with 115 of the units considered uninhabitable. The credit period for this development began in 1998 for 27 buildings and 1999 for the remaining 13 buildings. Of the 200 units, sixty (60) units are set aside for households with incomes at or below 50% AMGI and the remaining one hundred and forty (140) units are set aside for households with incomes at or below 60% AMGI. The original owner agreed to extend the initial (State) Compliance Period an additional five (5) years beyond the federally required 15 years and to extend the long term affordability period 15 years for a total affordability period of 30 or 35 years. On August 23, 2010, Three Rivers Development, Inc. sold the property to Pine Oak Partners, LLC. At the time of the transfer of ownership, the occupancy rate was in the low 80% range. According to the current owner, by December 2011, occupancy had dropped to 55% with the sharpest drop occurring November of 2011. This decline is materially consistent with the Quarterly Vacancy Reports submitted to the Department during this time period. The owner indicated that the precipitous drop in occupancy in November 2011 was due to two factors: lease up activity of several new affordable housing projects in the area; and a prior management decision to lower the prospective screening criteria to increase occupancy. The latter strategy back fired as they had too many tenants who were delinquent on their rent. Therefore, management decided to change their strategy and evict the delinquent tenants and

find qualified replacements. Since that time, the management agent has been replaced; however, to date, the occupancy rate has not risen above 60%.

On March 21, 2013, the Development Owner, Pine Oaks Partners, LLC, requested a LURA amendment to remove the income restriction for 50% of the total units (100 units). Pursuant to 10 TAC, §10.405 of the Department's Post Award and Asset Management Requirements rule, the Department will not approve changes to a LURA that would violate state or federal laws including the requirements of §42 of the Internal Revenue Code. According to the IRS 8609 forms filed by the original Development Owner, thirteen (13) buildings are in year 15 of the Federal Compliance Period and, therefore, the amendment request for those buildings would violate the Federal 15 year compliance period requirement. In addition staff expressed concerns to the Developer that the relief being sought would not necessarily improve the property's long term financial status but would reduce the choice for affordable housing in this market. After several meetings with staff, the Development Owner submitted a revised amendment request on May 25, 2013 and requested a temporary LURA amendment for the portion of the Development that is outside of the Federal Compliance Period (27 buildings). This amendment would lift the income restrictions for 100 units in the 27 buildings for a limited period of 12 months. However, staff has verified that there are only 62 vacant units contained in these 27 buildings as of May 2013. During this period, the Development Owner would be able to lease the current vacant units in these 27 buildings to households whose income exceeds the 60%AMGI limit. According to the market study conducted by Gerald Teel and Company and provided by the owner, market rate rent is far below the restricted 60%AMGI limit and therefore, rental rates could remain restricted at the 60% AMGI limit. In addition, staff approval of this temporary amendment is conditioned on the requirement that the Owner continue to income certify all 200 units at the property and that the Department would continue to include these unrestricted income units in all monitoring reviews or physical inspections of the Development.

Documentation submitted with the request included a market study and local community support letters. According to the Development Owner, the Development has incurred significant financial hardship over the last three years due to various factors, including the low occupancy rate described previously. The current occupancy rate is 50%. This rate has fluctuated over the last two to three years but has remained low (between 50-60%). As a result, the property has been operating with a negative monthly cash flow of approximately \$20,000 per month. Current accounts payable total approximately \$135,600 and the property only has \$2,629 cash on hand as working capital to keep the property operating. The Owner has indicated that since acquisition they have had to invest over \$240,000 of their own funds to keep the property out of foreclosure and has a very limited ability to continue this financial support. In an effort to lower annual operating expenses, the Owner was able to negotiate lower water utility rates at the Development. Historical financial statements submitted confirm that water expense was significantly higher than usual with amounts paid of \$140,818 and \$97,184 in 2011 and 2012, respectively. In addition, the Owner was able to obtain a modification and extension agreement with the permanent lender on February 3, 2012 wherein the interest rate was reduced from 6.25% to 4.25% and the term increased from 15 to 20 years, resulting in a reduced mortgage payment of \$8,422.16 (reduction of \$3,465 annually).

While all of these efforts have assisted in improving the financial operations of the Development, they have been insufficient to stabilize operations. According to the Development Owner and Management Agent, the majority of existing residents that move out of this Development do so to live at newer affordable apartments in the area. Additionally, the Development Owner reports that although their leasing rate is adequate, there are households that are turned away due to income that exceeds the 60%AMGI limit. These households typically have wage earners employed at the local docks or university; both of which are within walking distance of the Development. Unfortunately,

aside from the confirmed low occupancy rate at the Development, the Owner has not kept detailed traffic and move-out records to fully support this claim. During a meeting at the TDHCA offices on May 21, 2013, the owner acknowledged that although he contemplated requesting this amendment since November 2012, he has not advised onsite management to keep detailed records of the traffic at the property (including income levels) until he was asked for such information by staff in approximately May 2013.

During the process of reviewing this request, the Owner submitted the Move Out, Prospect Information, and Move In Reports that were available. These reports covered the period from April 25, 2012 to April 25, 2013. Of the 129 move outs during this period, only 35 fulfilled the full term of their lease (94 households moved out prior to lease expiration). The reason for move outs varies:

- 35 skipped/abandoned apartment (27%)
- 4 evictions (3%)
- 5 moved due to death/illness (4%)
- 69 moved to competitive apartment (53%)
- 15 classified as “other” (12%).

This report confirms that there is a definite tenant retention issue at the property. The owner has indicated that all tenants who violate their lease agreements are reported to the Credit Bureau.

The Prospect Information Report (“Traffic Report”) shows that of the 231 prospective tenants who visited the property over the period of April 2012 to April 2013, 122 resulted in a lease (53%), 12 were actively being considered to lease (5%), 18 were unqualified based on income or other tenant selection criteria (8%), and 79 were characterized as “lost” (34%). According to the Owner, this category is not specifically unqualified applicants but households who just decided not to lease at the property. This report also provided an income qualification summary indicating that 86 of the prospects income were unknown (37%), 101 qualified under the 50% AMGI set-aside (44%), 27 qualified under the 60% AMGI set-aside (12%), and 17 applicants had income that exceeded the 60% AMGI set-aside (7%). This suggests that income qualified applicants are considering the Development during their search for a home. Furthermore, the lack of income information for the “lost” category causes concern for the Department in consideration of their original amendment request.

The Market Study concluded that the demand for non-income restricted units is 5,456 with an indicated capture rate of 1.8%. Therefore, it concludes, 100 of such non-restricted market units can be absorbed at the subject property which could enable the occupancy at the subject property to rise to over 80% thus restoring its economic viability. The Market Study was reviewed by the Department’s Real Estate Analysis (REA) Division who also considered the market analysis in comparison with recent analyses of the market area. Based on REA assessment of the data submitted, there would be adequate demand for more affordable units to fit within current REA rules for demand in rural areas in Texas even with the recent additional affordable units coming online. The primary market area has 20,720 total households. As restricted under the LURA, the gross capture rate for 60% AMI households is 5.7% which is far below the 30% gross capture rate level considered acceptable for a rural development under REA Rule §10.302(i)(1)(C). As proposed by the owner with 50% market rate units, the capture rate is somewhat better at 2.7% but there is no assurance that these higher income households will have any interest in leasing a unit in a property that the owner himself has indicated has lost units due to being older and having fewer amenities than the newer affordable property in the area.

Staff has had several conference calls with the Owner and has met in person with the Owner on two separate occasions to discuss the requested amendment. One option discussed was a partial conversion of the development to single family homeownership. This would require additional due diligence and could only be plausible for the duplex and fourplex units in a condo type of design. Other possibilities discussed were working with the local housing authority during relocation of residents during construction of any rehabilitated units in the area, and providing more documentation to support their original request such as information from local employers and wage rates. While the Owner has indicated that they are aware of additional new affordable units being funded through the housing authority in Orange, staff has not been able to confirm that these anticipated units are not replacement units for existing units that are to be demolished.

The owner confirmed that they have not received a foreclosure notice from their permanent lender because they have continued to make the mortgage payments. However, the Owner did believe that the property was on the bank's distressed assets list which was why his loan modification request was ultimately successful. The Owner stated that his current investors in the property will not continue to financially support the development and that, if relief or assistance is not provided, he will not be able to continue to make mortgage payments and the bank will likely move toward foreclosure.

On June 20, 2013, the Owner's consultant submitted documentation of the Owner's most recent efforts to work with the local housing authority. The owner reports that the housing authority currently has 795 issued Section 8 housing vouchers, 371 persons on the Housing Voucher waiting list, and 144 persons on the public housing waiting list. The Housing Authority representative concluded that the low occupancy level could be related to the age of the property and historical opinions (from previous ownership) that it is a "less than desirable" property due to its age. The Housing Authority also confirmed that they have three new affordable projects planned for the area with funding from the CDBG Disaster Recovery program. This would add approximately 194 newly constructed units to the area during the next few years. According to a city official from the City of Orange, these three projects have not received final approval from the City of Orange. TDHCA staff contacted the General Land Office to confirm the current level of CDBG funding in the Orange area and was informed that all of the remaining multifamily funding in the immediate area was to be used for replacement of existing units.

The Owner has complied with the notification requirements under the Department's Post Award and Asset Management Requirements rule, 10 TAC §10.405(b) and will provide the opportunity for public input at a hearing to be held on June 28, 2013.

Staff's recommendation is consistent with the resolution herein, however, reserves the right to adjust their recommendation subsequent to the public hearing, if deemed necessary.

**Pine Oaks Partners, LLC**

**1215 Durham Drive  
Houston, TX 77007**

March 21, 2013

Kent Bedell, Asset Manager  
Texas Departments of Housing and Community Affairs  
211 East 11<sup>th</sup> Street  
Austin, Texas 78711-3911

Re: TDHCA Project 96-134 - "Sabine Park Apartments", 200 Units, Orange, Texas  
Request for LURA Amendment to allow for Market Rate Units

Dear Mr. Bedell:

This a request to modify the existing Land Use Restriction Agreement (LURA) for Sabine Park Apartments to allow 50% of the units to be removed from their current income restrictions and allowed to charge market rents without the requirement to income qualify prospective residents for these units. The LURA calls for 100% of the project's 200 units to be restricted to individuals and families whose income is 60% or less of Area Median Income. This urgent request is made to:

1. Restore the Subject Property's economic viability;
2. Insure continued affordability for a significant portion of the Subject Property's units; and
3. Repair a market imbalance resulting from the over development of Federally Assisted affordable housing units in Orange since Hurricane Ike.

Currently, the Subject Property has a negative monthly cash flow of approximately \$20,000. As of the end of January 2013, the Subject Property has \$2,629.00 cash on hand and accounts payable of approximately \$135,600.00. The Property has only been able to remain out of foreclosure through the continued investment of over \$240,000 by the Owner, which now has only a very limited ability to continue this support.

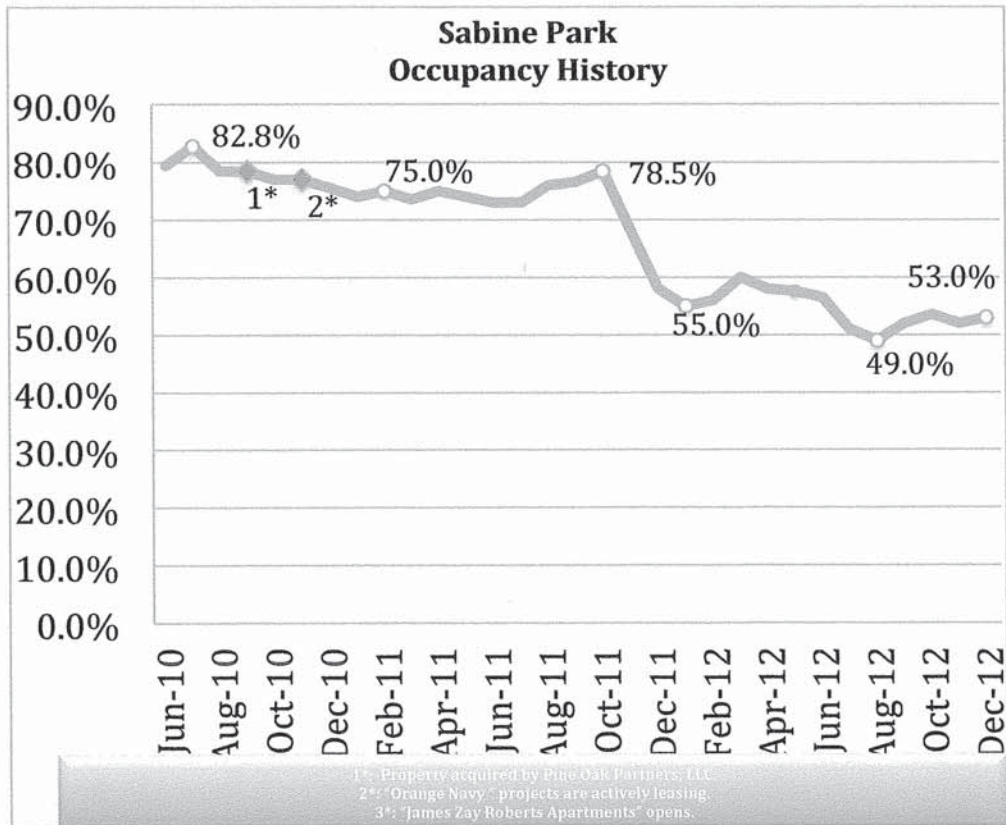
The Subject Property was originally constructed by the US Navy in 1942 to house shipyard workers. In 1996, the Property applied for and was awarded Low Income Housing Tax Credits. At that time the Property was extensively renovated. From its placed in service date in 1998 until 2008, when Hurricane Ike struck, the Property operated between 90% and 95% occupied.

The population of Orange has been in a long-term steady decline since 1990, with an overall drop of 13%, with the largest decline since 2000. As a result of Hurricane Ike, the five-county, Upper Texas Gulf Region

suffered the total loss of almost 3,400 housing units. However, Orange County had the lowest count of housing units destroyed, with only 99 Units<sup>1</sup>.

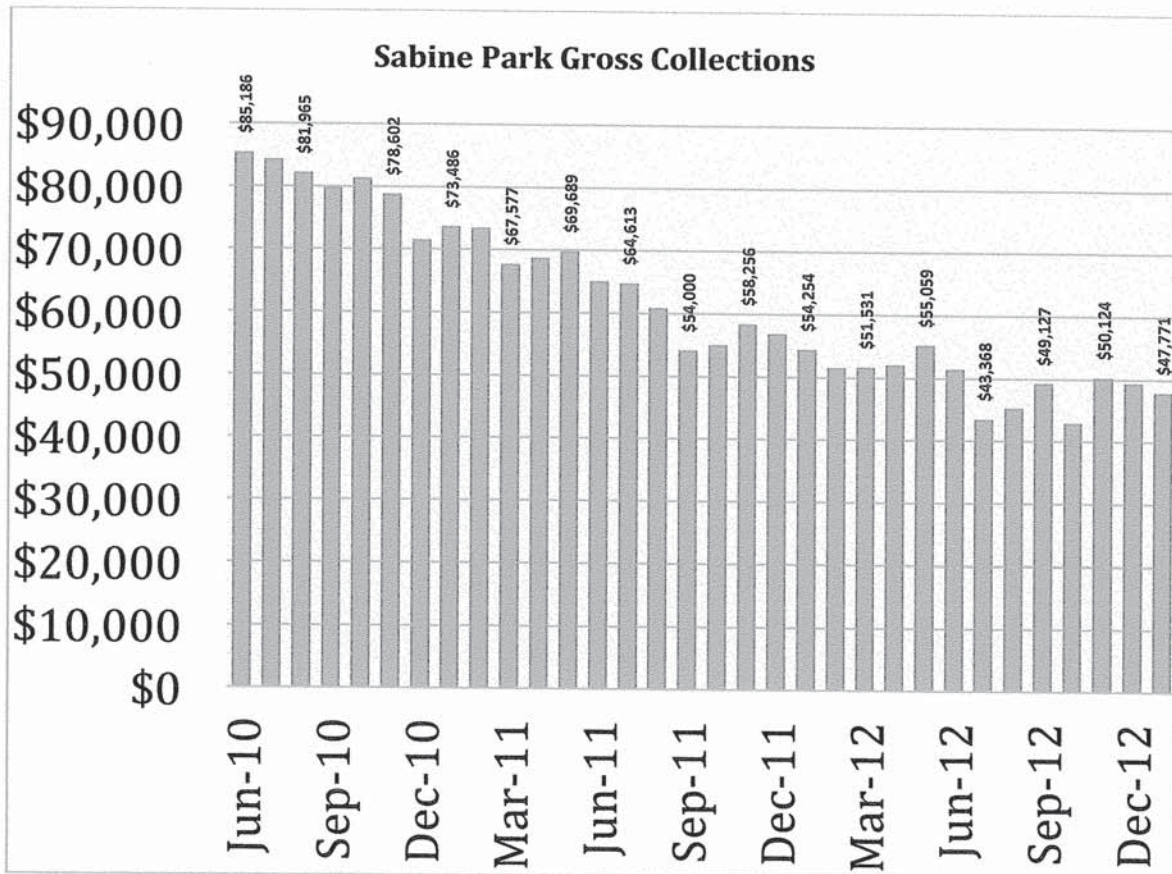
Since and in response to Hurricane Ike in 2008, the supply of federally assisted affordable (LIHTC and CDBG) housing in the City of Orange has increased by almost 400 new units or 57%. In light of the declining population of the City of Orange, this overwhelming response has significantly affected the economic viability of pre-existing LIHTC projects. Newer projects, funded at significantly higher per unit costs, have been forced to secure tenants from existing projects, cannibalizing the City's declining tenant base for rent-restricted residents. Granting the relief requested, to allow 100 units to be leased without income restrictions at market rents, will not detrimentally affect the City's overall housing affordability, due to the significant additional units already added to the supply of affordable housing; furthermore, a reduction in the Subject Property's number of income restricted units will benefit the other tax credit properties by reducing the competition for the limited pool of income-qualifying tenants and improving the market position of the other tax credit properties.

The impact on Sabine Park from the many new tax credit units built in the past 3 to 4 years has been so dramatic that occupancy has fallen from the low 80% range after the Subject Property was put back in service (following repairs required because of flooding in Hurricane Ike), to the low 50% range currently prevailing. Please see the chart below.



<sup>1</sup> Hurricane Ike Impact Report – December 2008, State of Texas – Division of Emergency Management

The precipitous drop in occupancy shown above has cut monthly income at the Subject Property by over 40%. Since June of 2011, the Property has operated below break-even. At these levels, operations at the Property cannot be sustained. Without relief, the inevitable result is that the Subject Property will be foreclosed and all 200 and of its affordable units will be operated without the restrictions of the LURA.



To substantiate this request for an amendment of the LURA the Market Analysis firm, Gerald Teel & Associates, was retained to prepare a Market Study relating to the Subject Property and the market conditions in its Primary Market Area. The conclusions of that Study confirm the following:

1. The Subject Property and its surrounding neighborhood are located within the city limits of Orange. The expected trend for both the near and intermediate term is for continued minimal growth or possibly some minor population declines. Considering these conditions, the expected trend for the Primary Market Area of the Subject Property is for minimal or slow/no growth in the foreseeable future.
2. Overall the site is well suited to its use as apartments.
3. Based on construction and design criteria, the Subject Project can compete effectively (despite its age compared to other properties in its Primary Market Area) if given the opportunity to lease

- apartment units without income restrictions.
4. The market in both the Primary Market Area and in the City of Orange is weak and not showing signs of improvement. The macro market is 93.8% occupancy for this product type; however, the micro market is 83.8% occupancy.
  5. It should be noted that low-income tenants (60% and below AMFI) in the Primary Market Area have a choice of newer apartments and homes with upgraded features, such as granite counters, wood-grained cabinets and modern plumbing fixtures, all such appointments not typically available to lower income tenants. The Subject Property is at a disadvantage because of its age and the lack of these modern features and aesthetics. Low-income tenants in this market area have shown a definite desire to move to a newer property, with modern amenities which also offers low rents. Therefore, despite the good condition of the units within the Subject Property, the new competition has very negatively impacted the Subject Property.
  6. The rents at the Subject Property are in line with the Primary Market Area; accordingly, if the Subject Property is allowed to lease a designated number of units without income restrictions, there is a proven and un-served demand for those units.
  7. **The Study states that the total qualified demand for non-income restricted units is 5,456 units, and with an indicated capture rate of just 1.8%, 100 such non-restricted market units can be absorbed at the Subject Property. This additional occupancy will enable the Subject Property to move from an occupancy level of just over 50% to occupancy of over 80%, allowing the Subject Property to reestablish its economic viability.**

If this request is approved and implemented, the remaining restricted units within the Subject Property will remain in continuous compliance with all applicable state and federal laws and specifically in compliance with the requirements of IRC Section 42, The HOME Final Rule, the Qualified Allocation Plan, Texas Gov't. Code, Chapter 2306, the Fair Housing Act, and the LURA.

Financial information supporting this request is attached as Exhibit A.

We request this item be placed on the Board Agenda for May 9, 2013. Please contact me or Bill Lee, our consultant (512)-422-1210, if we can answer any questions.

Very truly yours,

Pine-Oaks Partners, LLC, a Texas limited liability company  
By Sterling Oaks Group, LLC, Its Manager  
By Corinthian Real Estate, Inc., Manager

By

  
Bradley B. Jones, President

cc: Cynthia Bast, Locke Lord

Bill Lee, Madison Residential Advisors



**Exhibit A – Current Numbers**  
Sabine Park Apartments, Orange, Texas  
Analysis of Proposed Rent Changes

	<b>2012 Actual</b>	<b>2013 Budget (w/o LURA Amendment)</b>	<b>12 Month Budget (with LURA Amendment)</b>
Gross Income	1,189,927	\$1,168,477	\$1,187,696
-Economic Vacancy	<u>(\$599,127)</u>	<u>(\$485,000)</u>	<u>(\$389,644)</u>
Adjusted Gross Income	\$590,800	\$683,477	\$798,052
Operating Expenses	<u>(\$692,375)</u>	<u>(\$671,755)</u>	<u>(\$693,067)</u>
NOI	<u>(\$101,575)</u>	\$11,722	\$104,985
Debt Service	<u>(\$142,000)</u>	<u>(\$101,064)</u>	<u>(\$101,064)</u>
Capital Expenditures	<u>(\$39,000)</u>	<u>(\$87,100)</u>	<u>(\$91,188)</u>
Total Cash Flow	<u>(\$282,575)</u>	<u>(\$176,442)</u>	<u>(\$87,267)</u>

**Note: The Subject Property reaches "break-even" in month 9 after the approval of the LURA Amendment.**

May 28, 2013

Cari Garcia  
Texas Department of Housing and Community Affairs  
221 E. 11th St.  
Austin, TX 78701

Re: LURA Amendment – Sabine Park #93-134

Dear Cari:

Thanks to Tom, Kent and you for your continued efforts on Sabine Park.

We are revising our original request to amend the LURA. We are now requesting the following amendments to the LURA:

Amendment of the existing income restrictions, for the 100 of 321 units in the 23 buildings that have passed out of the compliance period, for 12 months following approval by the board.

The purpose of this amendment is to provide interim relief to the owner and allow the project to economically stabilize.

During the 12-month amendment, the owner will work closely with the TDHCA staff to track the income levels of all leasing traffic visiting the site. In addition the owner will continue to monitor the affordable market in Orange, to determine its strength.

At the end of the amendment period, based on information compiled by the Owner and Department's Staff during the amendment, it is anticipated that the Owner and Staff will develop recommendations to the board for a permanent resolution for the project.

The circumstances that caused this problem are likely not to be replicated. The combination of a community ravaged by a Category 4 Hurricane and resulting abundance of Federally funded rebuilding is unlikely to occur in any other cases. When coupled with the Housing Authorities cannibalization of the 60% and below market, the result is a perfect storm of challenges for existing properties. As admitted by the Mayor and City Manager, no consideration was given to the potential impact of massive rebuilding on existing projects.

As anticipated in the first paragraph of the Board Policy on LURA Amendments, it was the intent of the Board to allow for adjustment of income restrictions to deal with significant changes in the market. The projects developed by the Housing Authority of the City of Orange and ITEX Development have stolen tenants from Sabine Park more than they have met un-served demand. This is clearly shown on the attached chart showing the dramatic 77% drop in voucher income at Sabine Park. Today, and for the foreseeable future, their developments dominate the market for tenants at 60% and below. In a shrinking market the tenants that have been relocated are effectively irreplaceable.

The Board's LURA Amendment Policy also stresses the importance of support from the local community. Evidence we have submitted shows an unprecedented depth of support from the community, including the City Council, local employers and the Housing Authority.

The only way for Sabine Park to attract sufficient numbers of new tenants to again become economically feasible is to expand its tenant based upwards and become workforce housing for major local employers. Unfortunately, many of the jobs in the Orange area are high paying jobs in the local Ship Building and Petro-chemical industries. Many of these jobs, based on our investigation, have hourly pay rates above \$20. With no overtime \$20/hour equates to \$40,920/annually or approximately 100% of AMFI for a family of one and well above 60% for a family of four.

Analysis by the G.A. Teel Company shows the potential for 2,812 renter households in the 60%-100% income bands and 5,456 renter households above 100% of AMFI. We are confident the ability to work with these pools of additional prospective tenants will allow the project to attract the tenants necessary to reach economic viability.

The proposed short – term solution will help the Owner reduce their monthly negative cash flow. Compiling additional information over time regarding the market and potential tenants will allow the owner and staff to gain a clearer understanding of the Orange market. Once this information has been compiled the development of a mutually agreeable long-term solution for the property will be possible.

We look forward to your positive response. Please feel free to contact me or Bill Lee if you have any questions.

Regards

Brad Jones

Cc: Tim Irvine  
Tom Gouris  
Patricia Murphy  
Kent Bedell  
Rosalio Banuelos  
Bill Lee

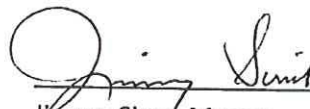
**A RESOLUTION OF THE CITY OF ORANGE, TEXAS, SUPPORTING PINE-OAKS PARTNERS, LLC , IN IT'S APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) TO CHANGE THE LAND USE RESTRICTION AGREEMENT (LURA) FROM 100% TAX CREDIT/INCOME RESTRICTED UNITS TO 50% TAX CREDIT/INCOME RESTRICTED UNITS AND 50% MARKET RATE UNITS.**

**WHEREAS**, Pine-Oaks Partners, LLC, has hired Gerald Teal & Company, Real Estate Consultants and Appraisers, to perform a Market Study for the purpose of determining the merits of an amendment of the LURA governing Sabine Park Apartments located at 111 W. Pine Avenue in the City of Orange, Texas;

**WHEREAS**, Pine-Oaks Partners, LLC, intends to submit an application to the TDHCA to amend its LURA for Sabine Park from 100% tax credit/income restricted apartment units to 50% tax credit/income restricted units and 50% market rate units; now, therefore

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:**

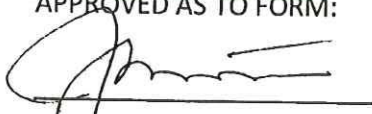
**THAT** the City of Orange supports the application by Pine-Oaks Partners, LLC, to the TDHCA to amend the LURA governing Sabine Park Apartments to allow for 50% of the apartment units to be leased as market rate apartments and the remaining 50% of the apartment units to continue to be tax credit/income restricted units.

  
Jimmy Sims, Mayor

**ATTEST**

  
Patricia Anderson, Deputy City Secretary

**APPROVED AS TO FORM:**

  
City Attorney

Date of adoption: March 12, 2013

**HOUSING AUTHORITY**  
OF THE  
**CITY OF ORANGE**

March 11, 2013

Pine-Oaks Partners, LLC  
111 W. Pine Street  
Orange, Texas 77630

RE: Sabine Park Apartments, 200 units  
Proposed Amendment to the Property LURA  
TDHCA No. 96134

Gentlemen:

Thank you for appearing before our Board of Commissioners at its meeting this past Friday, March 8, 2013, and presenting to the Commissioners information regarding your intention to propose to the TDHCA an amendment to the LURA for Sabine Park apartments, located at 111 W. Pine St. in Orange. We understand that your proposed amendment would request that the LURA governing the subject property be amended to provide that 50% of the units remain as tax credit/income restricted apartments, and the remaining 50% of the units become market rate, non-income restricted units.

In accordance with a motion passed at that meeting of the Commissioners, please accept this letter as confirmation that the Housing Authority of the City of Orange has no objections to the proposed amendment as described above.

Very truly yours,



---

Mary McKenna, Chairman of the Board



## Lamar State College-Orange

April 12, 2013

Mr. Kent Bedell  
Asset Manager  
Texas Department of Housing and Community Affairs  
221 E. 11th Street | Austin, TX 78701

RE: "Sabine Park Apartments", 200 units  
111 Pine Street, Orange, Texas  
Proposed Amendment to the Property LURA  
TDHCA No. 96134

Dear Mr. Bedell:

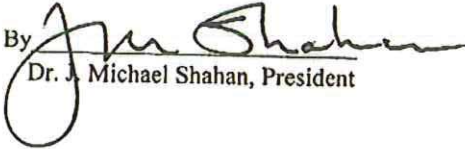
I understand that you now have before you an application by the owners of Sabine Park Apartments for an amendment to their Land Use Restriction Agreement ("LURA"). I am writing to express our support for that requested amendment.

For more than 40 years, Lamar State College-Orange has provided an affordable, quality education that emphasizes friendly service and personal attention to our students. In addition to providing a strong freshman and sophomore academic foundation for many degrees, for those students interested in a quick entry into a career, we offer a number of vocational/technical programs that are geared to the local job market, including programs for nursing and health services, childhood education and business/technology. We also offer classes for students who want to take specific courses for personal enrichment and/or other job skills.

Sabine Park is located just two blocks North of our campus. We have over 2600 full and part-time students of all ages, plus over 200 employees, including professors and other staff members. Our College serves a large geographic area in this part of Texas, far beyond the City of Orange, so many of our students and staff need local housing. Unfortunately, we do not have on-site housing, and there are very few market-rate apartments available in the proximity of the campus.

Our educational program would benefit from the availability of housing for students and staff within the immediate area of our campus. For that reason, we support the amendment of the LURA at Sabine Park Apartments to allow them to lease up to 50% of the apartment units to our students and other persons without income restrictions.

Very truly yours,  
Lamar State College-Orange

By   
Dr. J. Michael Shahan, President

LAMAR STATE COLLEGE-ORANGE

410 Front Street ♦ Orange, Texas ♦ Phone: 409/883-7750 ♦ Fax: 409/882-3374

A Member of the Texas State University System ♦ An Equal Opportunity Employer

409 721 5521

## Hayes Real Estate

April 23, 2013

Mr. Kent Bedell  
Asset Manager  
Texas Department of Housing and Community Affairs  
221 E. 11th Street | Austin, TX 78701

RE: "Sabine Park Apartments", 200 units  
111 Pine Street, Orange, Texas  
Proposed Amendment to the Property LURA  
TDHCA No. 96134

Dear Mr. Bedell:

I understand that you now have before you an application by the current owners of Sabine Park Apartments (formerly "The Oaks") for an amendment to the Land Use Restriction Agreement ("LURA") governing that property. We are writing to express our support for that requested amendment.

Hayes Real Estate and its affiliates (hereafter "HRE") was the developer that acquired the subject property in the late 1990's for the purpose of converting the property to a tax credit property. After extensive renovations to all existing apartment units, the construction of 8 new units for handicapped residents, and the construction of a new office/clubhouse, the property was put into service in 1998 under the terms of the LURA. The property was the first tax credit property in the City of Orange. Several years after the property was put in service, the interest of HRE was acquired by Centerline Capital Group. That entity sold the property to the current owner, Pine-Oaks Partners, LLC, in September of 2010.

During the period of time that HRE was the developer/general partner for the property, occupancy was between 90% and 95%, and collections were sufficient to provide a stabilized project with positive cash flow. Based upon our experience with the operations, occupancy and collections at the property for many years, and our current knowledge of the rental markets in Orange and Port Arthur, we can confirm that the property cannot compete, and sustain positive cash flow operations, with the addition of numerous new tax credit apartments in the market area. There simply is not enough population or job growth to support multiple tax credit properties in this limited market area, all seeking the same restricted-income tenants.

Given our familiarity with the marketplace and our experience as the previous owner, we understand the difficulties being faced by the current owner, Pine-Oaks Partners, LLC. For that reason, we offer our support to the requested amendment to allow 50% of the apartment units to be market rate units without income restrictions.

Very truly yours,  
Hayes Real Estate

By   
Jeff Hayes, President

# Centerline Capital Group

April 12, 2013

Mr. Kent Bedell  
Asset Manager  
Texas Department of Housing and Community Affairs  
221 E. 11th Street | Austin, TX 78701

RE: "Sabine Park Apartments", 200 units  
111 Pine Street, Orange, Texas  
Proposed Amendment to the Property LURA  
TDHCA No. 96134

Dear Mr. Bedell:

I understand that you now have before you an application by the current owners of Sabine Park Apartments for an amendment to their Land Use Restriction Agreement ("LURA"). We are writing to express our support for that requested amendment.

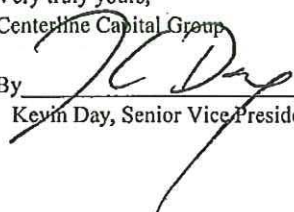
Centerline Capital and its affiliates (hereafter "Centerline") were one of the original partners that acquired the subject property in the late 1990's for the purpose of converting the property to a tax credit property. After extensive renovations to all existing apartment units, the construction of 8 new units for handicapped residents, and the construction of a new office/clubhouse, the property was put into service in 1998 under the terms of the LURA. Within a few years after the property was put in service, we acquired the interests of the other partner and thereafter owned and operated the property until it was sold to Pine-Oaks Partners, LLC, in September of 2010.

The most notable event during our period of ownership was Hurricane Ike on September 13, 2008. Although the property did not suffer from hurricane force winds, the storm surge caused significant flooding in Orange and at the subject property. We were forced to close down all operations for many months. Fortunately the flood insurance we carried provided funds to restore the property to a condition as good or better than before. Every unit was redone on the ground floor. The insurance claim and the follow-up work took many months, and the property finally re-opened for occupancy sometime around April of 2010.

During the period of our ownership, we operated as the only tax credit property in the market area of the property. Based upon our history of occupancy and collections as the owner of the property for over 12 years, we can confirm that the property could not compete, and sustain positive cash flow operations, with the addition of numerous new tax credit apartments in the market area; there simply is not enough population or job growth to support multiple tax credit properties in this market area, all seeking the same restricted-income tenant.

Given our familiarity with the marketplace and our experience as the previous owner, we understand the difficulties being faced by the current owner, Pine-Oaks Partners, LLC. For that reason, we offer our support to the requested amendment to allow 50% of the apartment units to be market rate units without income restrictions.

Very truly yours,  
Centerline Capital Group

By   
Kevin Day, Senior Vice President



# Statement of Support

**To:** The Texas Department of Housing & Community Affairs

**Re:** Sabine Park Apartments, Orange, TX

The undersigned property owners and residents of the City of Orange hereby express their support for the amendment of the Land Use Restriction Agreement (LURA) for **Sabine Park Apartments** to allow 50% of those apartments to be leased without income restrictions, as market-rate apartments.

#	Date	Name	Signature	Address
1	4/2/13	Jeanette Cochran	Jeanette Cochran	702 Pine Ave Orange, TX
2	5/2/13	RH. LORMAND	R. Lormand	711 PINE AVE. Orange, TX 77763
3	5/2/13	Penny Clark	Penny Clark	806 PINE AVE Orange, TX 77630
4	5/2/13	Susan Quigley	Susan Quigley	608 N. 67 ORANGE, TX
5	5/2/13	F. David Chayton	F. David Chayton	602 Pine Ave Orange, TX
6	5/2/13	Michael R. Combs	MICHAEL R. COMBS	508 Cherry St Orange, TX 77630
7	5/2/13	Helen Delarue	Helen Delarue	1006 W. Orange Ave., Orange, TX 77630
8	5/2/13	Sabrina Terry	Sabrina Terry	909 W. Cypress Orange, TX 77630
9	5/2/13	Sean & Margaret Jackson	Sean & Margaret Jackson	911 W. Cypress Orange, TX 77630
10	5/2/13	Neil Sommer	Neil Sommer	909 W. Cypress Orange, TX 77630
11	5/2/13	Kelli Patin	Kelli Patin	1004 Pine Ave Orange, TX 77630
12	5/2/13	Robert Sims	R L Sims	1007 Pine Ave Orange, TX 77630
13	5/2/13	Carol Sims	Carol Sims	1007 Pine Ave Orange, TX 77630
14	5/2/13	Scott Jackson	see # 9	911 W. Cypress Orange, TX
15				
16				
17				

# Statement of Support

Date	Name	Signature	Address
18	5-4-13	michael PHILLIPS	302 N 1ST
19		<i>Sam Finley</i>	
20	5-9-13	Adarjel D. Mitchell <i>A. D. Mitchell</i>	801 2nd St. 812 2ND ST
21	5-9-13	Beatrice Mitchell <i>Beatrice Mitchell</i>	803 2ND ST
22	5-19-13	Mekeda Mitchell <i>M. Mitchell</i>	805 2nd St.
23	5-19-13	Colby Mitchell <i>C. Mitchell</i>	805 2nd St.
24	5-19-13	Michael Spencer	908 N. 6th
25		<i>John Hardin</i>	
26	5/9-13	MAUDE LEWIS <i>Claude Lewis</i>	17 Enchanted Oaks St.
27		<i>Carrie Taylor</i>	
28	5/9/13	Rafaela Jones <i>Latoya Jones</i>	90 W. John Ave
29		<i>Edmondine Guillouy</i>	222 S. Farragut
30		<i>Vault Guillouy</i>	215 S. Farragut
31		<i>Octavia Thomas</i>	295 S. Farragut
32		<i>Chip Thomas</i>	212 S. Farragut
33		<i>Eduarda Hargill</i>	
34		<i>Conchette Day</i>	
35		<i>Milissa Hartner</i>	
36		<i>Letta Edwards</i>	1411 9th Street
37		<i>Devesha Edwards</i>	1411 9th Street
38		<i>Carolyn Gaskett</i>	
39			
40			

# Statement of Support

**To:** The Texas Department of Housing & Community Affairs

**Re:** Sabine Park Apartments, Orange, TX

The undersigned tenants of Sabine Park hereby express their support for the amendment of the Land Use Restriction Agreement (LURA) for **Sabine Park Apartments** to allow 50% of those apartments to be leased without income restrictions, as market-rate apartments.

#	Date	Name	Signature	Apartment #
1	5-9-13	Jenny Newman	Jenny Newman	11 Pine Apt 54
2	5-9-13	Tiffany Breau	Tiffany Breau	11 Pine apt 50
3	5-9-13	Stewart Turner	Stewart Turner	11 Pine apt 46
4	5-9-13	Eric Hatcher	Eric Hatcher	11 Pine 19
5	5-9-13	Onerea Simpson	Onerea Simpson	11 Pine 17
6	5-9-13	Kathy Williford	Kathy Williford	11 Pine 23
7	5-9-13	Christan McLain	Christan McLain	11 Pine 27
8	5-9-13	Betty Sweet	Betty Sweet	11 Pine 37
9	5-9-13	Patricia Egin	Patricia Egin	11 Pine 83
10	5-9-13	Linda Jones	Linda Jones	11 Pine 80
11	5-9-13	Ralph Kelly	Ralph Kelly	11 Pine 85
12	5-9-13	Elester Gayles	Elester Gayles	11 Pine 34
13	5-9-13	Eyeshia Brown	Eyeshia Brown	11 Pine 32
14	5-9-13	Shangri Lastropes	Shangri Lastropes	11 Pine 212
15	5-9-13	Diana Cooper	Diana Cooper	11 Pine 18
16	5-9-13	Carolyn Brown	Carolyn Brown	11 Pine 132
17	5-9-13	Alice Garrett	Alice Garrett	11 Pine 137

# Statement of Support

Date	Name	Signature	Address
18. 5-9-13	Jeremy Overstreet	<i>Jeremy Overstreet</i>	11 Pine 136
19. 5-9-13	Amanda Sellers	<i>Amanda Sellers</i>	11 Pine 140
20. 5-9-13	Alexia Eaglin	<i>Alexia Eaglin</i>	11 Pine 143
21. 5-9-13	Kyle Ristner	<i>Kyle Ristner</i>	147
22. 5-9-13	Nicole Cazaban	<i>Nicole Cazaban</i>	142
23. 5-9-13	Cherrise Fine	<i>Cherrise Fine</i>	11 Pine 139
24. 5-9-13	Willie Phillip	<i>Willie Phillip</i>	11 Pine 122
25. 5-9-13	Michael Davis	<i>Michael Davis</i>	203
26. 5-9-13	Omajean Burdick	<i>Omajean Burdick</i>	205
27. 5-9-13	George Strain	<i>George Strain</i>	612
28. 5-9-13	Peter G. Rhines	<i>Peter Rhines</i>	608
29. 5-9-13	Shawn Tubbe	<i>Shawn Tubbe</i>	567
30. 5-9-13	Kay Vincent B.	<i>Kay Vincent B.</i>	604
31. 5-9-13	Jocklyn Guillory	<i>Jocklyn Guillory</i>	210
32. 5-9-13	Jerry Colonard	<i>Jerry Colonard</i>	602
33. 5-9-13	Warris Heard	<i>Warris Heard</i>	621
34. 5-9-13	Amber Cook	<i>Amber Cook</i>	564
35. 5-9-13	Patrick Roberts	<i>Patrick Roberts</i>	558
36. 5-9-13	Tommy Johnson	<i>Tommy Johnson</i>	541
37. 5-9-13	Hugh Warrnell	<i>Hugh Warrnell</i>	551
38. 5-9-13	Nicole Atkeson	<i>Nicole Atkeson</i>	538
39. 5-9-13	Judith CALES	<i>Judith Cales</i>	504
40. 5-9-13	Peggy Cole	<i>Peggy Cole</i>	502
5-9-13	Tina Cole	<i>Tina Cole</i>	70

## Pine-Oaks Partners, LLC

1215 Durham Drive  
Houston, TX 77007  
713-622-4600

June 25, 2013

Mr. Tom Gouris  
Deputy Executive Director for Asset Analysis and Management  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Re: Sabine Park Apartments  
HTC File: 96134

Dear Tom,

In response to your e-mail late yesterday, I am forwarding to you a letter dated February 4, 2013 from The Gerald A. Teel Company, Inc. that we would like included in the Board package with regard to the agenda item for the July 11, 2013 meeting relating to the above Property. The letter provides an update to the original Market Study and addresses questions raised after the initial Staff review of the Study.

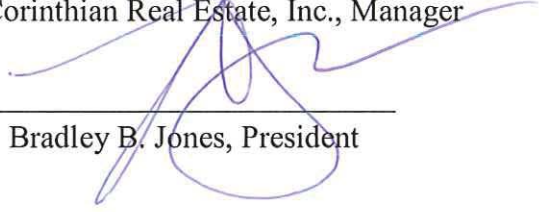
Thank you for your assistance.

Best regards,

Pine-Oaks Partners, LLC, a Texas limited liability company

By Sterling Oaks Group, LLC, Its Manager

By Corinthian Real Estate, Inc., Manager

By   
Bradley B. Jones, President



**THE GERALD A. TEEL COMPANY, INC.**  
*Real Estate Consultants and Appraisers*

---

February 4, 2013

Mr. Bradley B. Jones  
Pine-Oaks Partners LLC  
111 Pine Street  
Orange, Texas

Re: Sabine Park

Dear Mr. Jones:

It has been requested that we summarize and notate key aspects of the market study provided for Sabine Park. Following are key points that we observed:

Market

- The overall Orange market occupancy levels are near 2011 numbers at 83.8% and 83.7%, but down from 85.7% noted in 2010. The current numbers imply that there are 285 unoccupied units in this market currently, up from 241 unoccupied units in 2010. Over the last three years, 76 units were added or 4.5% of the total, and overall occupancy dropped 2.2%. Thus, the market is currently flat. The highest occupancies are noted in the newest and best product. There are 240 units proposed through the local housing authority, not all of which are purely replacement product. They will also feature units at the 80%, 60%, 50% and 30% rent levels that will compete with the subject and likely win being all brand new product with superior features and appeal.
- Unemployment for Orange County, per the Texas Labor Market Review (TLMR) for May 2013 increased from 8.5% in April 2012 to 9.7% for April 2013 indicating a loss in jobs for the area in an up market for Texas.

Subject Demand

- Market Rents for the subject property are very low and below the maximum allowable rents for TDHCA at the 60% levels and moderately above the 50% rents. This overlap in the 60% rents with the market rents, results in the subject property directly competing with the older market rent properties, but with a smaller rental pool to draw on. See comparison of market, HTC and achievable rents following.

Square Ft	% AMI	Unit Type	HTC Rents	Market Rents	Achievable Rents
556	60%	1BR/1B	\$550	\$465	\$430
758	60%	2BR/1B th	\$654	\$565	\$530
652	60%	1BR/1B hc	\$550	\$495	\$460
834	60%	2BR/2B	\$654	\$600	\$565
834	60%	3BR/1B	\$747	\$630	\$595
556	50%	1BR/1B	\$442	\$465	\$430
758	50%	2BR/1B th	\$525	\$565	\$530
652	50%	1BR/1B hc	\$442	\$495	\$460
834	50%	2BR/2B	\$525	\$600	\$565
834	50%	3BR/1B	\$598	\$630	\$595

- Out of 911 projected new renter households in 2018, there will be negative 21 qualified renter households over the next five years based on the combined overall capture rate. See the following demographic breakdown. Note specifically the decrease in size (on a percentage basis) over five years of the \$20,000 to \$30,000 income range which holds the majority of the subject tenants.

Income Range	2006-10		2013		2018 Proj	
	No.	%	No.	%	No.	%
Less Than \$10,000	653	12.4%	741	14.4%	771	14.5%
\$10,000 to \$20,000	761	14.4%	804	15.7%	829	15.6%
\$20,000 to \$30,000	937	17.7%	890	17.3%	900	17.0%
\$30,000 to \$40,000	891	16.9%	843	16.4%	876	16.5%
\$40,000 to \$50,000	455	8.6%	468	9.1%	481	9.1%
\$50,000 to \$60,000	317	6.0%	295	5.7%	303	5.7%
\$60,000 or more	1,265	24.0%	1,092	21.3%	1,140	21.5%
<b>Totals:</b>	5,279	100.0%	5,133	100.0%	5,300	100.0%

### 60% Rents

- The gross capture rate adjusting for overlap with the 50% rents is 4.4%, but when including the 53 units at Acadiana (not counting any of the proposed PHA units yet) the penetration rate is 10.3%, above the maximum allowable 10%. This is at the proposed reduction in the 60% units. So, it would be significantly higher if kept at the same count. The unit specific penetration rate adding in only the units at Acadiana is over 28% for the two bedroom units and 31% for the three bedroom units, even after reducing the amount of 60% units.

### 50% Rents

- Qualified renter household growth for the 50% levels is 9.8 per year. The gross capture rate is 7.2% and 8.7% for the penetration rate. This considers only Acadiana, and not the PHA units. The unit specific penetration rate is over the threshold for all subject unit types except the three bedrooms at 15%, 12%, and 8%. This too is after reducing the amount of 50% units by approximately ½.

### General Observations

- Part of the methodology prescribed by TDHCA uses all renter households, yet over 13% of the housing in the area is mobile homes, or potentially part of the shadow market. The demographics indicate that actual physical rental product (5 units and larger) comprise only 7.6% of all housing units. If the apartments are below stabilized occupancy at this percentage of the overall market, then a significant part of renter households must be in other product, out of the apartment market and not available for capture.
- The overall combined capture rate of 7.2% does not address the below stabilized occupancy level of the local market, nor does it pull out the amount of rental product that are in the shadow market. The data indicates that apartment demand may be lower than the calculated figures suggest, unless the product is substantially superior.
- Variances in the capture rate techniques arise from several sources. The macro analysis does not quantify households by bedroom types like the unit specific demand and thus allows for overlap. Also, the two techniques use demographics from two different providers, one may be more optimistic than the other.

### Conclusions:

The current market conditions indicate a market not operating at stabilized levels. The subject low market rents have caused it to compete with market rents properties without the benefit of a larger pool of renters. Addition of new product without employment growth will produce higher vacancies in the older product. Shrinkage in the subject primary income pools and loss of voucher tenants (due to the superior housing authority product pulling back voucher holders) coupled with proposed PHA product offered in the same income bands as the subject, will continue to attract remaining potential tenants, leaving a pool that is severely diminished. With



new product still proposed in competitive income levels to the subject, the pool will become even smaller. With almost no potential tenants in the LURA designated income levels, and very little household population growth, the only possibility is to open it up to a higher income range, which by elimination would be those that earn more than the income ranges prescribed in the LURA.

If you have any questions regarding any of our conclusions, please call.

Sincerely,

THE GERALD A. TEEL COMPANY, INC.

BY:



Tim N. Treadway, MAI, CCIM, Partner  
State Certified  
TX-1323331-G

3

Liberty Manor (#13022)

Liberty Hill

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for Liberty Manor (#13022);

**WHEREAS**, staff identified thirteen (13) points that the Applicant elected but that the Application did not qualify to receive under §11.9(d)(3) of the 2013 Qualified Allocation Plan ("QAP") related to a Commitment of Development Funding by a Unit of General Local Government;

**WHEREAS**, staff identified six (6) points that the Applicant elected but that the Application did not qualify to receive under §11.9(d)(6) of the 2013 Qualified Allocation Plan related to Community Revitalization Plans for Rural Areas; and

**WHEREAS**, the Applicant appealed the scoring notice and requests that the Board award a total of thirteen (13) points under §11.9(d)(3) and six (6) points under §11.9(d)(6) of the QAP;

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the scoring notice for Liberty Manor (#13022) is hereby denied.

**BACKGROUND**

The Housing Tax Credit Application for Liberty Manor, located in Rural Region 7, was reviewed by staff and initially awarded thirteen (13) points under the §11.9(d)(3) of the 2013 QAP, related to Commitment of Funding from a Unit of General Local Government ("UGLG") and six (6) points under §11.9(d)(6)(C) of the QAP related to Community Revitalization Plan ("CRP") for Developments located in a Rural Area. Below is a description of the circumstances surrounding each scoring criteria.

**Commitment of Development Funding from an UGLG**

Applicants are eligible for the maximum thirteen (13) points for a commitment of funding from a UGLG if the Application includes evidence in the form of a resolution from a qualifying entity that a certain amount of funding has been committed to the development. Included in the Application for Liberty Manor was a resolution from the City of Liberty Hill indicated such a commitment as well as evidence

that the development site was located within the city limits of Liberty Hill. In order for a city to be an eligible UGLG for the purpose of being eligible for points under §11.9(d)(3) of the QAP, the development site must be located within the city limits as of March 1, 2013. Because this appeared to be the case, staff awarded the points. The Application was later challenged by DMA Development Company, LLC, and the challenge pointed out that the development site was actually located outside the city limits on March 1. Staff researched the challenge and reviewed the Applicant's response to the challenge and found that the site was not located within the city limits at the time the Application was submitted to the Department. Therefore, the City of Liberty Hill was not eligible to commit funding for the purposes of the subject Application being eligible for points under this particular scoring item, so the points were subsequently denied in a revised scoring notice.

The Applicant's appeal confirms that the development site was just outside of the city limits of Liberty Hill on March 1, 2013 and goes on to explain the process by which the site was ultimately annexed into the city on April 8, 2013. The Applicant, in their appeal, points to the language in the QAP that reads, "An Application may receive up to (13 points) for a commitment of Development funding from the city or county in which the Development is *proposed* to be located." The appeal asserts that, because the process of annexation was underway at the time of Application submission that, for purposes of the application review, it essentially should be considered to be within the city limits of Liberty Hill since it was "proposed" to be located there. Staff disagrees; generally, staff reviews applications based on the facts as they exist at the time of submission and does not consider a future contingent possibility such as annexation. In addition, the word "proposed" is used a number of times in the rules and is merely a description of the general status of these developments at the time of Application (*e.g.* The Development proposed in the Application is not currently located on any site but is proposed to be located on the Development Site). Staff provided guidance prior to Application submission to other applicants similarly situated, but the Applicant for Liberty Manor contends that they should not be subject to that guidance since they were not privy to those communications. Again, staff disagrees since this Applicant was afforded the same opportunities to seek guidance as other applicants but chose not to do so. In fact, communication with staff with respect to these issues is specifically encouraged in the rules.

#### Community Revitalization Plan

Pursuant to §11.9(d)(6)(C) of the QAP, Applications are eligible for four (4) points for submitting evidence of one qualifying infrastructure project and six (6) points for two qualifying projects. In general these projects are required to be within a quarter mile of the development site, although the QAP does allow for a greater distance for specific types of projects. The original Application included a letter from the appropriate local official which provided details about two projects that would qualify the application for points, namely bringing online new water wells and a new sewer pumping station. Because the original submission did not include information about the distance of these projects from the development site, staff issued an Administrative Deficiency requesting additional information. Staff subsequently awarded the maximum six (6) points after reviewing the response which indicated that there was water and wastewater service less than 300 feet from the development site. The challenge

from DMA Development Company, LLC pointed out that, although the water and wastewater lines were within a quarter mile of this site, that the improvement, namely the new water wells and pumping station, were located more than a quarter mile from the site. Staff reviewed the challenge as well as the Applicant's response and found this to be true. Therefore, staff provided the Applicant with a revised scoring notice absent the 6 points.

The Applicant in their appeal states that one way to achieve points is to provide evidence of an infrastructure project that "serves the development site." However, no such language exists in the rule which reads:

An Application may qualify for up to (6 points) if the city, county, state, or federal government has approved expansion of any of the basic infrastructure or projects ***to*** the Development Site described in subclauses (I) – (V) of this clause, or improvements to areas within a quarter mile of the Development Site, unless a different distance is otherwise identified in subclauses (I) – (V) of this clause. (emphasis added)

The rule clearly calls for infrastructure projects or improvements to be located within a quarter mile of the site unless a different distance is specified for a particular type of project. The rule does not provide for water or wastewater projects that serve the entire city and are outside the requisite radius to count for points.

Staff recommends denial of the appeal.



MULTIFAMILY FINANCE PRODUCTION DIVISION  
Housing Tax Credit Program - 2013 Application Round  
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 13022, Liberty Manor

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2013 scoring notice and am filing a formal appeal to the Executive Director on or before Tuesday, June 18, 2013.

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 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. 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.

Signed W. G. Paul 3  
Title member of board  
Date 6-12-13

Please fax or email to the attention of Jean Latsha:  
Fax: (512) 475-0764 or (512) 475-1895  
Email: <mailto:jean.latsha@tdhca.state.tx.us>



PRESTWICK DEVELOPMENT

June 17, 2013

SENT VIA EMAIL

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

Re: **TDHCA #13022**  
**Liberty Manor, Liberty Hill, TX**

Dear Mr. Irvine,

As you are aware, our Liberty Manor application (TDHCA #13022) was thoroughly reviewed by Department staff and a Scoring Notice was issued on May 7, 2013. Subsequent to this notice, our application was challenged by DMA Development Company, LLC. Based on this challenge, a revised Scoring Notice was issued on June 11, 2013 which reduced our score from 149 to 129. We strongly disagree with the revised scoring and are hereby filing this formal appeal. The actual language of the 2013 QAP clearly supports all points that were claimed.

**Commitment of Development Funding by Unit of General Local Government §11.9(d)(3)**. The challenge alleges that the City of Liberty Hill is not the appropriate Unit of General Local Government (UGLG), and therefore ineligible as a funding source for this scoring item. We strongly disagree based on the actual language of the 2013 QAP, which states:

*An Application may receive up to thirteen (13) points for a commitment of Development funding from the city or county in which the Development is proposed to be located.*

The key words are "***proposed to be located***".

At the time of application, the Development site is adjacent to the Liberty Hill city limits. As shown on the attached survey, a distance of approximately 85 feet separates the Development site from the existing Liberty Hill city limit line. Voluntary annexation and rezoning proceedings were initiated for the Development site on January 21 2013, well before the March 1 application submittal deadline. After a public hearing in which no comments were received, the annexation/zoning petition received unanimous Planning and Zoning Commission approval on February 21, 2013. Again, after a public hearing in which no comments were received, the Liberty Hill City Council gave their unanimous approval on April 8, 2013 (ordinance 13-O-14 attached). This timeline, which follows the same track as rezoning for the Development site, was necessary to allow for the statutorily required public notifications and public hearings. Furthermore, annexation of the development site into the City of Liberty Hill was necessary to receive the Resolution of Support (Resolution 13-R-07 attached) and the Commitment of Development Funding (Resolution 13-R-08 attached). Annexation was also required for the development site to be serviced with City of Liberty Hill utilities – water and waste water. Without



City of Liberty Hill utilities, the proposed development is not feasible. We have also worked closely with the Liberty Hill community and received five (5) letters of support from Liberty Hill civic organizations. All of these facts support that the Development site was always proposed to be in the City of Liberty Hill and the City of Liberty Hill is the applicable city for the Commitment of Development Funding.

The challenger references the 2013 FAQ to support their case. The FAQ provides the following with regard to Unit of General Local Government funding under § 11.9(d)(3) of the QAP:

**Q:** If the Development Site is located within the city limits of a city what local political subdivisions would be eligible UGLGs for the purpose of scoring points?

**A:** The Applicant for such a site could approach the following UGLGs for funds:

- The county government for the county in which the Development Site is located; or
- The city government for the city in which the Development Site is located;
- A government instrumentality of the city in which the Development Site is located provided at least 60% of the board of the instrumentality is made up of city council members for that city; or
- A government instrumentality of the city in which the Development Site is located provided at least 100% of the board of the instrumentality is appointed by city elected officials.

*NOTE: funding from a government instrumentality of the county would not qualify.*

**Q:** If the Development Site is located within the Extraterritorial Jurisdiction (ETJ) what local political subdivisions would be eligible UGLGs for the purpose of scoring points?

**A:** A Development Site located in an ETJ is treated the same as any site not located in the boundaries of a city. The Applicant for such a site could approach the following UGLGs for funds:

- The county government for the county in which the Development Site is located;
- A government instrumentality of the county in which the Development Site is located provided at least 60% of the board of the instrumentality are also county commissioners for that county; or
- A government instrumentality of the county in which the Development Site is located provided at least 100% of the board of the instrumentality is appointed by county elected officials.

Staff's response to the question dealing with §11.9(d)(3) relates to developments that are located within a certain jurisdiction at the time of application, but do not seek to change that jurisdiction. The FAQ response does not contemplate or address situations like Liberty Hill, where annexation is underway and the proposed jurisdiction will be different than it was at time of application. Additionally, we have been made aware of correspondence and Department staff guidance that was provided to other applicants prior to the March 1 submission deadline. This guidance dealt with circumstances similar to Liberty Manor, but **we were not privy to these communications**. In the absence of this guidance, or a conflict between the FAQ and QAP, **the QAP must prevail**.

Finally, the word "annexation" is not found within the 2013 QAP, 2013 Uniform Multifamily Rules or the 2013 Multifamily Programs Procedure Manual. There is no reference or instructions regarding annexation or the requirement to be in a particular jurisdiction at the time of application submittal to receive points under §11.9(d)(3). With the QAP/Rules/Procedure Manual being silent to annexation and

without a date certain for verification of Local Government jurisdiction, our interpretation of the 2013 QAP is correct. Annexation should be treated consistently with other provisions of the QAP related to planning and development approvals - confirmation of UGLG funding commitments and confirmation of zoning. Both of these development approvals are not required to be proven up until TDHCA Commitments are issued in August 2013.

In conclusion, at the time of application the Liberty Manor Development site is proposed to be located within the city limits of Liberty Hill, and as of April 8, 2013, it is. We followed the actual language of the 2013 QAP and therefore, **the City of Liberty Hill is the UGLG in which the Development is proposed to be located and is the applicable City for purposes of seeking funding under §11.9(d)(3) of the 2013 QAP.** We request that the 13 points be restored for this scoring item.

**Community Revitalization Plan §11.9(d)(6).** The challenge alleges that the documented infrastructure expansion projects within Liberty Hill are not within ¼ mile of the Development site and therefore ineligible for points under this scoring item. Based on the actual language of the 2013 QAP, the ¼ mile distance is not applicable to the Liberty Manor Development site. The 2013 QAP states:

*An Application may qualify for up to six (6) points if the city, county, state or federal government has approved expansion of any of the basic infrastructure or projects to the Development site described in subclauses (I) – (IV) of this clause, or improvements to areas within a quarter mile of the Development Site, unless a different distance is otherwise identified..*

The key punctuation and word in the QAP reference is “, **or**”. **The punctuation and wording of the 2013 QAP clearly gives the Applicant a choice between basic infrastructure expansion which serves the Development site, or improvements within a quarter mile of the site.** The City of Liberty Hill has made, and is making, significant investments to their basic infrastructure system to prepare the City for the projected population and household growth. These basic infrastructure expansion investments, which total over \$2.7 million, include two (2) new water wells and a new sewer pumping station. All of Liberty Hill, including the Liberty Manor development site, will benefit from these infrastructure expansion investments. The distance of these system-wide improvements to the Development site is immaterial for the award of points.

In conclusion, §11.9(d)(6) of the 2013 QAP gives the applicant a choice between basic infrastructure expansion serving the Development site or improvements within ¼ mile of the development site. The basic infrastructure investment made by the City of Liberty Hill clearly meets the first criteria and our interpretation of the 2013 QAP is correct. We request that the 6 points be restored for this scoring item.

**Point Deductions §11.9(f)(1).** Staff assessed a one (1) point penalty for insufficient documentation under §11.9(d)(3). Concurrence with our position that the City of Liberty Hill is the applicable UGLG in which the Development site is proposed to be located will invalidate this penalty. We request that the one (1) point penalty be reversed.

Based upon the above facts and the actual wording of the 2013 QAP, we request your favorable consideration of this appeal and that you grant reinstatement of the 20 points so the Final Scoring Notice for #13022 - Liberty Manor is 149 as originally determined by Department staff. If you do not decide in our favor, we respectfully request for this item be placed on the July 11, 2013 Board agenda for full consideration by the TDHCA Board of Directors.

Thank you for your careful consideration of our responses and please contact us if you have any questions.

Sincerely,

Prestwick-LH I, L.P.



Kenneth G. Blankenship

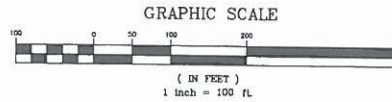


Edwina Carrington

cc: Cynthia Bast  
Scott McGuire  
Breck Kean

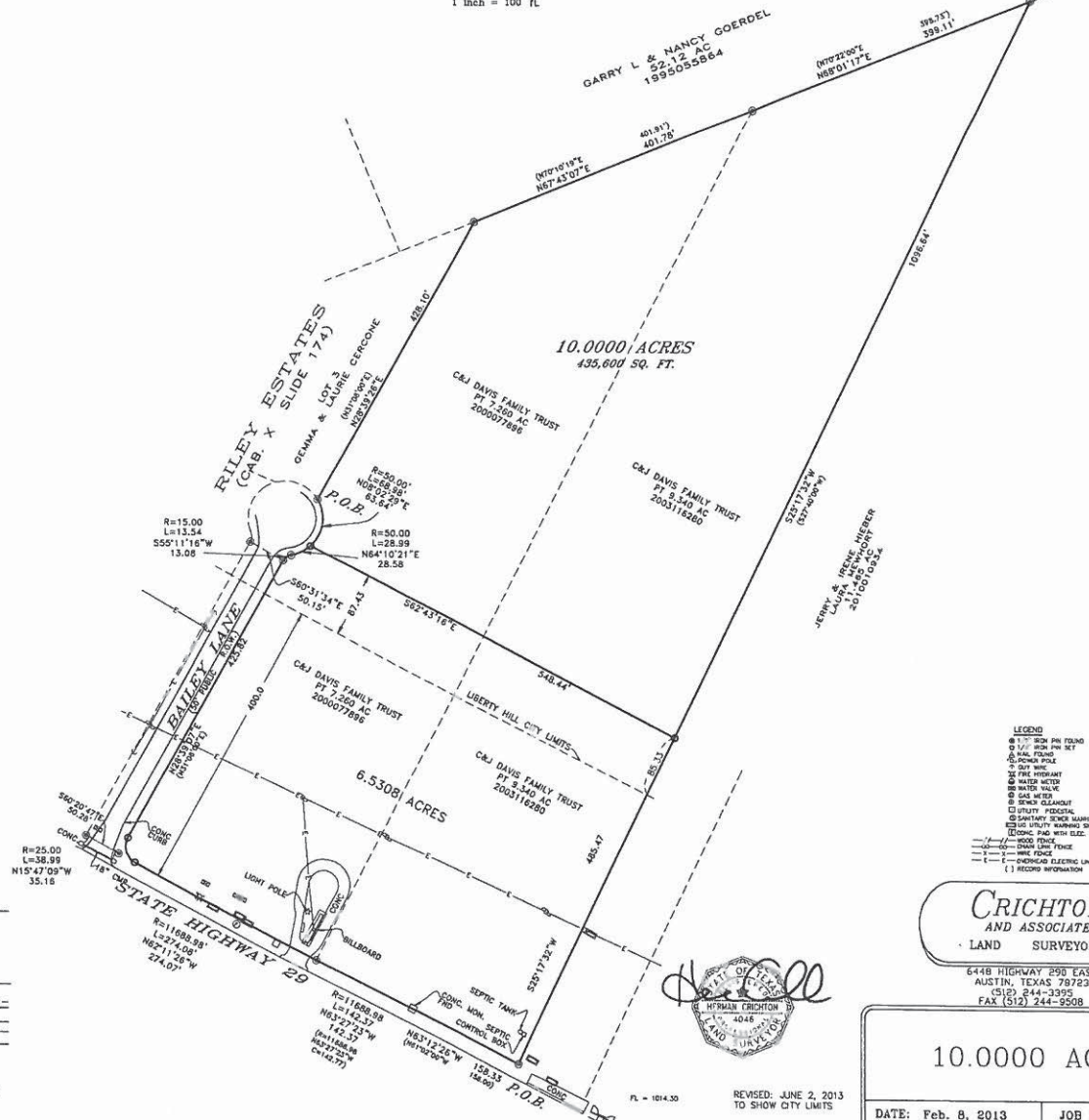
TS/PS CATEGORY 1A, CONDITION II SURVEY OF:

10.0000 ACRE TRACT OF LAND OUT OF THE JOHN B. ROBINSON SURVEY, ABSTRACT NO. 521 IN WILLIAMSON COUNTY, TEXAS, BEING OUT OF A 9.340 ACRE TRACT CONVEYED TO C & J DAVIS FAMILY PARTNERSHIP IN DOCUMENT NO. 2003116280, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, ALSO BEING OUT OF A 7.260 ACRE TRACT CONVEYED TO THE C & J DAVIS FAMILY PARTNERSHIP IN DOCUMENT NO. 2000077896, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS



NOTE:

- 1) SUBJECT TO BLANKET WATERLINE EASEMENT TO THE CITY OF LIBERTY HILL AS RECORDED IN VOLUME 1511, PAGE 310, DEED RECORDS, WILLIAMSON COUNTY, TEXAS.
- 2) SUBJECT TO BLANKET WATERLINE EASEMENT TO CHISHOLM TRAIL WATER SUPPLY CORP. IN VOLUME 1155, PAGE 246, DEED RECORDS, WILLIAMSON COUNTY, TEXAS.
- 3) SUBJECT TO BLANKET WATERLINE EASEMENT TO CHISHOLM TRAIL WATER SUPPLY CORP. IN VOLUME 1179, PAGE 347, DEED RECORDS, WILLIAMSON COUNTY, TEXAS.
- 4) SUBJECT TO BLANKET GRINDER PUMP AND SERVICE EASEMENT AS RECORDED IN DOCUMENT NO. 2009043369, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS.
- 5) EASEMENT RECORDED IN VOLUME 415, PAGE 586, DEED RECORDS, WILLIAMSON COUNTY, TEXAS DOES NOT AFFECT THIS TRACT.
- 6) PRESSURE SEWER EASEMENTS RECORDED IN DOCUMENT NOS. 2007067654 AND 2007067655, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS DO NOT AFFECT THIS TRACT.



REF: Prestwick Land Holdings, LLC  
 C.F. NUMBER: 1228251-LBH  
 DATED: November 29, 2012  
 To: First American Title Insurance Company and Independence Title Company  
 exclusively.

THIS SURVEY CONFORMS TO TS/PS CATEGORY 1A, CONDITION II SURVEY REQUIREMENTS. The property shown hereon is located in Zone "X" areas outside of the 500-year flood-plain as shown on Community Panel Number 48491(002500) of the FLOOD INSURANCE RATE MAP prepared for Williamson County by the Federal Insurance Administration Department, H.U.D. Effective Date: SEPT. 26, 2008

This survey is copyright 2013 by Crichton and Associates, Inc., and is being provided solely for the use of the current parties and no license has been created, express or implied, to copy the survey except as is necessary in conjunction with this transaction only.

- LEGEND
- 1" SECTION PIN FINDING
  - 1/2" SECTION PIN SET
  - REAL FOUND
  - CONCRETE POLE
  - DOT MARK
  - PIPE HYDRANT
  - WATER METER
  - WATER VALVE
  - SEA METER
  - SEWER CLEANOUT
  - UTILITY, MEDICAL
  - SANITARY SEWER MANHOLE
  - SEWER MANHOLE
  - SEWER MANHOLE WITH ELEC.
  - WOOD FENCE
  - CHAIN LINK FENCE
  - WIRE FENCE
  - UNKNOWN EASING LINE
  - RECORD INFORMATION

**CRICHTON**  
 AND ASSOCIATES  
 LAND SURVEYORS

6448 HIGHWAY 296 EAST  
 AUSTIN, TEXAS 78723  
 (512) 244-3395  
 FAX (512) 244-9508

10.0000 ACRES

DATE: Feb. 8, 2013	JOB NO. 12_309
SCALE: 1" = 100'	DWG. NO. 12_309



REVISED: JUNE 2, 2013  
 TO SHOW CITY LIMITS

STATE OF TEXAS

§  
§  
§

COUNTY OF WILLIAMSON

PETITION FOR VOLUNTARY ANNEXATION

To the Mayor and City Council of the City of Liberty Hill:

The undersigned owner(s) of the tract of land described below (the "tract") hereby petition the City of Liberty Hill to extend the present incorporated municipal boundaries (i.e., City limits) so as to include in, and annex as a part of, the City of Liberty Hill, the property described on *Exhibit "A"*, which is attached and incorporated herein for all purposes.

We certify and swear that the tract is:

- 1. one-half mile or less in width; and
- 2. adjacent (i.e., contiguous) to the municipal boundary; and
- 3. the location upon which two or less registered voters reside, or is vacant or without residents.

We certify and swear that this petition is signed and acknowledged by each and every person and corporation owning said tract or having an interest in any part thereof.

Clyde A. Davis, Jr.  
 Name PRESTON DAVIS Family Partnership Ltd  
 Date 1/21/13

\_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Date

This instrument was acknowledged before me by Clyde A. Davis, Jr.  
 on this the 21<sup>st</sup> day of January, 2013 AKF



Ginger Kallen Floyd  
 Notary Public, State of Texas  
 My commission expires: 3-3-2015

## **Exhibit "A"**

### **Property Description**

Attached is a metes and bounds description of the tract of land to be annexed, and a map or drawing, and when possible a survey, plat number, and street address

**CRICHTON AND ASSOCIATES**  
**LAND SURVEYORS**  
6448 HIGHWAY 290 EAST SUITE B-105  
AUSTIN, TEXAS 78723  
512-244-3395

**FIELD NOTES**

FIELD NOTES FOR AN 11.1355 ACRE TRACT OF LAND OUT OF THE JOHN B. ROBINSON SURVEY, ABSTRACT NO. 521 IN WILLIAMSON COUNTY, TEXAS, BEING OUT OF A 9.340 ACRE TRACT CONVEYED TO DANIEL THOMAS KRUEGER, ET UX IN VOLUME 2240, PAGE 109, DEED RECORDS, WILLIAMSON COUNTY, TEXAS, ALSO BEING OUT OF A 7.260 ACRE TRACT CONVEYED TO THE C & J DAVIS FAMILY PARTNERSHIP IN DOCUMENT NO. 2000077896, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, SAID 11.1355 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING** at a ½" iron rod found at the northerly intersection of the North R.O.W. of State Highway 29 and the East R.O.W. of Bailey Lane, same being the Southwest corner of said 7.260 acre tract and the **POINT OF COMMENCING**;

**THENCE** N28°39'26"E, with the East R.O.W. of said Bailey Lane and the West line of said 7.260 acre tract a distance of 400.00 feet to the **POINT OF BEGINNING** of the herein described tract;

**THENCE** with the East R.O.W. of said Bailey Lane, the West line of said 7.260 acre tract and the West line of this tract the following three (3) courses and distances:

- 1) N28°39'26"E a distance of 50.85 feet to a point;
- 2) With a curve to the right whose elements are R=15.00 feet, L=13.38 feet whose chord bears N55°06'28"E, 12.94 feet to a point;
- 3) With a curve to the left whose elements are R=50.00 feet, L=97.75 feet whose chord bears N24°40'12"E, 82.91 feet to a point in the North R.O.W. line of said Bailey Lane, same being the South common corner of said 7.260 acre tract and Lot 3, Riley Estates, a subdivision of record in Cabinet X, Slide 174, Plat Records, Williamson County, Texas for a corner of this tract;

**THENCE** N28°39'26"E, departing the North R.O.W. of said Bailey Lane and with the common line of said 7.260 acre tract, this tract, and said Lot 3 a distance of 428.10 feet to a ½" iron rod found in the South line of an 84.61 acre tract conveyed to Gary Goerdel in Document No. 199505864, Official Public Records, Williamson County, Texas, same being the North common corner of said 7.260 acre tract and said Lot 3, for the Northwest corner of this tract;

**THENCE** N67°43'07"E with the South line of said 84.61 acre tract and the North line of said 7.260 acre tract a distance of 401.78 feet to a 1/2" iron rod found, being the North common corner of said 7.260 acre tract and said 9.340 acre Krueger tract, for a corner of this tract;

THENCE N68°01'17"E, with the common line of said 84.61 acre tract and said 9.340 acre tract a distance of 399.11 feet to a ½" iron rod found in the South line of said 84.61 acre tract, same being the North common corner of said 9.340 acre tract and an 11.465 acre tract conveyed to Jerry Hieber, et ux and Laura Mewhort in Document No. 2010010934, Official Public Records, Williamson County, Texas for the Northeast corner of this tract;

THENCE S25°17'32"W with the common line of said 9.340 acre tract and said 11.465 acre tract a distance of 1,181.97 feet to a point in said common line for the Southwest corner of this tract;

THENCE 400 feet from and parallel to the North R.O.W. line of said State Highway 29 the following two (2) courses and distances:

- 1) N63°12'26"W through the interior of said 9.340 acre tract a distance of 149.34 feet to a point in the interior of said 9.340 acre tract;
- 2) With a curve to the right whose elements are R=11,288.98 feet, L=426.56 feet whose chord bears N62°33'10"W, 426.53 feet to the POINT OF BEGINNING and containing 11.1355 acres, more or less.

I hereby certify that the foregoing field notes were prepared from a survey on the ground, under my supervision and are true and correct, to the best of my knowledge and belief.

Witness my hand and seal this the 18th day of December, 2012

Herman Crichton, R.P.L.S. 4046  
12\_309





ORDINANCE NO. 13-O-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY HILL, TEXAS ANNEXING APPROXIMATELY 10.0000 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN B. ROBINSON SURVEY, A-521, WILLIAMSON COUNTY, TEXAS, BEING OUT OF 9.340 ACRE TRACT CONVEYED TO THE C & J DAVIS FAMILY PARTNERSHIP IN DOCUMENT NO. 2003116280, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, ALSO BEING OUT OF A 7.260 ACRE TRACT CONVEYED TO THE C & J DAVIS FAMILY PARTNERSHIP IN DOCUMENT NO. 2000077896, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, SAID 10.0000 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY MEETS AND BOUNDS AND LEGALLY DESCRIBED HEREIN INCLUDING THE ABUTTING STREETS, ROADWAYS, AND RIGHTS-OF-WAY TO THE CITY OF LIBERTY HILL, WILLIAMSON COUNTY, TEXAS AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE SAID HEREINAFTER DESCRIBED PROPERTY INCLUDING THE ABUTTING STREETS, ROADWAYS, AND RIGHTS-OF-WAY WITHIN SAID CITY LIMITS AS REQUESTED BY C & J DAVIS FAMILY PARTNERSHIP.; GRANTING TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS; BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF THE CITY; ADOPTING A SERVICE PLAN; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Section 43.028 of the Texas Local Government Code authorizes the annexation of territory;

WHEREAS, Section 43.103 of the Texas Local Government Code authorizes the annexation of a street, highway, alley, or other public or private way that is adjacent and runs parallel to the boundaries of the municipality;

WHEREAS, the City of Liberty Hill, Texas hereby finds the following relating to the property to be annexed: (1) the property to be annexed is one-half mile or less in width; (2) the property is contiguous to the corporate limits of the City of Liberty Hill; and (3) the portion of the property to be annexed is vacant and without residents or on which fewer than three qualified voters reside;

WHEREAS, the City Council of the City of Liberty Hill, Texas finds that the requirements of Chapter 43, Subchapter C-1 of the Texas Local Government Code have been met; and

**WHEREAS**, the City Council further finds that the required notices and the required public hearings have been given and held, pursuant to Chapter 43, Subchapter C-1 of the Texas Local Government Code;

**WHEREAS**, a service plan for the area to be annexed has been prepared and said service plan is attached hereto as Exhibit "B"; and

**WHEREAS**, the procedures prescribed by the Texas Local Government Code and the laws of the state have been duly followed with respect to the property described in Exhibit "A", attached hereto and incorporated herein for all purposes as if copied verbatim.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF  
THE CITY OF LIBERTY HILL, TEXAS:**

**SECTION 1.** The recitals contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as a part of this Ordinance.

**SECTION 2.** The real property described in Exhibit "A", attached hereto incorporated herein for all purposes, and the adjacent or parallel street, highway, alley, or other public or private way are hereby annexed into the corporate limits of the City of Liberty Hill, Texas. Said corporate limits are hereby extended so as to include the said real property and the adjacent or parallel street, highway, alley, or other public or private way. The inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the City of Liberty Hill, Texas and they shall be bound by the acts, ordinances, resolutions, and regulations of the City of Liberty Hill, Texas.

**SECTION 3.** The service plan, attached hereto and incorporated herein for all purposes as Exhibit "B", for the annexed area is hereby approved as part of this ordinance.

**SECTION 4.** The City Secretary is hereby directed to file with the County Clerk of Williamson County, Texas a certified copy of this ordinance. The City Secretary is hereby directed to comply with Chapter 52 of the Texas Local Government Code relating to the adoption of municipal ordinances.

**SECTION 5. Severability.** It is hereby declared that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, because the same would have been enacted by the City Council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.** All ordinances and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict herewith.

RESOLUTION NO. 13-R-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY HILL, TEXAS, SUPPORTING PRESTWICK DEVELOPMENT'S TAX CREDIT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR A HOUSING DEVELOPMENT FOR LOW-AND MODERATE-INCOME SENIORS; AND PROVIDING AN OPEN MEETINGS CLAUSE.

*Whereas*, Prestwick Development Company and Prestwick-LH I. L.P. has proposed a development for affordable rental housing at US Highway West at Bailey Lane named Liberty Manor in the City of Liberty Hill, Texas; and

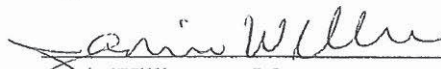
*Whereas*, Prestwick Development Company and Prestwick-LH I, L.P. intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2013 Housing Tax Credits for the Liberty Manor; and

*Whereas*, the City Council has considered the matter, and deems it in the public interest to authorize this position of support.

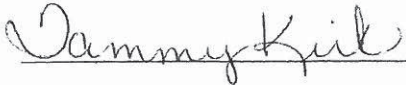
NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY HILL, TEXAS, THAT:

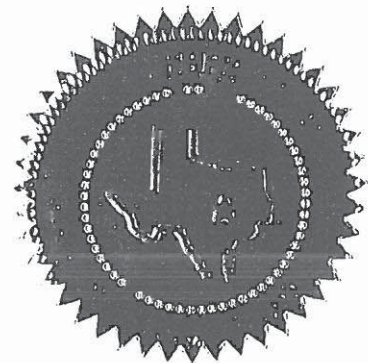
The City of Liberty Hill, Texas hereby supports the proposed Liberty Manor, and have voted specifically to support the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development pursuant to §2306.6703 (A) (4).

PASSED AND APPROVED this the 11 day of February, 2013.

  
\_\_\_\_\_  
Jamie Williamson, Mayor

ATTEST:

  
\_\_\_\_\_



RESOLUTION NO. 13-R-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY HILL, TEXAS, SUPPORTING PRESTWICK DEVELOPMENT'S TAX CREDIT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR A HOUSING DEVELOPMENT FOR LOW-AND MODERATE-INCOME SENIORS; AND PROVIDING AN OPEN MEETINGS CLAUSE.

*Whereas*, Prestwick Development has made a request to the City Council regarding a tax credit application to the Texas Department of Housing and Community Affairs for a 74-unit senior housing development proposed for location on Liberty Manor (the "Development")

*Whereas*, the City Council has adopted a position of support for the Development, which will provide the following in Liberty Hill:

- 1) Response to the market need for affordable senior housing;
- 2) High quality development proposed by the applicant;
- 3) An investment estimated at \$8 million dollars on the property tax rolls; and
- 4) 74 new housing units,
- 5) Promotes local economic development, and stimulates business and commercial activity in Liberty Hill.

*Whereas*, the City Council has considered the matter, and deems it in the public interest to authorize this position of support.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY HILL, TEXAS, THAT:


**Part 1:** The City Council supports Prestwick Development's tax credit application to the Texas Department of Housing and Community Affairs ("TDHCA"), and authorizes the Mayor to execute any documents that may be necessary for the applicant's submission to the State.

**Part 2:** The City Council hereby adopts this resolution evidencing its firm commitment of \$10,500.00 to the Development and authorizes the Mayor to enter into all agreements necessary to document this commitment in conformance with TDHCA guidelines.

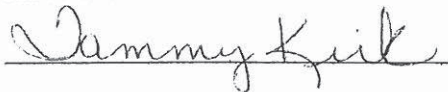
**Part 3:** The City Council hereby gives its approval to the TDHCA to issue an allocation of Housing Tax Credits for the Development.

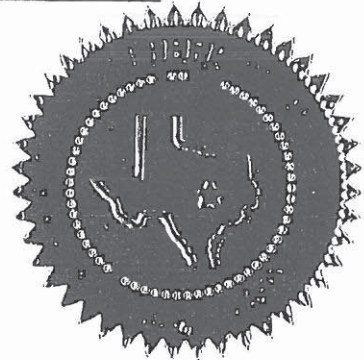
**Part 4:** It is hereby officially found and determined that they meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED this the 11 day of February, 2013.

  
Jamie Williamson, Mayor

ATTEST:







## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

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GOVERNOR

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Leslie Bingham-Escareño  
Lowell A. Keig  
J. Mark McWatters

June 25, 2013

*Writer's direct phone # 512-475-3296  
Email: [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)*

Mr. Kenneth G. Blankenship  
Manager  
Prestwick-LHI, LP  
3715 Northside Parkway  
Building 200, Suite 175  
Atlanta, Georgia 30327

RE: APPEAL OF THE SCORING NOTICE FOR HTC APPLICATION #13022, LIBERTY MANOR,  
LIBERTY HILL, TX.

Dear Mr. Blankenship:

We have received your letter dated June 17, 2013, appealing the loss of a total of twenty (20) points under three sections of the 2013 Qualified Allocation Plan ("QAP"), including §11.9(d)(3) Commitment of Development Funding by Unit of General Local Government ("UGLG"), §11.9(d)(6) Community Revitalization Plan ("CRP"), and §11.9(f)(1) Point Deductions. The loss of points came as a result of a challenge to the Application which pointed out that the development site was located outside the city limits of Liberty Hill at the time of Application submission and that certain infrastructure improvements were located more than ¼ mile from the development site. Staff reviewed this additional information along with your response and determined that the Application is not eligible for twenty (20) points.

Regarding Commitment of Development Funding from an UGLG, the appeal letter states that at the time of Application submission the Development site was adjacent to the Liberty Hill city limits and that the process of annexation was underway. The letter goes on to detail the milestones of the annexation process, including the unanimous approval of the city council issued on April 8, 2013. This recounting of the city's annexation confirms that the development site was not within the city limits of Liberty Hill, according to your letter, until April 8, 2013, after the March 1, 2013, Application submission deadline.

In general, staff reviews applications based on the facts as they exist at the time of submission and does not consider a future contingent possibility such as proposed annexation. In certain cases, the rules explicitly allow for submission of limited and specific critical documentation at a future date (*e.g.*,



Patriot's Crossing (#13023)

Dallas

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for Patriot's Crossing (#13023) which indicated a final total score of 142;

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the applicant for Villas at Vanston Park (#13044) which indicated a final total score of 142;

**WHEREAS**, staff determined that, pursuant to §11.7 of the 2013 Qualified Allocation Plan that Villas at Vanston Park wins the tie breaker because it is located a greater distance from the nearest housing tax credit assisted development; and

**WHEREAS**, the Applicant of Patriot's Crossing appealed the determination of the tie breaker;

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the tie breaker between Patriot's Crossing (#13023) and Villas at Vanston Park (#13044) is hereby denied.

**BACKGROUND**

The Housing Tax Credit Applications for Patriot's Crossing and Villas at Vanston Park, both located in Urban Region 3, were received by the Department, reviewed, and issued a scoring notice. Both of the Applications received a final score of 142. These two applications are currently ranked 8<sup>th</sup> and 9<sup>th</sup> in the sub-region, and, based on the most recent application log, sufficient funds for only eight (8) applications in the sub-region may be available. Therefore, staff must look to §11.7 of the Qualified Allocation plan ("QAP") to determine which application will be recommended for award. This section of the QAP calls for staff to first determine which of the Applications ranks higher on the Opportunity Index. In this case, both of the Applications did not score on the Opportunity Index at all, so the second tie breaker must be utilized. The second tie breaker calls for staff to determine which Application is located a greater distance from the nearest existing Housing Tax Credit ("HTC") assisted Development. Staff used the shortest linear distance between the boundaries of the proposed Development Sites and the closest existing housing tax credit developments, which is a common methodology for such issues. Villas at Vanston Park was found by staff to be located a greater distance than Patriot's Crossing from the nearest HTC development. Therefore, Villas at Vanston Park wins the tie breaker.

The Applicant for Patriot's Crossing, in their appeal, contends that the method used to determine those distances is not consistent with the way staff has measured distance in other instances. The appeal goes on to suggest other methods of determining the distance, including linear distance between driveways, distances based on the addresses of the development, and/or using driving distances instead of linear distances. However, the appeal does not dispute the result generated using staff's "closest boundary to closest boundary" method. Staff continues to believe that this method is the most appropriate application of the rule and the most consistent with the application of other similar rules in the QAP. Driving distance is not used in any factors under the 2013 rules nor is a U.S. Postal Service assigned street address. Staff also notes that parts of the appeal may be inaccurate, particularly the portion of the discussion related to using addresses to determine census tracts in which development sites are located. Staff has stated in the past and maintains that street addresses alone are insufficient to determine an applicable census tract for a site, and in fact it is the entire development site that is used when making such a determination.

Staff recommends denial of the appeal.



Claire G. Palmer  
*Attorney and Counselor at Law*

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Irving, Texas 75063  
972-948-3166  
Fax: 972-432-8825  
[clairepalmer@sbcglobal.net](mailto:clairepalmer@sbcglobal.net)

June 21, 2013

By Email to [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)  
Mr. Tim Irvine, Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701-2410

RE: 2013 Housing Tax Credit ("HTC") Scoring Log dated June 13, 2013

Dear Mr. Irvine:

I am writing this letter on behalf of the Developers of Patriot's Crossing, Application # 13023 ("Patriot's Crossing") to **appeal** the **tie breaker** scoring of the Project.

At the last TDHCA Board meeting on June 13, 2013, the TDHCA Board rejected staff recommendation and accepted the Community Revitalization Plan ("CRP") from the City of Mesquite for Application #13044, Villas of Vanston Park ("Vanston"). This resulted in Vanston scoring 142 points. That is how we ended up in this tie breaker situation. Once their CRP points were added, they were tied with Patriot's Crossing. In Urban Region 3, there are four (4) projects with a score of 142. Those projects are Evergreen at Hebron Senior Community, Mariposa at Elk Drive, Vanston and Patriot's Crossing. There are funds available to fund only **three** of the four projects. Thus, the tie breaker factors become critical.

An unanticipated consequence of the QAP is that Vanston was able to score the two (2) points for having been selected by the Mesquite City Council as the project "contributing most significantly to the concerted revitalization efforts of the city or county (as applicable). A city or county may only identify one single Development during each Application Round for the additional points under this subclause." This was easy for them to do because Vanston was the **only** project in Mesquite. Patriot's Crossing also scored those points for being named the most significant project by the Dallas City Council. However, Patriot's Crossing received that designation in competition with **four** other projects. This is something

that should be corrected in the next QAP. Projects that have to compete for these two (2) points should receive additional points.

As this letter will show, there are also issues with the tie breaker rules.

The 2013 Qualified Allocation Plan (“QAP”) tie breaker factors are stated as follows:

**§11.7. Tie Breaker Factors.** In the event there are Competitive HTC Applications that receive the same number of points in any given set-aside category, rural regional allocation or urban regional allocation, or rural or state collapse, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive preference in consideration for an award. The tie breaker factors are not intended to specifically address a tie between equally underserved sub-regions in the rural or statewide collapse.

- (1) Applications ranking higher on the Opportunity Index under §11.9(c)(4) of this chapter (relating to Competitive HTC Selection Criteria) as compared to another Application with the same score.
- (2) Applications proposed to be located the greatest distance from the nearest Housing Tax Credit assisted Development.

Evergreen at Hebron Senior Community and Mariposa at Elk Drive both meet the criteria of Section 1 of the tie breaker because they score higher on the Opportunity Index. That leaves Vanston and Patriot’s Crossing vying for the last allocation in Urban Region 3 and it comes down to “Applications proposed to be located the **greatest distance** from the nearest Housing Tax Credit assisted Development.” The question then becomes what is intended by the language in that section, specifically how do you determine greatest distance.

The 2013 QAP and 2013 Uniform Multifamily Rules (the “Rules”) have many provisions that relay on distance from or to various services or features. In every instance but one in the Rural Revitalization Section, the QAP or Rules define how that distance is to be measured. In the Rural Revitalization section of the QAP it states that the distance to required services should be ¼ mile except as defined in that section. The section then goes on to define the service areas by radius or “service area”. Only in the tie breaker is the QAP totally silent. The language used in the QAP is as follows:

**§11.3. Housing DeConcentration Factors.**

- (a) Two Mile Same Year Rule (Competitive HTC Only). (§2306.6711(f)) Staff will not recommend for award, and the Board will not make an award to an Application that proposes a Development Site located in a county with a population that exceeds one million if the proposed Development Site is also located less than **two linear miles** from the proposed Development Site of another Application that is awarded in the same calendar year.
- (c) One Mile Three Year Rule. (§2306.6703(a)(3))
  - (1) An Application that proposes the New Construction or Adaptive Reuse of a Development that is located **one linear mile or less (measured by a straight line on a map)** from another Development that meets all of the criteria in subparagraphs (A) – (C) of this paragraph shall be considered ineligible.

- (A) The Development serves the same type of household as the proposed Development, regardless of whether the Development serves families, elderly individuals, or another type of household; and
  - (B) The Development has received an allocation of Housing Tax Credits or private activity bonds for any New Construction at any time during the three-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments the three-year period preceding the date the Certificate of Reservation is issued); and
  - (C) The Development has not been withdrawn or terminated from the Housing Tax Credit Program.
- (2) Paragraph (1) of this subsection does not apply to a Development:
- (A) that is using federal HOPE VI (or successor program) funds received through HUD;
  - (B) that is using locally approved funds received from a public improvement district or a tax increment financing district;
  - (C) that is using funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §§12701 et seq.);
  - (D) that is using funds provided to the state and participating jurisdictions under the Housing and Community Development Act of 1974 (42 U.S.C. §§5301 et seq.);
  - (E) that is located in a county with a population of less than one million;
  - (F) that is located outside of a metropolitan statistical area; or
  - (G) that the Governing Body of the appropriate municipality or county where the Development is to be located has by vote specifically allowed the construction of a new Development located within **one linear mile or less** from a Development described under paragraph (1)(A) of this subsection. An acceptable, but not required, form of resolution may be obtained in the Multifamily Programs Procedures Manual.

While not applicable to this particular situation because it only applies to rural projects, **Section 11.9 (c) (6)** of the QAP states:

- (C) For Developments located in a Rural Area.
  - (i) An Application may qualify for up to six (6) points if the city, county, state, or federal government has approved expansion of any of the basic infrastructure or projects to the Development Site described in subclauses (I) - (IV) of this clause, or improvements to areas **within a quarter mile of the Development Site**, unless a different distance is otherwise identified in subclauses (I) - (IV) of this clause. Approval cannot be conditioned upon the award of tax credits or on any other event (zoning, permitting, construction start of another development, etc.) not directly associated with the particular infrastructure expansion. The Applicant or Related Party cannot contribute funds for or finance the project or infrastructure, except through the normal and customary payment of property taxes, franchise taxes, sales taxes, impact fees and/or any other taxes or fees traditionally used to pay for or finance such infrastructure by cities, counties, state or federal governments or their related subsidiaries. The project or infrastructure must have been completed no more than twelve (12) months prior to the beginning of the Application Acceptance Period or be approved and projected to be completed within twelve (12) months from the beginning of the Application Acceptance Period. An Application is eligible for four (4) points for one of the items described in subclauses (I) - (IV) of this clause or six (6) points for at least two (2) of the items described in subclauses (I) - (IV) of this clause:
    - (I) Paved roadways or expansion of paved roadways by at least one lane;
    - (II) Water;

(III) Wastewater service;

(IV) Construction of a new police or fire station within **one (1) mile of the Development Site that has a service area** that includes the Development Site; and

(V) Construction of a new hospital or expansion of an existing hospital's capacity by at least 25 percent within a **five (5) mile radius** of the Development Site and ambulance service to and from the hospital is available at the Development Site. Capacity is defined as total number of beds, total number of rooms or total square footage of the hospital.

The Rules also have multiple instances of the use of distance. In two cases, the measurement method is silent—those being Colonia, which must be within 150 miles of the border and the requirement that non-profit board members reside within 90 miles of their development site. Since these are fairly great distances, one would think that is probably meant as driving distance, although driving and linear would probably be very close to the same distance.

The other two instances where distance is defined in the Rules are Mandatory Site Characteristics and Undesirable Site Features. One uses radius and the other uses boundary to boundary. The language is provided below.

**(2) Mandatory Site Characteristics.** Developments Sites must be located **within a one mile radius (two-mile radius for Developments located in a Rural Area)** of at least six (6) services. Only one service of each type listed in subparagraphs (A) -(R) of this paragraph will count towards the number of services required. A map must be included identifying the Development Site and the location of the services by name. All services must exist or, if under construction, must be under active construction, post pad (e.g. framing the structure) by the date the Application is submitted:

**(3) Undesirable Site Features.** Development Sites with the undesirable features identified in subparagraphs (A) -(G) of this paragraph will be considered ineligible. Rehabilitation (excluding Reconstruction) Developments with ongoing and existing federal assistance from HUD or USDA are exempt. For purposes of this requirement, the term 'adjacent' means sharing a boundary with the Development Site. **The distances are to be measured from the nearest boundary of the Development Site to the boundary of the undesirable feature.** If Department staff identifies what it believes would constitute an undesirable site feature not listed in this paragraph, staff may request a determination from the Board as to whether such feature is unacceptable.

(A) Developments located adjacent to or within 300 feet of junkyards;

(B) Developments located adjacent to or within 300 feet of active railroad tracks, unless the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail;

(C) Developments located adjacent to or within 300 feet of heavy industrial uses such as manufacturing plants, refinery blast zones, etc.;

(D) Developments located adjacent to or within 300 feet of a solid waste or sanitary landfills;

(E) Developments in which the buildings are located within the easement of any overhead hi voltage transmission line or inside the engineered fall distance of any support structure for high voltage transmission lines, radio antennae, satellite towers, etc. This does not apply to local service electric lines and poles;

(F) Developments in which the buildings are located within the accident zones or clear zones for commercial or military airports; or

(G) Developments located adjacent to or within 300 feet of a sexually-oriented business. For purposes of this paragraph, a sexually-oriented business shall be defined as stated in Local Government Code, §243.002.

At TDHCA Board meetings we have heard that this QAP was intended to be very black and white. The language should be interpreted strictly. Since the QAP and Rules have multiple definitions for distance, including linear miles, radius, and boundary to boundary, one would presume that if one of those was to be used to determine the tie breaker, staff would have given that definition. If it is not defined, there is room for interpretation and reasonableness.

Why is this so critical? In the case of these two projects, TDHCA staff has found that Vanston is about **328** feet further from the nearest tax credit development “as the crow flies” as compared to Patriot’s Crossing. However, using driving distance from driveway to driveway location, Patriot’s Crossing is **611** feet further from the nearest tax credit development. In addition, using linear measurement from driveway to driveway, Patriot’s Crossing is **370** feet farther from the nearest tax credit development. (*see attached Exhibits A and B, drawings done by Bryan Connally CFO/R.P.L.S., CBG Surveying, Inc., and Exhibit C certification from Bryan Connally*).

Staff has even indicated that it should be “as the crow flies”. However, people don’t fly. Given choices of places to live, people DRIVE between those sites. Even staff has recognized that driving is the normal method of looking at distance. From 2002 to 2009, Staff used driving distance in Underwriting Reports when they looked at distance to hospitals, etc. even though the QAP actually stated that the determination was to be based on radius. Consistently, underwriting reports contain the following language “**Shopping & Services:** The site is within one mile of major grocery/pharmacies, shopping centers, 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.**” In Board Appeals alone, there are 73 instances of this language.

In addition, at the TDHCA Board meeting on February 21, 2013, there was a long discussion by Cameron Dorsey about driving, where he specifically states “upwards of 90 percent of the folks have cars” .... “This is Texas, not the Northeast, and so just generally speaking, folks have cars.” (*see Page 15 of the transcript of the TDHCA board meeting of February 21, 2013, attached hereto as Exhibit D.*) At the July 26, 2012 TDHCA Board meeting, Mr. McWatters asked Ms. Latsha about site selection and she explained that, from personal experience as a developer, the most reasonable method is to drive the site. This discussion was because the census maps incorrectly identified a site. The discussion was to show that looking at the site was critical and that, in fact, the mapping software was incorrect in this particular case (*see attached excerpt from the transcript of the TDHCA Board meeting of July 26, 2012, attached hereto as Exhibit E.*) Yet another example is from the July 10, 2012 Board meeting. In response to a question by Mr. Oxer, Mr. Dorsey discusses an issue that was not contemplated by the QAP regarding scattered sites and explains that they “aren’t next door to each other, you know, ten minutes’ driving distance” (*see transcript of the TDHCA Board meeting of July 10, 2012, attached hereto as Exhibit F.*)

The point of this discussion is that there are many ways to measure distance. In this case, only one way of measuring gives the tie breaker to Vanston, while two methods show that Patriot's Crossing is farther from the nearest tax credit development, and in the conventional way of transportation it is not even close. In a case where the QAP is silent, the Executive Director or the Board can use their discretion to rule. This is clearly a case where both fairness and reasonableness requires that the rule be either address to address or driving distance. Obviously, this is something that should be addressed in the 2014 QAP. However, that will not avail Patriot's Crossing. This applicant has filed applications in 2011 and 2012 and not received an award. They must be under construction by summer of 2014 or lose their land. They do not have time come back in 2014. This is their last opportunity to receive a 9% allocation for this much needed project.

For the reasons stated in this letter and based on the fact that "greatest distance" is not a defined term in the QAP or the Rules and the tie breaker language is vague, there is good cause for you to use your discretion and award Patriot's Crossing a tax credit reservation.

If you have any questions or need further information, please do not hesitate to contact me.

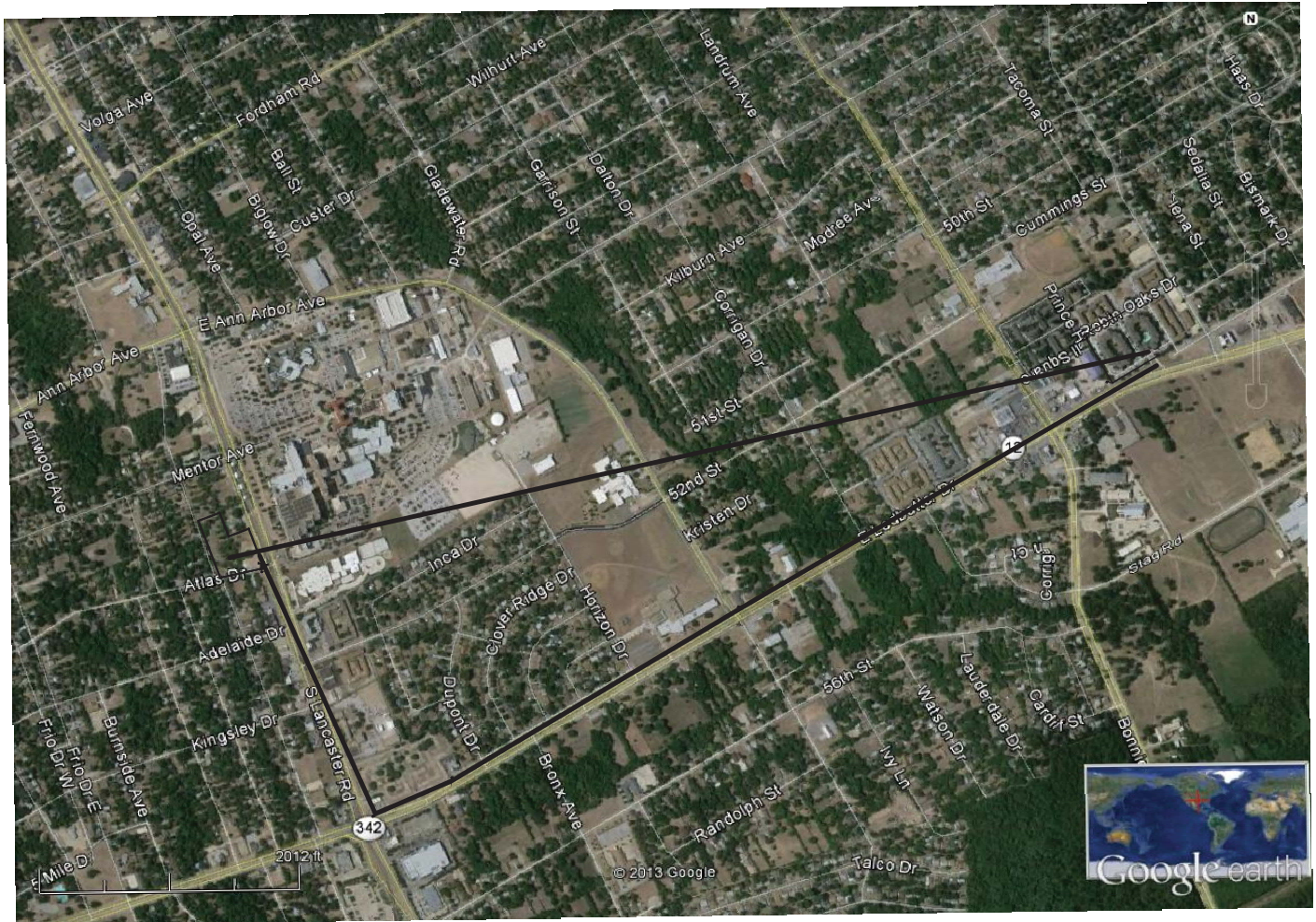
Very truly yours,



Claire G. Palmer

EXHIBIT

LANCASTER SITE

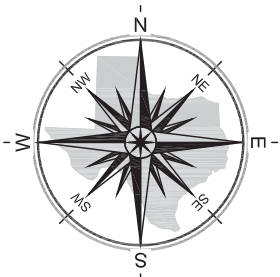


DRIVE 9,350  
DIRECT 7,430



*Bryan Connally*

BRYAN CONNALLY  
R.P.L.S. NO. 5513



**CBG Surveying, Inc.**

PLANNING • SURVEYING  
12025 Shiloh Road Suite 230 Dallas, Texas 75228  
P 214.349.9485 • F 214.349.2216  
www.cbgdw.com

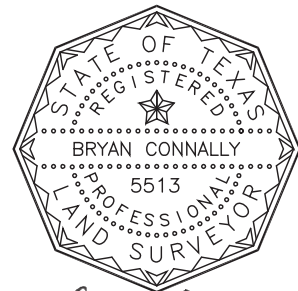
SHEET 2 OF 2  
JOB NO.  
09010888-10  
DRAWN BY: BC  
DATE: 6/21/13

EXHIBIT

MESQUITE SITE

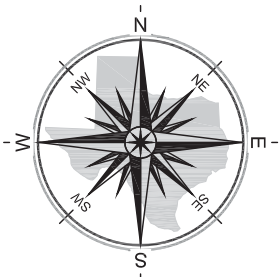


**8,739 FEET DRIVE**  
**7,060 FEET DIRECT**



*Bryan Connally*

BRYAN CONNALLY  
R.P.L.S. NO. 5513

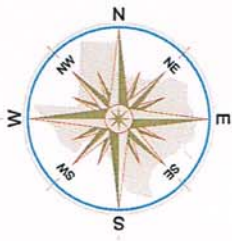


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SHEET 1 OF 2  
JOB NO.  
09010888-10  
DRAWN BY: BC  
DATE: 6/21/13





## C.B.G. Surveying, Inc.

12025 Shiloh Rd. #230  
PH 214-349-9485

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FAX 214-349-2216

SULPHUR SPRINGS, TEXAS 75482  
PH 903-438-1200

FAX 903-438-1266

6/21/13

Veterans Place  
Yigal Lelah

We have measured the distance from the two projects using two methods and here are our findings.


In Dallas from 3015 E. Ledbetter (Rosemont of Oak Hollow) to 4623 S. Lancaster (Patriot Crossing) the distances are:

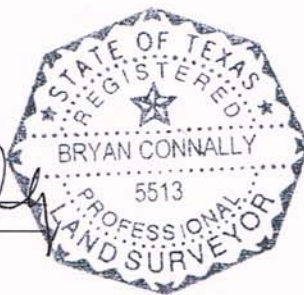
Direct from address to address is 7,430 feet  
Driving from address to address is 9,350 feet.

In Mesquite from 4500 Gus Thomasson Road (Villas of Vanston Park) to 1725 Oates Drive (LBJ Gardens) the distances are:

Direct from address to address is 7,060 feet  
Driving from address to address is 8,739 feet

We determined these distances using Global Positioning System equipment linked to the Geo Shack mobile network. If you have any further questions please contact me at the Dallas Office number above.

  
Bryan Connally  
R.P.L.S. 5513



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING

Dewitt C. Greer Building  
Ric Williamson Hearing Room  
125 East 11th Street  
Austin, Texas

Thursday,  
February 21, 2013  
9:40 a.m.

MEMBERS:

J. PAUL OXER, Chair  
TOM H. GANN, Vice Chair  
LESLIE BINGHAM ESCAREÑO  
LOWELL KEIG  
JUAN S. MUÑOZ  
J. MARK McWATTERS

STAFF:

TIM IRVINE, Executive Director

ON THE RECORD REPORTING  
(512) 450-0342

MR. DORSEY: Sure. In terms of lack of transportation, the City of Austin used to have a bus line that served this area, however, the ridership just wasn't high enough. The developer did reach out to Capital Metro and they indicated that the additional ridership gained from this property would not be sufficient to implement a route there or reinstate that prior route.

However, you know, in these types of tax credit transactions, most of the time upwards of 90 percent of the folks have cars. We're dealing with folks' income -- for example, the market study looks at and evaluates demand from families whose income is between \$28- and \$47,000, so generally those folks have cars. This is Texas, not the Northeast, and so just generally speaking, folks have cars.

This is in a really great spot in terms of jobs, from my perspective -- I used to live up in that area. And the site is located with great access to both MoPac and IH-35, as well as Round Rock and Leander, 183 is relatively close by with the toll road located right there, La Frontera is a humongous commercial shopping center that was developed probably a decade ago, and I think it's going to have pretty phenomenal access to job opportunities. There will be driving required, however, like I said, most folks drive to their jobs even when they live in tax credit properties.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING

Capitol Extension Auditorium  
1500 N. Congress  
Austin, Texas

Thursday,  
July 26, 2012  
8:05 a.m.

MEMBERS:

J. PAUL OXER, Chair  
TOM H. GANN, Vice Chair  
LESLIE BINGHAM ESCAREÑO  
LOWELL KEIG (Absent)  
JUAN MUÑOZ  
J. MARK McWATTERS

STAFF:

TIM IRVINE, Executive Director

*ON THE RECORD REPORTING*  
(512) 450-0342

tax credit developments.

In this particular instance, Merritt Hill Country, the proposed site, is, in fact, in the same census tract as another housing tax credit development called the Springs. The Springs does serve the elderly population, and the proposed development, Merritt Hill Country, would serve the general population, so that would qualify this application for four points. However, the applicant used our site demographic characteristics report to determine the census tract of The Springs apartments, and the census tract in that report was listed wrong, it was the wrong number. So the applicant contends that because he used the information in that report, he assumed he was eligible for six points instead of four and requested those six.

So really, what is before you today is whether or not we should give him the benefit of the doubt that he simply used our site demographic characteristics report, assumed he was eligible for the six and moved on, or if we should look at the fact that there is another housing tax credit development in the same census tract.

MR. OXER: Are there any questions from the board?

Professor McWatters.

MR. McWATTERS: If you're looking to develop one of these sites, is it unreasonable for you to drive the community and look around at other sites?

MS. LATSHA: No, not at all. And I would add, from recent personal experience, that that is exactly what I did as a developer.

MR. McWATTERS: And so when you're driving it, you

probably have a map and you say: Well, this is where I propose to locate mine, and here's this other one, and wait a minute, I checked the TDHCA website and it says it wasn't within the boundaries, but here I am, boots on the ground, it's within the boundaries. I'm trying to figure out if a reasonable person doing ordinary due diligence would be put on notice that what was in the TDHCA website was incorrect.

MS. LATSHA: I would think so. I would think that a reasonable amount of due diligence would bring a developer to that conclusion that the site demographic characteristics report was simply wrong. Yes.

MR. McWATTERS: It would seem like there was probably other reasons you might want to drive the site and look at what may very well be competition, you may want to talk to people running the other sites and the like, so it would not strike me -- although I've not done this, I admit, and could be mistaken in this assumption -- it strikes me that there are other reasons to actually get in your car and drive around and scope it out and take pictures and the like.

MS. LATSHA: I would have to agree with you. The site in question is just two miles down the road. Dripping Springs, I think, has a population of around 20,000, if that -- 2,000 -- I'm sorry, I had put another zero in there.

MR. OXER: I was going to say you're being very generous there.

MS. LATSHA: It's a very small community. I would think that a reasonable amount of due diligence would make you aware of where the

other site is. It is true that you would also -- it's not like census tracts are listed on the side of the highway, you would have to look at a map or go to a website, but I would say it's more than reasonable to expect a developer to know precisely where another multifamily development exists within the community, especially within two miles. I think this is one of the very few multifamily developments in Dripping Springs at all.

MR. OXER: Probably the multifamily development.

MS. LATSHA: I think it is. When I drove around there myself, that's the only one that I saw.

MR. McWATTERS: Okay. Thank you.

MR. OXER: Jean, who is the ultimate arbiter of the boundary of a census tract?

MS. LATSHA: I believe HUD -- sorry -- Census Bureau.

MR. OXER: So regardless of what we say, HUD says where they are.

MS. LATSHA: Census Bureau. Yes.

MR. OXER: Census Bureau. I'm sorry. Census Bureau says where they are. Regardless of what we think, the Census Bureau says where the census tract boundaries are.

So being a diligent individual for looking on an application for something like this, for which there is a lot of money at stake, you'd want to make sure you knew where that line was, and not something in a magic marker across the State of Texas map this size, you want something fairly sharp to define the edges of those boundaries.

MS. LATSHA: Yes, sir. And quite frankly, a lot of the times boundaries of census tracts are actually pretty fuzzy when you look at these maps, and it's pretty difficult to tell where the boundary is. In this particular case, the boundary of the census tract is 290, a major highway. If you're on one side of it, you're in one census tract, and if you're on the other side of it, you're in the other census tract. So this is actually one of those rare but a nice case where you could take a quick glance at a map and see which census tract you're in.

MR. OXER: What it comes down to is it one side or the other of 290.

MS. LATSHA: That's correct.

MR. OXER: Okay. Is there any public comment on this?

We do need a motion.

DR. MUÑOZ: Mr. Chair, I've got a question.

So Jean, I appreciate the comment about the due diligence and driving around the neighborhood, but how would somebody know? Isn't the point that the properties are so pleasant and elegant and modern that they're indistinguishable from market rate properties? Isn't that the point that you don't drive by and say: Oh, look, that's what affordable housing resembles?

MS. LATSHA: True.

DR. MUÑOZ: So how would you know that and why would you know that? And my difficulty is a minute ago we're debating the use of the word support with that kind of precision, and so here you have someone who



went to the website and you posted it wrong and they adhered to precisely what was there, and now somehow they're penalized.

MR. OXER: Let me toss a comment on that. Just from a technical standpoint, the difference between precision and accuracy is subtle but valuable. Whether or not it's precise means can it be replicated again, if you draw that line on that map, it won't be wrong. But knowing on the ground that it goes down the centerline of 290 is something that's accurate.

DR. MUÑOZ: Inaccurate on the website.

MR. OXER: It was inaccurate in terms of what TDHCA offered on the website, I'm sure that's true, but not being the ultimate arbiter of where the census tract boundaries are, a diligent individual would go to the Census Bureau to define the census tract.

DR. MUÑOZ: But isn't it the agency's responsibility to accurately represent the precise line on the website?

MR. OXER: That's the Census Bureau's job.

MR. IRVINE: I would just like to comment that we are human and we, like everyone else, make errors, and I think that it's undisputed that both the existing development and the proposed development are within this census tract. I think that the application contained a map of the census tract. I believe that the application, didn't it also require a two times resolution from the city?

MS. LATSHA: It did.

MR. IRVINE: Which would implicitly mean that you had to be aware that there was already affordable housing in the area. Perhaps you

didn't know it was in the census tract, but you at least had to know it was there. And we think it comes down to a question of whether it's appropriate to say that, notwithstanding the fact that staff had some erroneous information out there, these people should get points that are inconsistent with the facts that are on the ground and fairly easily knowable.

MS. LATSHA: I would like to just add to that just a little bit. The applicant, in their appeal, one of the points that they made was that a few years ago a similar mistake was made by the department when they listed the affordable housing needs score, or the AHNS -- if you remember them fondly. But in that case, the department's information was the sole source of the AHNS score. You couldn't go to another website or drive around or look at a map and determine what an AHNS score was.

However, in this case, if you drove the site, you saw that this particular development was on the one side of the street, and then you go to one particular website -- which I know that the applicant actually visited because the map, the census tract map that he submitted with his application was from this FFIEC website, it's really user-friendly so a lot of developers use it -- and if you were to go to that website and plug in these addresses, you would see that these two developments were in the same census tract. So there's another source of information out there that could have shown you that the report was wrong.

MR. OXER: Your point is noted, Dr. Muñoz, that there is evidence on TDHCA's website that was perhaps -- that, admittedly, was in error, but that notwithstanding, we don't define the boundaries of the census

tracts.

We'll need a board motion to proceed.

MR. McWATTERS: I think the distinction you made is critical. I mean, if the TDHCA website has unique proprietary information that cannot be sourced in any other way, then I think a higher standard would apply to whether that data is inputted correctly or incorrectly. But maybe I'm coming from my perspective of being an M&A deal lawyer for 25-plus years, and doing and overseeing lots of due diligence in transactions all over the place, and it would strike me as surprising that people don't go off and get a map, drive property, find out which is the low income, which is not the low income housing, even though they look very similar -- hopefully, they look identical -- and start piecing it together and then pick up the phone and calling and say: Hey, this looks like it's someplace other than what's on the website.

MR. OXER: We'll need a motion to proceed. Staff recommendation is to deny the appeal. Is that correct, Jean?

MS. LATSHA: There was not one listed in the board book.

MR. DORSEY: We felt like laying out a series of facts and letting the board make a determination in this case was the most appropriate way to go about this particular item.

MR. OXER: But you're not offering up either direction. Is that right, Cameron?

MR. DORSEY: That's correct.

MR. OXER: Okay.

DR. MUÑOZ: I move we grant the appeal.

(General laughter.)

MR. OXER: What a surprise. And I was going to ask before we get to the point, and hold your motion and I hold that at the gavel, in a situation like this where there's no recommendation, do we need a motion to proceed or do we have further discussion?

MR. IRVINE: It's an appropriate motion.

MR. OXER: Okay. So there's a motion by Dr. Muñoz to grant the appeal. Is there a second?

(No response.)

MR. OXER: There appears to be no second, so your motion dies by lack of a second, Dr. Muñoz.

Is there any other action by the board?

MR. GANN: I'll move that we deny the appeal.

MR. OXER: Motion by Vice Chairman Gann to deny the appeal.

MR. McWATTERS: Second.

MR. OXER: Second by Professor McWatters.

Is there any other comment from staff? Anything else to add, Jean?

MS. LATSHA: I don't think so, sir.

MR. OXER: Okay. Is there public comment? Ms. Bast, good morning.

MS. BAST: Good morning. I am Cynthia Bast of Locke Lord, and I am representing the applicant in this appeal. I do have some handouts

that have been properly posted to your website.

MR. OXER: Just hand it to Michele and she'll take care of it.

MS. BAST: They're posted on the website, which I believe satisfies the rule.

MR. IRVINE: It suffices.

MR. OXER: Yes.

MS. BAST: And there is one for each board member.

I believe these are helpful because I do believe that pictures can be very helpful, and I'd ask, if you would, to turn to the next to the last page which is a MapQuest product.

This is the existing tax credit development that we're talking about called The Springs. If you look at the dot on Highway 290, the address for that dot is 2400 West Highway 290. That is the address that TDHCA has posted on its published materials and it continues to be the address of the property on TDHCA's published materials on this very day. If you do a Google search for The Springs Apartments in Dripping Springs, Texas, you will find a Yellow Pages directory listing showing that the address of this property is 2400 West Highway 290, and that is in my appeal.

This is the address that was utilized by the developer when the developer first applied for tax credits in 1999, and I have submitted an affidavit of the principal of that developer indicating that that is the address that he considers to be the address of this property today.

When this property was developed, it needed access to Highway 290, so the developer built a private road called Springs Lane, and

that's the blue line that you see. This is a private road, it is not maintained by the county, and when the development was completed, the U.S. Postal Service gave the property an address of 289 Springs Lane, and that is your gray dot on your map.

If you've ever gone to the United States Census Bureau's website to look up census tracts, you do it by address. You go to the website and it says what's the address. It is undisputed by TDHCA staff that if you plug in the address of 2400 West Highway 290, you get from the United States Census Bureau a census tract number that is different than if you go and plug in the address 289 Springs Lane.

As was mentioned, Highway 290 is a dividing line for census tracts. The census tracts in Dripping Springs were changed in 2010. I don't know why the United States Census Bureau gives me a different census tract for 2400 West Highway 290 than 289 Springs Lane; I don't know what software they use. We all know that we have used mapping software personally when we're trying to find directions to go to places, and we've found mapping software to sometimes not be correct. I don't know what the discrepancy is here, but it is undisputed that these two addresses have different census tract numbers and that the address posted on TDHCA's website, that has been posted on TDHCA's website for 13 years is the address that gives us a different census tract than the 289 Springs Lane census tract that is the same census tract number as the proposed development.

So now, if you would, I'd like you to look at the rule which is the

second page of your handout. This is the rule for granting these points, and the rule says that the points are granted according to the department's housing tax credit site demographic characteristics report for the current application round. That's what we look to, that's what our rule says we are supposed to look to.

If you go to your Multifamily Procedures Manual, it says specifically that no supporting documentation is required for this point item. All you have to do is give the department your proposed census tract for your development, and then they go look at the housing tax credit site demographic characteristics report and determine if there are any other developments in that census tract, and if there are, if they are of the same population.

With all due respect, I do understand that a burden is on an applicant to file an application and to file a good application and to support points when the QAP requires it, but in this particular case, your rule, your manual does not impose any due diligence obligation on the developer, on the applicant to prove up this census tract or to figure out why the United States Census Bureau's website gives us two different numbers. We're not required to be census experts.

The reality of the situation is that absolutely this applicant knew that The Springs Apartments was in Dripping Springs. Of course he did, it was in the market study. Of course he had a two time state average resolution. I would note that in the market study it didn't list the address for the property. So again, you're talking about outside influences, what would have you know.

The fact is this property, The Springs, is a family property, about twelve years old. It's a totally different property than is proposed to be developed by this applicant. This applicant is building an elderly property. And so from a real estate perspective, you don't spend a lot of time over at The Springs Apartments because it's not really even a comparable. You know it's there but it's not something you spend a lot of time with. What you're spending your time on is getting all of your permitting and working with the city and doing the kinds of things to make your development, which is intended to serve a totally different population, successful.

And finally, I want to note that this issue of the address and whether TDHCA was wrong in their publication came up only because of a challenge. These points, these six points were originally awarded, and they were based on the fact, like I said, that this address and this census tract associated with the address, which is new for 2010, but the address has been on TDHCA's website for 13 years. The owner never notified TDHCA to change the address to 289 Springs Lane when that became the mailing address. It's the address that's on there today.

But the competitor tells you that TDHCA made a mistake. I would argue that perhaps they didn't. If 2400 West Highway 290 is a viable address for this property and if the census tract number produced by the U.S. Census Bureau's website is indeed correct -- which it is -- then perhaps they didn't make a mistake. But even if they did, as Ms. Latsha mentioned, in 2008, when there was a mistake in the published materials, the board gave the applicants the benefit of the doubt.



There's a distinction trying to be made here that in that case this was the sole source of the information, and therefore, the applicant was absolutely entitled to rely upon it. I would argue that, first of all, your rule and your manual say that the applicant is entitled to rely upon this because the determination is made according to your report. I would also argue that the definitive information is found on the United States Census Bureau's website, and that's the information that is being utilized here.

Finally, if I were sitting in your chair facing a long day, I would say: You know, it doesn't really matter because when we get to item 3, Rural Region 7 isn't even on the list for an allocation this year, so this appeal really doesn't matter. It does matter, it absolutely does matter. First of all, those allocations are not definitive, anything can happen between now and later this afternoon when that is decided upon. Second of all, it matters for purposes of a waiting list. To the extent there's a waiting list, then as between these two applications, both of which have appeals that you're hearing today, they care.

And so I ask you to decide this appeal upon its merits, upon your rule that says that you look to this report to understand these facts and recognize that this is the kind of situation where the applicant did what it was supposed to do and provided the information required by the QAP and should be given these six points. Thank you.

MR. OXER: Thanks, Cynthia.

Any questions from the board?

(No response.)

MR. OXER: All right. I have a couple of questions generically,

first, but let's have the public comment.

MR. CROWELL: Board members, my name is John Crowell. I'm a city councilman in Dripping Springs. I would like to thank the staff for their hard work on both the application and the appeal process.

MR. OXER: And let me interrupt you just for a second. While I appreciate that these appeals are important, and Cynthia, you're absolutely correct that no appeal is unimportant and no challenge is unimportant because we're trying to address a situation that's in answer to a question that is not clear in the QAP, so we'll spend whatever time is necessary to do that. That said, I want everybody to try to be efficient with their time in making their case because we are looking at a fairly long day unless we giddy up and get along here. So with that, please.

MR. CROWELL: Certainly. I've heard that one before.

One, I'd just like to say that this project is very different from anything that we have in the community. It is consistent with the comprehensive plan that the community has developed and there's broad support for it. We've allocated significant resources with our existing water/wastewater capacity, and we're very excited about it.

On our appeal, in preparing the application, we relied on the Census Bureau, the controlling authority, and your rules, and we're just very hopeful that we can continue to rely on the rules that TDHCA has adopted and put forth in this application process. I think if we do that, if the board does rely on its own published materials, rules and guidelines in this case, the application will follow, actually, Dr. Muñoz's recommendation and be awarded.

Thank you.

MR. OXER: Good. Any questions from the board? Dr. Muñoz.

DR. MUÑOZ: I do. Cynthia contends that they are in separate tracts. Are they?

MS. LATSHA: No, sir, no, they're not. When you go to the Census Bureau website, you can plug in an address and it spits out a census tract number, that's right -- and quite frankly, I didn't go to the Census Bureau website because I don't like it -- but there are approximations, if you're close to the line, it's often wrong. There's another website that I mentioned earlier that I think is a lot more user-friendly, and when I plugged in both addresses to that website, I got the correct census tract number, because, again, it's an approximation on both sites.

DR. MUÑOZ: Which of those two websites is the authoritative?

MS. LATSHA: I wouldn't call either of them the authority, I would call the maps the authority. Both websites would generate a map that you could print out and see where the line is and see which side of the line you're on.

DR. MUÑOZ: How is it possible that they rely on the U.S. Census for their database, how is it possible that they would generate different maps?

MS. LATSHA: Because they are approximations, and if you simply plug in the address, then it, like I said, spits out a number, and I honestly don't know exactly.

DR. MUÑOZ: Well, if you're doing your due diligence and you go to this one website and you put in the tract and it prints out an approximation and it says that you're in two separate tracts and you've carried out your due diligence, how would you know that there might be a more reliable other second or third or fourth website that would give you a different map?

MS. LATSHA: I think in this case -- well, what would happen was you would print out your map, which is required in the application, and see where the line and then think to yourself which side of the line, it looks like that should have been on this side of the line and not the other.

I guess my kind of point in this would be if it were the other way around, had The Springs Apartments been on the other side of the road and TDHCA listed the census tract as the same census tract as Merritt, then I think that there would have been some double checking on the part of the developer, and then they would have found out the opposite, they would have called us up and said, Hey, this is the wrong census tract number in your demographic report, it's really close to the line, you can see how it happened.

DR. MUÑOZ: Does that happen? Do people make that phone call?

MS. LATSHA: Well, we got the phone call, that's exactly why we're here, we got the phone call from a challenger, not from the applicant.

DR. MUÑOZ: From a challenger.

MS. LATSHA: Right.

DR. MUÑOZ: And did you originally award the six points?

MS. LATSHA: We did.

DR. MUÑOZ: Is that accurate?

MS. LATSHA: Yes, sir. We did exactly the same thing. I understand how the applicant got there, we did the exact same thing he did, except without benefit of having driven around and read our own market study and everything else. What we do is we go to our own report and we just search for the tract number on an Excel spreadsheet, and if it doesn't pop up, they're good to go.

MR. OXER: Okay, Jean. The staff was for it before you were against it, is what you're basically saying. Right?

MS. LATSHA: I'm sorry?

MR. OXER: You were for it before you were against it? Sorry, it's another bad political joke.

All right. This has got some hair on this one.

(General laughter.)

MR. GANN: I had a question.

MR. OXER: All right. Vice Chairman Gann.

MR. GANN: One more time, I want you to tell me what does the department's tax credit site demographic characteristics report really show?

MS. LATSHA: It shows that The Springs Apartments is in Tract A when, in fact, it is in Tract B.

MR. OXER: Okay.

MR. GANN: That it's in separate tracts, not in the same tract.

MS. LATSHA: And to clarify that, Merritt is in what I'm calling Tract B, clearly. Our site demographic characteristics report shows The Springs Apartments in Tract A.

MR. GANN: So it says separate tracts.

MS. LATSHA: Yes, sir.

MR. OXER: The site demographic report says separate tracts when it turns out that it's actually the same tract, according to what we now think or believe, depending on where we drew this magic marker down 290. Right?

MS. LATSHA: Yes, sir.

MR. McWATTERS: But if you printed out B and started putting Xs where everything is located, it would show them both within B.

MS. LATSHA: Very clearly. Yes, sir.

MR. McWATTERS: Okay. To me, from a diligence perspective, this is one of those cases of know or should have known. You should have known because you drove the property, you looked around. It may not have been the same type of property, but it would seem reasonable that you would give a passing glance to other low income projects in the same tract, even though they may not serve the same market.

MR. OXER: Perhaps they don't serve the same sub demographic, but they are in the same market in that they are tax credit projects that would be considered under this program. That's the same market, as far as I'm concerned, with respect to our program here.

We're getting there, Barry. Let's let the stew pot stir here for a

while.

Have a seat, Jean, we've got some more comments.

Okay. You were first. Step up.

MR. THOMPSON: Mr. Chairman, board, my name is John Thompson. I'm the planning director for the City of Dripping Springs and the present chairman of the Chamber of Commerce Economic Development Committee.

The city is in strong support of this project, that's why we took at least half a day of our time, if not more, to come down here this morning, to fight the traffic. We would like to point out that there's been items spoken of in support of this, talking about abiding by the rules that this board has established. I'm a rules guy, that's my job day-in and day-out. When somebody plays by the rules, that's how you get approved or not approved. But I'd like to talk about just very briefly the intangibles maybe that you also should be aware of because this appeal, and I believe the next one in line, are very close, we're neighbors north and south, Wimberley and Dripping Springs.

The City of Dripping Springs has existing wastewater capacity and lines ready to serve this project. We have a wastewater utility agreement between the city council and the applicant ready to get going as soon as this is funded. The property is zoned multifamily already, nothing needs to be changed. The project has variances already approved, we're waiting for the funding to happen, and when they submit their site plans, staff's recommendation is really ready to go for strong support.

I'm not only here speaking on behalf of the city, but as well, the

senior citizen community. I've been an employee of the city for seven years, a resident for 25. The senior citizens community center, their director has asked me for seven years to help achieve more senior housing for Dripping Springs because presently we do not have but one dedicated senior facility in town that is not a tax credit financed unit. This would be but it would focus directly to the senior citizens of Dripping Springs.

We've been a rapidly growing community in the last ten years, we have a severe shortage of senior housing, and what we have, the few units we do have has about a five-year waiting list. So this project would actually help the City of Dripping Springs achieve one of the items that is in our 2010 comprehensive plan and is also an expressed need on the street by the senior citizens that it would serve.

Further, I believe you should have -- at least I was shown one this morning -- a letter of support for this project from State Representative Jason Isaac, District 45, who represents Dripping Springs and Wimberley, and I didn't get a chance to review the whole letter, but just the fact that we have his support, the fact that the city council has expressed its strong support for this issue, because we have Councilman Crowell and Councilman Alba both present today, I should say speaks volumes as to how we feel about this project in our city limits.

The Springs is outside the city limits, but a part of the community, obviously. The Springs has been in place for twelve years, it's a family-related apartment complex, this is for seniors. We believe it's two different markets, though I take, Chairman, your point well taken. If you're a senior living in The Springs, and I know several, it's an environment



that is not entirely conducive for senior living; this would be very conducive to senior living, it would cater programming to seniors, The Springs is not.

As far as I know, there's no organized programming at The Springs, it's a low income housing, Section 8 type housing complex. There has been issues in the past. When you read the police blotter, there have been issues of crime in that particular neighborhood, and I believe that the developer, Mr. MacDonald, has done a very good job of correcting that with the residents of his facility by moving them out and increasing security, but again, if you're a senior, you probably want something a little bit more conducive to your living environment concerning safety and programming.

And in regard to that, the city would want to support this project as strongly as we can, and we would like for you to hear that very clearly today. Thank you for your time.

MR. OXER: And thank you for your comments.

Any questions from the board?

(No response.)

MR. OXER: Okay. Barry, did you have something else? Mr. Shaw.

MR. SHAW: Chairman, board. My name is Stuart Shaw. I am the president of Bonner Carrington, and we are the applicant in Wimberley, and I wanted to just briefly address you with some points here.

I have the utmost respect for my colleagues and friends from Dripping Springs for that wonderful community. I have the same respect for Wimberley, and we're just competing for allocation. They also need senior

housing in Wimberley, but I have complete respect for the wonderful community of Dripping Springs.

This is about process and respect, respect for the rules, and it's about developer process as well. The rules are clear and simple and we make it a point, because we live in fear of the rules, to really follow them, and we wouldn't think about going to a community and not doing a lot of due diligence, including driving everything. In the City of Dripping Springs there is one community, it's a small town, and it's very, very noticeable, I would say it's a distinct community, and although it may not be in their city limits, it's right off of Highway 290.

This map shows you -- and Casey, can you point -- if you Google this address that TDHCA lists, TDHCA only lists the address, they don't list where it is on a map, if you Google it, it shows it's over in front of Flores Restaurant, about five miles from Dripping Springs. And can you point at that, Casey, the Google location of that. Well, it's way off the map then.

MR. OXER: Back over there where Tom is sitting?

(General laughter.)

MR. SHAW: Yes, sir. If you go to MapQuest, it shows the correct location. So yes, we all know that GPS mapping doesn't work, that's why we don't trust it, that's why we don't use it. It's hard, but you know what, we're challenged by this process to do hard work and we do it, and we absolutely go and we can look at these census tracts and you can determine them, and in this case, it is -- may I approach this and just speak loudly?

MR. OXER: Actually, we have to keep you next to the

microphone.

MR. SHAW: This red line right here is Highway 290 and it's a clear as a bell, census tract is up here. This is Merritt Hill Country's application, and that's The Springs up there, this is Merritt Hill Country. It's very, very close and any developer who would go out there would know this, especially since you went to the council to get a two times per capita resolution. We have to do that because it doesn't matter if it's a senior or a family community, we have to go do that, and so we all do it, and they did a good job of doing that, it's right in front of them, and then they did a good job of having a good market report where it's mentioned several times, and it's even mapped, it's on the map.

And so all due respect for my colleagues -- and I have a lot of respect for them -- and certainly for this board, we follow your rules, and I spoke about that at the last board meeting, we follow your rules. This map shows the census tract, the address, I've told you, is unreliable, so that's why we in our business don't rely on that. We look at the map and anybody can look at the map. It's sometimes difficult but you can look at it and resolve that.

The affidavit that Mr. MacDonald signed is great, it says it's at the address that MapQuest will show you is right there, right in this census tract.

So at any case, at the end of the day, the FAQ clearly says and in the workshops we're clearly told to check that information. So while we can rely on some information from TDHCA, of course they're human. We're not in the business of relying on other people to do our business, we're supposed to follow your rules and we do, and we just expect other people to as well. The

signs of Dripping Springs, this wonderful community, it's small enough that you would easily know this, and The Springs is so readily identifiable just from a drive through town, you couldn't miss it.

MR. OXER: I think you've made your point, Mr. Shaw.

MR. SHAW: I thank you very much for the time. And I would just say the market study maps The Springs, and in answer to an assertion made earlier, we spend time on these things and we spend time on finding out where our competition is because we don't want to be before you and have the disappointment that one would have today to find out that you'd made a mistake like that, and we live in fear of that.

So I just want to repeat this is about respect of a vibrant and wonderful community of Dripping Springs, which I have, and it's about respect for this process and for these rules, which I have. We live in respectful fear of these rules and we do not mess around and we don't -- I've made my point. Thank you very much.

MR. OXER: Thanks for your comments.

MR. PALMER: My name is Barry Palmer with the Coates Rose Law Firm, and I'm speaking on behalf of Bonner Carrington on this appeal.

I think that staff reviewed this very carefully, the various arguments on either side of the issue when the challenge was made, and when they made the decision to take away those two points, they published their analysis in the challenge log, and I think it was very well written. I wanted to read that to you to just remind you of the staff's analysis:

The staff reviewed the documentation, included it in the

challenge, as well as the applicant's response. The applicant states that they relied on the information provided by TDHCA and should not be penalized for the department's error. Staff found that there were errors in the site demographic characteristics report and that The Springs Apartments was actually in the same census tract as the subject property, however, as staff stated in the frequently asked questions posted to the department's website, and during the application workshops before submission, the staff instructed applicants that it was their responsibility to determine whether or not the application qualified for the points.

In addition, staff determined that it was reasonable for the applicant to have known that another development existed in the same census tract despite the error. The proposed site is only two miles from the existing development and it's located in a relatively small town. The existing property is a short drive down the same highway, visible from that highway.

In addition, the applicant submitted a market study with the application. The study was completed on February 17, and on the third page of the introduction, before the table of contents, the market study analysis identifies the existing tax credit property and it's mentioned again on the first page of the executive summary and called out as being within two miles of the subject property. The applicant did not need to read the entire study but only glance at a few pages in order to know that it existed.

Also, unlike some other census tracts where the boundaries are difficult to decipher, the tract boundary is a major highway, the same highway that runs through the middle of town and it's readily apparent that if

the developments are on the same side of the highway, which these two are, that they're in the same tract. Finally, the applicant was required to obtain a resolution in order to satisfy the eligibility requirements under 50.820(a) related to developments with more than twice the state average of units of tax credits, and the existence of this property was the reason for that resolution.

So there you have it. The frequently asked questions said that developers were responsible for checking these statistics, the applicant's market study pointed out this development, the applicant knew or should have known that it was in the same census tract.

And the applicant has talked about being penalized for this error but he's not being penalized, he was never entitled to those two points to begin with, so the department has merely taken back two points that were awarded in error, so that's not a penalty to the developer. It would be like if your bank deposited a thousand dollars in your account by mistake and called you the next week and you said to them: Well, I don't want to give that back, that would penalize me and I relied on your error. So it's the same thing here, we're not penalizing the developer, he wasn't entitled to those two points, and so we're just making the score be what it should have been in the first place.

Thank you.

MR. OXER: Good. Thanks, Barry.

Any questions from the board?

(No response.)

MR. OXER: Another comment?

MR. BUMP: Good morning. My name is Casey Bump and I

work for Bonner Carrington.

One thing that Stuart left out was that we are only here for a challenge because staff asked us to. On March 9 we noticed the error in the log and notified Jason Burr, and I believe on March 12 he replied and said that he agreed with our assessment and that it would be corrected. And so when the logs came out later in May and the points were not removed, we were forced to go through the challenge process.

Thank you.

MR. OXER: Okay. Anything else anybody wants to say?

(No response.)

MR. OXER: We have a motion on the floor by Vice Chairman Gann, seconded by Professor McWatters. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(A chorus of nays.)

MR. OXER: Okay. Motion passes three-two with opposition registered by Ms. Bingham and Dr. Muñoz.

With that, we're going to take a break. It's ten o'clock straight up, let's be back in our chairs at 10:15.

(Whereupon, at 10:00 a.m., a brief recess was taken, and the meeting was reconvened at 10:17 a.m.)

MR. OXER: All right. Let's continue. Jean, we have item number three on your list.

MS. LATSHA: I do. Jean Latsha, Housing Tax Credit

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING

Room E.1.036  
Capitol Extension Building  
1500 North Congress Avenue  
Austin, Texas

Tuesday,  
July 10, 2012  
10:00 a.m.

MEMBERS:

J. PAUL OXER, Chair  
TOM H. GANN, Vice Chair  
LESLIE BINGHAM ESCAREÑO  
LOWELL KEIG  
JUAN S. MUÑOZ  
J. MARK McWATTERS

STAFF:

TIM IRVINE, Executive Director

*ON THE RECORD REPORTING*  
*(512) 450-0342*



are at play in some litigation that we currently have pending. And also in an OAG opinion request. And so I suggest some legal advice before going into that aspect of it.

MR. OXER: Okay. We will table that one for now, until after we have had Executive Session.

Go to the next one.

MR. DORSEY: Sounds great.

MS. DEANE: Table all of Hawk Ridge?

MR. OXER: Correct. We will table Hawk Ridge until after Executive Session and lunch.

Okay. Next one, Cameron.

MR. DORSEY: Okay. So the next point of appeal on this same development -- do you want to table the whole item?

MR. OXER: The whole thing.

MR. DORSEY: The whole thing? All right.

MR. OXER: Tax, parts, labor, installation, carrying charge, indentures, and dealer prep. Okay. Go to the next one. Shipping and handling.

MR. DORSEY: All right. Garden Walk of La Grange and Schulenburg and Weimar. This is an at-risk USDA transaction that is scattered site development. This is something that is very clearly allowed under the Rule 110.

And in this particular instance, they are basically taking three existing USDA transactions and combining them under a common financing

plan. And they are going to own and operate them under one limited partnership. And for that purpose, we generally treat this type of transaction as a scattered site development.

The issue at play is that the City of Weimar has more than twice the state average of units, of tax credit units per capita. And the reason that matters is because when that is the case, we have a statutory requirement for the Applicant to seek a resolution from the City acknowledging that fact, that there are more than twice the state average of units, and supporting the development despite that fact.

In this particular instance, that resolution was not provided to the Department. It is kind of a strange circumstance, though, because the QAP speaks of a development that doesn't -- basically that the development is in an area that doesn't qualify, because the development is located in three separate areas, it is a little bit difficult.

I see where the applicant could get a little bit confused. And I would have expected to be able to provide some guidance prior to cycle. But no guidance was sought. And they didn't seek out a resolution.

You know, what we are doing here is we are going back to the statutory requirement. Did statute contemplate the concept of scattered site development? I would argue that that is probably fairly unlikely in this particular item, that it would have contemplated that.

What it did contemplate is that where there is a city that has more than twice the state average of units per capita, and we are putting more tax credits there, a resolution is required. And that is exactly what is

happening in this situation.

And that is the basis on which we moved forward with a termination of the application for failure to submit a resolution. Staff recommends denial of the appeal on this subject.

MR. OXER: First of all, are there any questions of the Board?

(No response.)

MR. OXER: Okay. The three cities, locations for the project are at what distance, what remove from each other?

MR. DORSEY: They are in more than one county. I know that much. I think they might be in more than one region, state service region as well. There is a good drive between them. These aren't next door to each other, you know, ten minutes' driving distance.

MR. OXER: So is there anything? If we look at this projected -- let's go to the far end of unreasonableness on this. You can have three projects in an application like this. One in El Paso, one in Brownsville and one in Lubbock.

MR. DORSEY: You know, the only way that we really saw this application continuing under -- within the cycle, given that it is under -- it is within two separate regions, is as an at-risk USDA deal. If it was trying to compete in any other way, I don't know how we would deal with it, because you would have to somehow parse out the credits and give them credits from two different regions. And things just don't work that way. So this is relatively unique. I am not sure I have seen it before.

MR. OXER: I'm struggling. It's in two regions.

MR. DORSEY: Two separate --

MR. OXER: Two separate regions under our --

MR. DORSEY: Service regions. But at-risk doesn't compete by region.

MR. OXER: Within those regions.

MR. DORSEY: Yes. We take 15 percent off the top of the allocation, and basically that amount of money is a statewide pot for at-risk and USDA deals. And it's by virtue of applying into that set-aside that this application was deemed to not be non-compliant.

MR. OXER: All right. Say that again? What you just said. Say that again. I want to make sure we are clear on this. So this is competing in the at-risk -- the state set-aside at-risk but not for any particular region.

MR. DORSEY: Right. The at-risk deals compete statewide. Basically if you have an at-risk deal in Houston and you have an at-risk deal in Dallas, those two can compete against each other.

MR. OXER: The state is one region in the at-risk category.

MR. DORSEY: That is right.

MR. OXER: Okay.

MR. DORSEY: That is right. And so it's a bit unique. I will say that that is a little bit off topic, though. The real problem --

MR. OXER: The real issue is that they didn't do the two-times letter.

MR. DORSEY: The real issue is they didn't do the two-times letter. At least some of these credits in some of these units are in an area that

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June 26, 2013

By Email to [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)  
Mr. Tim Irvine, Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701-2410

RE: 2013 Housing Tax Credit ("HTC") Scoring Log dated June 13, 2013, Supplement to appeal filed June 21, 2013

Dear Mr. Irvine:

This letter is to supplement information provided on June 21, 2013 on behalf of the Developers of Patriot's Crossing, Application # 13023 ("Patriot's Crossing") in which they **appealed the tie breaker** scoring of Patriot's Crossing and Application # 13044, Villas of Vanston Park ("Vanston"). I will not reiterate the points covered in the original appeal, but do specifically state that this supplement is in addition to the points originally set forth.

The 2013 Qualified Allocation Plan ("QAP") tie breaker factors are stated as follows:

**§11.7. Tie Breaker Factors.** In the event there are Competitive HTC Applications that receive the same number of points in any given set-aside category, rural regional allocation or urban regional allocation, or rural or state collapse, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive preference in consideration for an award. The tie breaker factors are not intended to specifically address a tie between equally underserved sub-regions in the rural or statewide collapse.

- (1) Applications ranking higher on the Opportunity Index under §11.9(c)(4) of this chapter (relating to Competitive HTC Selection Criteria) as compared to another Application with the same score.
- (2) Applications proposed to be located the greatest distance from the nearest Housing Tax Credit assisted Development.

Part (1) of the tie breaker gives preference to applications that meet the criteria of Opportunity Index. Those criteria are top quartiles of median income and school ratings of recognized or exemplary. It should be noted that the Texas Department of Housing and Community Affairs (“TDHCA”) has provided guidance on median income and poverty rates, which information is based entirely on census tract information. TDHCA’s stated position on determining census tract is street address (*see page 56 of the July 26, 2012 Board Meeting Minutes attached to the original appeal as Exhibit D and the appeal materials related thereto contained in the Supplement to the Board Book for July 26, 2012.*). If, for example, a property’s street address is on one census tract and the back of the property is in another census tract, it has been long standing TDHCA practice that the street address census tract controls. This is also true for TEA school attendance zones—the street address controls. Therefore, to determine if the property is in a High Opportunity area for the first tie breaker, street address controls the determination.

Staff is taking a completely different approach for the second tie breaker. In that situation, Staff uses closest boundary, although that language is never used in the tie breaker section. It would seem that the two tie breaker sections should be judged under the same criteria. In this particular situation, that would result in Patriot’s Crossing being ahead of Vanston in the tie breaker.

Under any measurement of distance using street address, Patriot’s Crossing is further from Rosemont of Oak Hollow (“Rosemont”), the nearest tax credit development. It has been surveyed by driving route and by straight line from the address of one to the address of the other. Vanston is farther from LBJ Gardens (“LBJ Gardens”), the nearest tax credit development, if you measure from nearest boundary to nearest boundary of each development, as Staff has done in the most recent scoring. This is because of the odd shapes of the various properties. However, there is no entrance at either Rosemont or LBJ Gardens that could be accessed at the back boundary. In fact, neither appear to even have road access at those boundaries. There seems to be no specific reason for using this method and logic dictates that street address is the appropriate way to measure.

This “greatest distance from the nearest Tax Credit assisted development” language was substituted on the motion of TDHCA during the *Inclusive Communities* litigation. I have read the briefs and the Order and can find no place where any party attempted to define what was meant by the language. Therefore, the most reasonable interpretation is to read it with the rest of the same section and apply the same standard.

For the reasons stated in this supplement and the original appeal, I believe that the two sections of tie breakers should be applied consistently and that TDHCA should use address as the standard for determining the nearest tax credit development.

If you have any questions or need further information, please do not hesitate to contact me.

Very truly yours,



Claire G. Palmer



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

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J. Mark McWatters

June 28, 2013

*Writer's direct phone # 512-475-3296*  
*Email: [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)*

Ms. Claire G. Palmer  
Attorney at Law  
2224 Clearspring Drive South  
Irving, Texas 75063

RE: APPEAL OF THE TIE BREAKER BETWEEN HTC APPLICATIONS #13023, PATRIOT'S CROSSING AND #13044, VILLAS AT VANSTON PARK

Dear Ms. Palmer:

We have received your letters dated June 21, 2013 and June 26, 2013 appealing the outcome of the tie breaker between two applications, Patriot's Crossing ("Patriot's") in Dallas and The Villas at Vanston Park ("Vanston") in Mesquite. You assert that staff's determination is incorrect because the distance calculation required by the tie breaker should not be done "as the crow flies." You also indicate that staff's use of this method is inconsistent with implementation of other similar rules. Staff's determination was made by comparing the shortest linear distance between boundaries of each proposed Development Site and the closest existing tax credit development. You assert that there are other methods to consider, including: linear distance between driveways; distance based on the addresses of the subject developments; and/or driving distance instead of linear distance. Under each of these options you indicate that Patriot's would win the tie breaker thereby putting it in a more competitive posture in the 2013 cycle than Vanston. However, the appeal does not dispute that Vanston wins under the "closest boundary to closest boundary" method used by the Department.

While staff appreciates the significant amount of information provided in the appeal, we continue to believe that the Department's method is the most appropriate application of the rule and the most consistent with the application of other similar rules in the QAP. Driving distance is not used in any factors under the 2013 rules nor is a U.S. Postal Service assigned street address. The U.S. Postal Service assigned street address is not even required for receipt of an award or for the awarding of any points.

We are also concerned that the appeal information is not entirely accurate in some instances. For example, street address is not the definitive method for determining the appropriate census tract vis-a-vis the Opportunity Index or other rules with census tract requirements. In fact, the location of the entire



Development Site, inclusive of all boundaries, is considered in identifying the correct census tract under such circumstances. The Board discussion referenced in the appeal was related to the fact that street address alone was insufficient to correctly determine the applicable census tract and this discussion was in the context of a 2012 application under a different set of rules. The other citations related to prior Board transcripts are not relevant as those Board discussions were related to entirely different issues.

Based upon the foregoing, the appeal is hereby denied.

If you wish to appeal to the Board, you must submit such appeal in writing to the Department no more than seven days after the date of this letter. Should you choose to file and appeal to the Board, such appeal will be placed on the agenda for the next meeting, currently scheduled for **June 11, 2013** if possible. If you have any questions, please contact Cameron Dorsey at [cameron.dorsey@tdhca.state.tx.us](mailto:cameron.dorsey@tdhca.state.tx.us) or by phone at 512.475.2213.

Sincerely,

A handwritten signature in black ink that reads "Jeff Pender for Timothy K. Irvine". The signature is written in a cursive style.

Timothy K. Irvine  
Executive Director

EBH



La Esperanza Del Rio (#13046)

Rio Grande City

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for La Esperanza Del Rio (#13046);

**WHEREAS**, staff identified two (2) points that the Applicant elected but that the Application did not qualify to receive under §11.9(d)(6) of the 2013 Qualified Allocation Plan related to a Community Revitalization Plan; and

**WHEREAS**, the Applicant appealed the scoring notice and requests that the Board award a total of six (6) points under §11.9(d)(6) rather than the staff recommended four (4) points;

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the scoring notice for La Esperanza Del Rio (#13046) is hereby denied.

**BACKGROUND**

The Housing Tax Credit Application for La Esperanza Del Rio, located in Rural Region 11, was awarded four (4) points out of the six (6) total points requested under the §11.9(d)(6)(C) of the 2013 Qualified Allocation Plan ("QAP"), related to Community Revitalization Plan ("CRP") for Developments located in a Rural Area. Applications are eligible for four (4) points for submitting evidence of one qualifying project and six (6) points for two qualifying projects. The original Application included, as required in the QAP, a letter from the appropriate local official which provided details about two projects that would qualify the application for points, namely the construction of a new police station within one mile of the site and water, sewer, and street construction in the Mi Ranchito subdivision within a quarter mile of this site. Based on this documentation, staff awarded the application the requested six (6) points.

The Application was challenged by BETCO Development, and that challenge asserted that the improvements made to the Mi Ranchito subdivision were not within a quarter mile of the development site. The Applicant's response to the challenge stated that, although the streets and newly constructed lift station were indeed not within a quarter mile of the site, that an easement had been dedicated to the city

that provided the city access to the lift station and the ability to improve service to the residents in the area. The Applicant further states that because a portion of that easement is within a quarter mile of the site, the project should be eligible for points. Staff disagrees and asserts that the physical infrastructure itself is required to be within a quarter mile of the site in order for the application to be eligible for points. Dedicated easements do not qualify, and therefore staff deducted two (2) points from the Application.

The Applicant's response to the challenge also included evidence of a newly installed water line within a quarter mile of the site. However, the supporting documentation for this project was only a work order for a water meter from a private water supply corporation with a handwritten note at the bottom indicating that a new water line had also been installed. In their appeal, the Applicant provided further clarification of this work order in the form of email correspondence from both the city manager and the manager of the water corporation. However, there was no mention of this water line in the original Application submission, and, even if staff were to consider this new information, both the challenge response and appeal provide little evidence of the city, county, state, or federal government approval of the project. The Applicant contends that the additional documentation should be considered and does not cause a substantial reassessment of the application. Staff disagrees and points to §11.9(a) of the QAP which states that applicants that elect points but fail to provide any supporting documentation for those points will not be allowed to cure the issue administratively.

Staff recommends denial of the appeal.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2013 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**


**Appeal Election Form: 13046, La Esperanza Del Rio**

**Note:** If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2013 scoring notice and am filing a formal appeal to the Executive Director on or before Thursday, June 27, 2013.

**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 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. 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.

Signed   
Title Principal of Applicant  
Date 6/26/2013

Please fax or email to the attention of Jean Latsha:  
Fax: (512) 475-0764 or (512) 475-1895  
Email: <mailto:jean.latsha@tdhca.state.tx.us>

# ***Casa Linda Development Corporation***

June 26, 2013

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

RE: La Esperanza Del Rio – TDHCA #13046

Dear Mr. Irvine:

Pursuant to §10.902 of the 2013 Uniform Multifamily Rules, this is a formal appeal of the scoring notice received on June 20, 2013 on the above referenced application.

## ***Grounds for the Appeal***

We are appealing the decision of the Department to deduct two points from our final score based on a challenge filed by Lora Myrick, Vice President for BETCO Development, dated May 14, 2013. In her challenge, Ms. Myrick disputed the award of §11.9(d)(6)(C) Community Revitalization points to our application asserting, among other things, that the only infrastructure improvements in the area of our development site existed 52 feet outside of the quarter mile radius required in the rule. It is our position that the Department erred in deducting the two points because a plain reading of the rule, supported by a preponderance of the evidence, establishes that the requirements of §11.9(d)(6)(C) were met and that the points should be reinstated.

In support of this appeal, we would ask that you consider our original application (“Application”), our formal response to the BETCO challenge which we submitted on June 11, 2013 (“Challenge Response”) along with all exhibits to that response, this letter and exhibits, and such other additional documentation as may be properly on file in connection with our application as supplemented in accordance with the applicable rules.

## ***The Undisputed Facts***

So what is the actual situation on the ground in Rio Grande City, Texas? A review of the supporting documentation on file with the Department reveals that the following exists within a quarter mile radius of our development site, all of which are shown on the June 7, 2013 Melden & Hunt survey, attached hereto as **Exhibit “A-1”**:

1. A newly installed water line servicing a residential building;
2. A newly dedicated Lift Station easement in the Mi Ranchito Garden Homes Subdivision Phase II; and
3. An existing 4” Sanitary Sewer Force Main.

The existence of these items is well documented and has not been disputed or controverted. It is our position that, with respect to each of these items, the requirements of §11.9(d)(6)(C) have been met and two points should have been awarded to the Application.

***Requirements for an Award of Points in the QAP***

§11.9(d)(6)(C) of the QAP provides that an application may qualify for an award of points for a development in a rural area *“if the city, county, state, or federal government has approved ... **improvements to areas** within a quarter mile of the Development Site...”*(emphasis supplied). The listed items of basic infrastructure in the rule include the following:

- (I) *Paved roadways or expansion of paved roadways by at least one lane;*
- (II) *Water;*
- (III) *Wastewater **service**;*
- (IV) *Construction of a new police or fire station within one (1) mile of the Development Site that has a service area that includes the Development Site; and*
- (V) *Construction of a new hospital or expansion of an existing hospital’s capacity by at least 25 percent within a five (5) mile radius of the Development Site and ambulance service to and from the hospital is available at the Development Site. Capacity is defined as total number of beds, total number of rooms or total square footage of the hospital.*

QAP §11.9(d)(6)(C)(emphasis supplied).

It is important to note that the rule does not contain any exception or exclusion, nor do the applicable rules define “improvements to areas” or “service.”

***Applying the Rule to the Facts***

*The New Water Line:* The June 7, 2013 Melden & Hunt survey, Challenge Response Exhibit “C,” indicates the location of a newly constructed residence within a quarter mile of our development site. We obtained and submitted evidence that reasonably documents that the water line was installed and approved by the City within the time period required in the rule.<sup>1</sup> Specifically, we provided Rio Water Supply Corp Work (“RWSC”) Order #3217, Challenge Response Exhibit “E,” which included a hand written and signed notation by Maria Lourdes Guerra, manager of RWSC, confirming that a water line was installed when the water meter was installed in October 2012. Further, we provided a Certificate of Occupancy issued by the City on May 29, 2013, Challenge Response Exhibit “F,” which evidences approval of the entire project by the City within the required time period.

---

<sup>1</sup> See, QAP §11.9(d)(6)(C)(ii) “The Applicant must provide a letter from a government official with specific knowledge of the project. However, Department staff may rely on other documentation that reasonably documents that the substance of this clause is met, in Department staff’s sole determination.

Although Department staff expressed concerns regarding the adequacy of our documentation with respect to the water line, we are confident that the existence of this improvement within the required timeframe has been established. Indeed, on the morning of June 10, 2013 we corresponded by email with Deputy City Manager Elisa Beas regarding the water line. Ms. Beas confirmed by email the location of the residential building (602 Barreta) and that the water line was installed by RWSC. A copy of that email is attached as **Exhibit "A-2."** We then traveled to Rio Grande City and met with Maria Lourdes Guerra, manager of the RWSC, in her office in Rio Grande City. We reviewed our land survey with her and she confirmed the site location as well as the installation of a new water line to the residential building. As support, we requested a copy of the work order which she provided and we submitted the work order in the Challenge Response. The work order did not reflect the water line that was required for the installation of the meter and so we asked her to confirm the installation of the new water line by personally writing this fact on the order and signing it to verify the line was constructed as part of that work. Rio Grande City is a rural community located in one of the poorest counties in Texas and has limited resources. The work order provided by Rio Water Supply was the only document they were able to provide at that time. To further satisfy the Department, on June 26, 2013 we received an email from Ms. Guerra confirming the facts related to the new water line are true and correct. See, **Exhibit "A-3"**.

After meeting with Ms. Guerra on June 10th, we met with Deputy City Manager Elisa Beas later that afternoon. It was at this meeting that we received the Certificate of Occupancy. We did not request a letter from her related to the water line infrastructure project as part of our challenge response because we felt the work order and certificate of occupancy provided in the response would be sufficient to meet the point requirement. Ms. Beas is the Deputy City Manager for the City of Rio Grande City and has been working as the interim City Manager on behalf of the Mayor after the City Council dismissed the former City Manager earlier this year. The Council has been actively searching for his replacement and recently contracted with a new City Manager who will begin his term in July. She has continued to support our project application by responding to on-going emails and letters and we just didn't think we needed her to take time out of her busy schedule to write yet another letter on our behalf.

*The New Lift Station Easement:* On February 23, 2012 the official plat of Mi Ranchito Garden Homes Subdivision Phase II was finally approved and recorded, Challenge Response Exhibit "B." The "Mi Ranchito" subdivision includes streets, water and wastewater infrastructure components. In particular, it includes the dedication of an easement for the operation of a wastewater lift station that serves the subdivision and contiguous properties and outflows into a 4" Sanitary Sewer Force Main which is part of the City's wastewater/sewer system. That easement lies in part within a quarter mile radius of our development site. See, Melden & Hunt survey, **Exhibit "A-1."** By approving the subdivision and accepting the dedication of the lift station easement the City improved its wastewater service in this area. Again, the criteria in the rule for an award of points are that there be an "improvement to areas" for "wastewater service." It is important to note that the QAP uses the word "service" in connection with the wastewater infrastructure requirement. By contrast, the QAP otherwise refers only to "paved roadways" in item (I) or "water" in item (II). Those items would imply the actual laying of asphalt or the installation of a water line. However, the use of the word "service" reflects an intention to broaden the scope of the wastewater requirement. In the Challenge Response we presented a thorough and detailed analysis of why the dedication of the lift station easement qualifies as a significant improvement to the basic infrastructure for providing wastewater service in this part of the City. Suffice it to say that the lift station easement provides a permanent base for the City to access, operate, maintain, rebuild, expand,

connect, improve, replace or otherwise assure the proper operation of its wastewater service. Indeed, the importance of the dedication of the lift station easement to the City is exemplified by the fact that the City has added the Mi Ranchito lift station to a list of other lift stations in a funding request application submitted to the Texas Water Development Board (TWDB) staff in February 2013 for review and Board consideration anticipated on July 18, 2013. See, **Exhibit "A-4."** But for the dedication of the easement to the City, the TWDB funds would not otherwise be available to improve the wastewater infrastructure.

Frankly, it is very difficult to argue why the dedication of a lift station easement does not qualify for an award of points. There is no exception in the rule excluding easements or rights of way. The dedication of an easement for a wastewater lift station where none existed before is surely an "improvement" to "wastewater service." From a pure policy perspective, isn't the dedication of an easement or right of way equally important to community revitalization as the laying of asphalt or the burying of a pipe? Doesn't "improvements to areas" necessarily include the actual area of land where pipes or asphalt will be laid? All things considered, given a reasonable reading of the QAP, it is clear that the dedication of the lift station easement within the quarter mile radius and within the required timeframe qualifies our Application for two points.

*The Sanitary Sewer Force Main:* The Melden & Hunt survey, Challenge Response Exhibit "C", documents the existence of a 4" Sanitary Sewer Force Main ("Force Main") located within a quarter mile radius of our development site. Although this Force Main has been installed for several years, it has been "improved" within the timeframe required in the rule as a result of the dedication and build-out of the Mi Ranchito subdivision. Improvements to areas within a quarter mile from the development site include wastewater service. Merriam Webster defines improvement as the enhancement of value.<sup>2</sup> That is exactly what occurred to the Force Main. The dedication and build-out of the Mi Ranchito subdivision has significantly increased the number of residences served by this portion of the City's wastewater service. As such, the Force Main has become more important and valuable to the City and to the area that lies within a quarter mile of our development site. The Force Main is serving more customers so "wastewater service" has been enhanced, both within and without the quarter mile radius from our development site.

### ***How We Got Here***

In submitting our 2013 9% Housing Tax Credit Application, we were prepared to dedicate the hard work and diligence to present an attractive, fair and accurate application. We are confident that our Application meets those criteria and we are happy to defend our position before you. In the preparation of our Application, we asked Ruben Chapa, Senior Civil Engineer with Melden and Hunt Inc., to confirm that the infrastructure servicing the Mi Ranchito subdivision was within one quarter mile from the development site and that the infrastructure met the QAP criteria. On numerous occasions we met with Mr. Chapa in his Rio Grande City office. Mr. Chapa confirmed the location of the Force Main as being within the quarter mile of our site. He also confirmed that this wastewater service system is the **only** source for wastewater service to the Mi Ranchito subdivision and that the subdivision Phase 2

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<sup>2</sup> See, Code Construction Act, TEX. GOVT CODE Sec. 311.011. COMMON AND TECHNICAL USAGE OF WORDS. (a) Words and phrases shall be read in context and construed according to the rules of grammar and common usage.



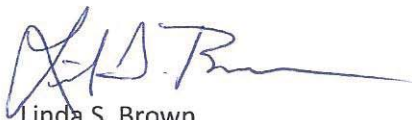
improvements were completed in 2012 and approved by the City in 2012. The City substantiated these facts in their first letter dated January 29, 2013 submitted in our application and then again confirmed these same facts by writing a second letter dated June 3, 2013, Challenge Response Exhibit "G." Please note that Mr. Chapa also serves as the contracted City engineer for the City of Rio Grande City and was the civil engineer for the Mi Ranchito subdivision. Based on the facts as presented by the City engineer and confirmed by the acting City Manager, we reasonably concluded that our development site met the community revitalization criteria in the QAP and provided such documentation in our Application. Further, we are convinced that a fair reading of the relevant rule applied to the actual facts as they exist on the ground in Rio Grande City supports the award of two points to our Application based on improvements to wastewater service, Item (III) of the rule.

Notwithstanding, and out of an abundance of caution, when we received the BETCO challenge, we reviewed the area around our development site and determined that the installation of a new water line servicing a residential building located within the quarter mile radius met the requirements of Item (II) of the rule. Thus, in our Challenge Response we submitted documentation that reasonably documents the substance of the Item (II) requirement. This information is supplemental and consideration of the new water line does not necessitate a substantial reassessment or re-evaluation of our Application as it merely demonstrates that there is significant growth and revitalization within the area surrounding our development site. We would submit that it is within your sound discretion to consider the newly installed water line as a supplement to our original Application made in accordance with the limitations and requirements of the Uniform Multifamily Rules.

In conclusion, our development site is located within a quarter mile of improved wastewater service and new water infrastructure that was approved by the City in the timeframe required in the QAP. We respectfully request that you reinstate the two points deducted from our Application's score.

Thank you for your kind consideration. Should you require additional information or have any questions, please do not hesitate to contact me or our attorney, Rick Schell<sup>3</sup>.

Sincerely,



Linda S. Brown

Principal

Casa Linda Development Corporation

2010 Kessler Parkway

Dallas, TX 75208

Phone: 214-941-0090

Email: lbrown@ess-email.com

---

<sup>3</sup> Rick Schell, LAW OFFICES OF RICHARD D. SCHELL, 1801 South 2nd St., Suite 460, McAllen, TX 78503; Tel: 956.687.2727; Fax: 866.705.0221; Email: rick@rickschell.com

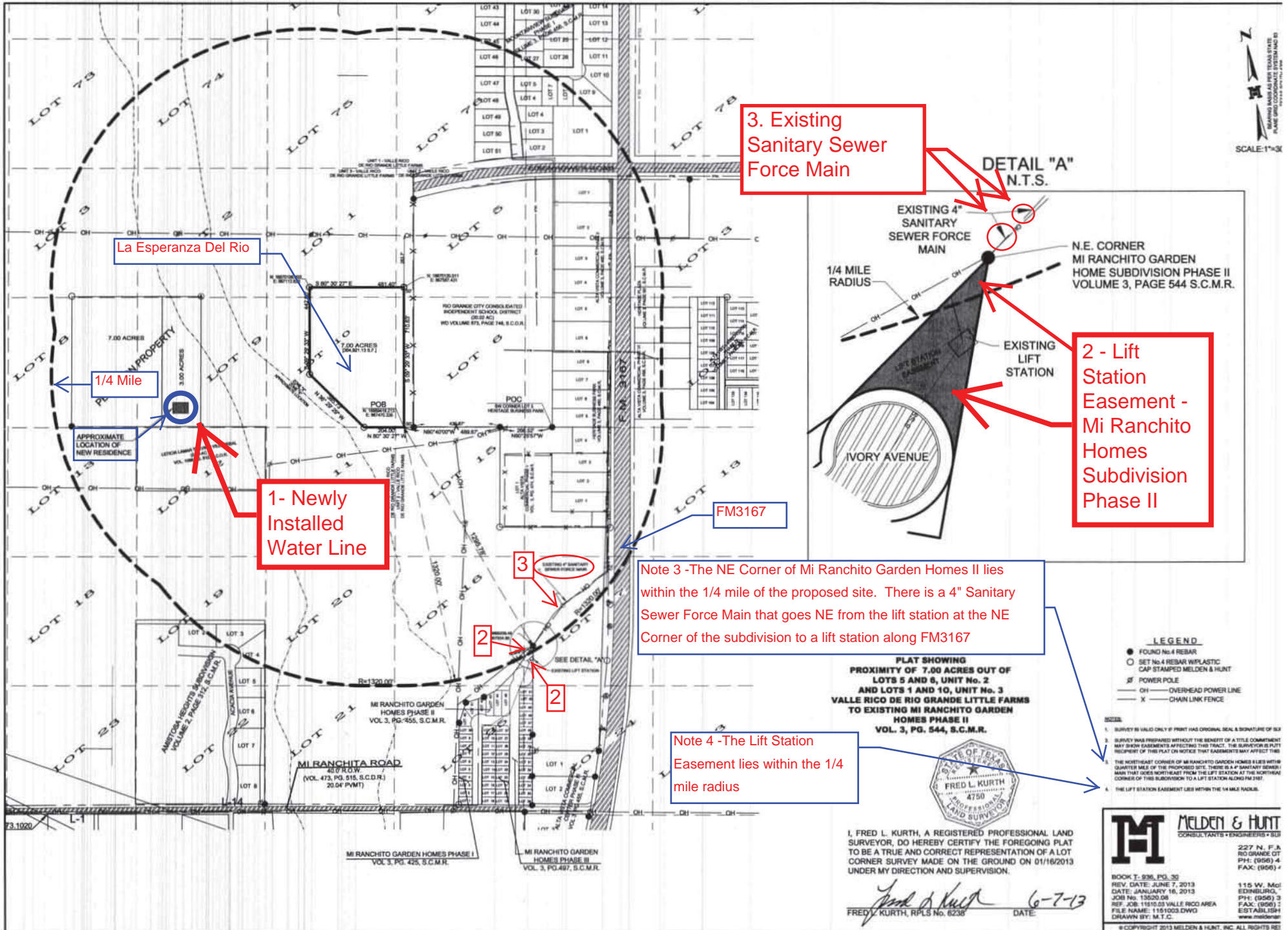
C: Sara Reidy, CLDC  
Richard D. Schell, Legal Counsel

**Exhibits**

- "A-1"** Locator Map - Melden & Hunt Survey
- "A-2"** Email from Rio Grande City Deputy City Manager Elisa Beas
- "A-3"** Email Confirmation from Manager Rio Water Supply Corporation, Lourdes Guerra
- "A-4"** City of Rio Grande City Resolution Approving Texas Water Development Board Application and Email Confirmation from Texas Water Development Board Staff
- "A-5"** Challenge Response

Exhibit A - 1  
Melden and Hunt Survey  
Locator Map

Exhibit A-1 Locator Map



La Esperanza Del Rio

1/4 Mile

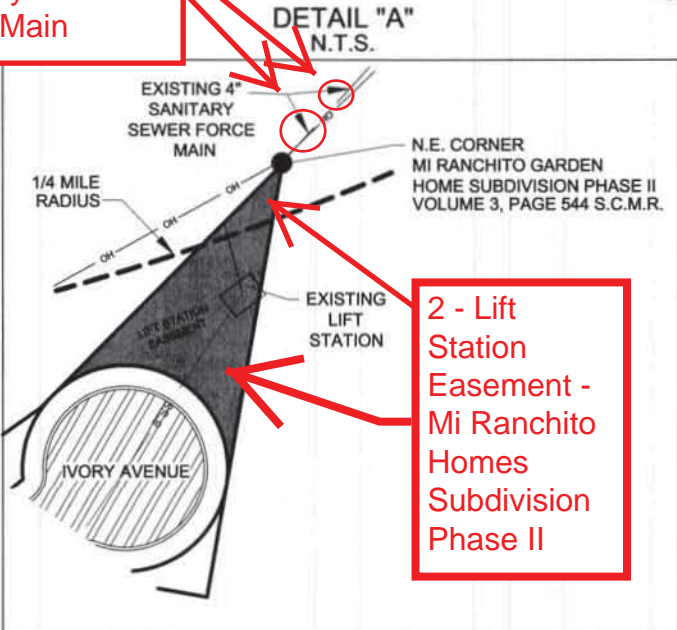
1- Newly Installed Water Line

3. Existing Sanitary Sewer Force Main

2 - Lift Station Easement - Mi Ranchito Homes Subdivision Phase II

Note 3 - The NE Corner of Mi Ranchito Garden Homes II lies within the 1/4 mile of the proposed site. There is a 4" Sanitary Sewer Force Main that goes NE from the lift station at the NE Corner of the subdivision to a lift station along FM3167

Note 4 - The Lift Station Easement lies within the 1/4 mile radius



- LEGEND**
- FOUND No. 4 REBAR
  - SET No. 4 REBAR W/PLASTIC CAP STAMPED MELDEN & HUNT
  - ⊕ POWER POLE
  - OH — OVERHEAD POWER LINE
  - X — CHAIN LINK FENCE
- NOTES**
1. SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR
  2. SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT. ANY SHOW EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS NOT RESPONSIBLE FOR THIS PLAT OR NOTICE THAT EASEMENTS MAY AFFECT THIS TRACT.
  3. THE NORTHEAST CORNER OF MI RANCHITO GARDEN HOMES II LIES WITHIN QUARTER MILE OF THE PROPOSED SITE. THERE IS A 4" SANITARY SEWER MAIN THAT GOES NORTHEAST FROM THE LIFT STATION AT THE NORTHEAST CORNER OF THIS SUBDIVISION TO A LIFT STATION ALONG FM 3167.
  4. THE LIFT STATION EASEMENT LIES WITHIN THE 1/4 MILE RADIUS.

PLAT SHOWING PROXIMITY OF 7.00 ACRES OUT OF LOTS 5 AND 6, UNIT No. 2 AND LOTS 1 AND 10, UNIT No. 3 VALLE RICO DE RIO GRANDE LITTLE FARMS TO EXISTING MI RANCHITO GARDEN HOMES PHASE II VOL. 3, PG. 544, S.C.M.R.



I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF A LOT CORNER SURVEY MADE ON THE GROUND ON 01/16/2013 UNDER MY DIRECTION AND SUPERVISION.

*Fred L. Kurth* 6-7-13  
 FRED L. KURTH, RPLS No. 6238 DATE

**M MELDEN & HUNT**  
 CONSULTANTS • ENGINEERS • SURVEYORS

227 N. F.A. ROAD  
 GRAND CANYON, TEXAS 79505  
 PH: (956) 4-XXXX FAX: (956) 4-XXXX

BOOK T: 536, PG. 30  
 REV. DATE: JUNE 7, 2013  
 DATE: JANUARY 16, 2013  
 JOB NO.: 13520.08  
 REF. JOB: 11510.03 VALLE RICO AREA  
 FILE NAME: 1151003.DWG  
 DRAWN BY: M.T.C.

115 W. McJ. EDINBURG, TEXAS 77625  
 PH: (956) 3-XXXX FAX: (956) 3-XXXX  
 ESTABLISHED 1958  
 WWW.MHGROUP.COM

© COPYRIGHT 2013 MELDEN & HUNT, INC. ALL RIGHTS RESERVED

Exhibit A - 2

Email from Deputy City  
Manager - Elisa Beas

[Print](#) | [Close Window](#)

**Subject: Re: URGENT - Need your confirmation on attached!**

**From: Elisa Beas <elisa.beas@gmail.com>**

**Date: Mon, Jun 10, 2013 11:54 am**

**To: lbrown@ess-email.com, rchapa@meldenandhunt.com**

**Attach: DOC003.PDF**

Linda,

The residence is located within the city limits and as it appears in the survey you attached. I have also attached the survey of the residence that we have in our permit file.

The water service line was provided by Rio Water Supply Corp. They would have the account information for the residence. They can be contacted at 956-487-2085.

Call me if you need additional information

Elisa Y. Beas

On Mon, Jun 10, 2013 at 10:59 AM, <[lbrown@ess-email.com](mailto:lbrown@ess-email.com)> wrote:

Elisa,

We are planning to submit our response to the State today. We need you to please confirm by answering "yes or no" to the following to complete our response.

It is our understanding the residence located on the attached land survey map Ruben dropped off to you and discussed with you on Friday was constructed during 2012 and a water line was extended to the residence.

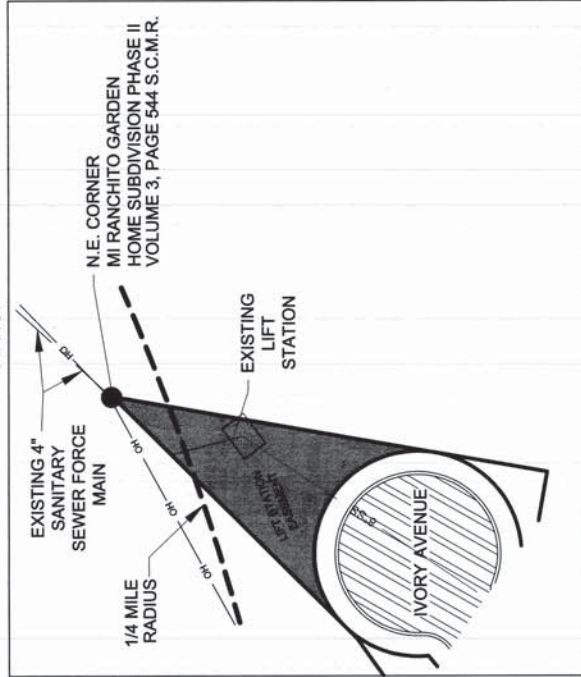
- 1) Please confirm location of new residence on survey.
- 2) Please confirm that a water line was extended to residence in 2012.

Thank you and we look forward to getting your confirmation by email as soon as possible. Please call me at [214-546-4748](tel:214-546-4748) (my cell) if you would like to discuss or have any questions. I'm in McAllen today and can drive to RGC to visit with you about this request if you would like to meet. Thanks again, LB

Linda S. Brown  
Principal  
Casa Linda Development Corporation and  
Economic Strategic Solutions, Inc.  
2010 Kessler Parkway  
Dallas, TX 75208  
[lbrown@ess-email.com](mailto:lbrown@ess-email.com)  
Phone: [214-941-0090](tel:214-941-0090)  
Fax: [888-811-2360](tel:888-811-2360)

*"Creating Win-Win Outcomes for the Public and Private Sector"*

DETAIL "A"  
 N.T.S.



- LEGEND**
- FOUNDATION MARKERS
  - CAP STAMPED MELDON & HUNT
  - ⊗ POWER POLE
  - OH — OVERHEAD POWER LINE
  - CH — CHAIN LINK FENCE
  - X —

**PLAT SHOWING  
 PROXIMITY OF 7.00 ACRES OUT OF  
 LOTS 5 AND 6, UNIT No. 2  
 AND LOTS 1 AND 10, UNIT No. 3  
 VALLE RICO DE RIO GRANDE LITTLE FARMS  
 TO EXISTING MI RANCHO GARDEN  
 HOMES PHASE II  
 VOL. 3, PG. 544, S.C.M.R.**

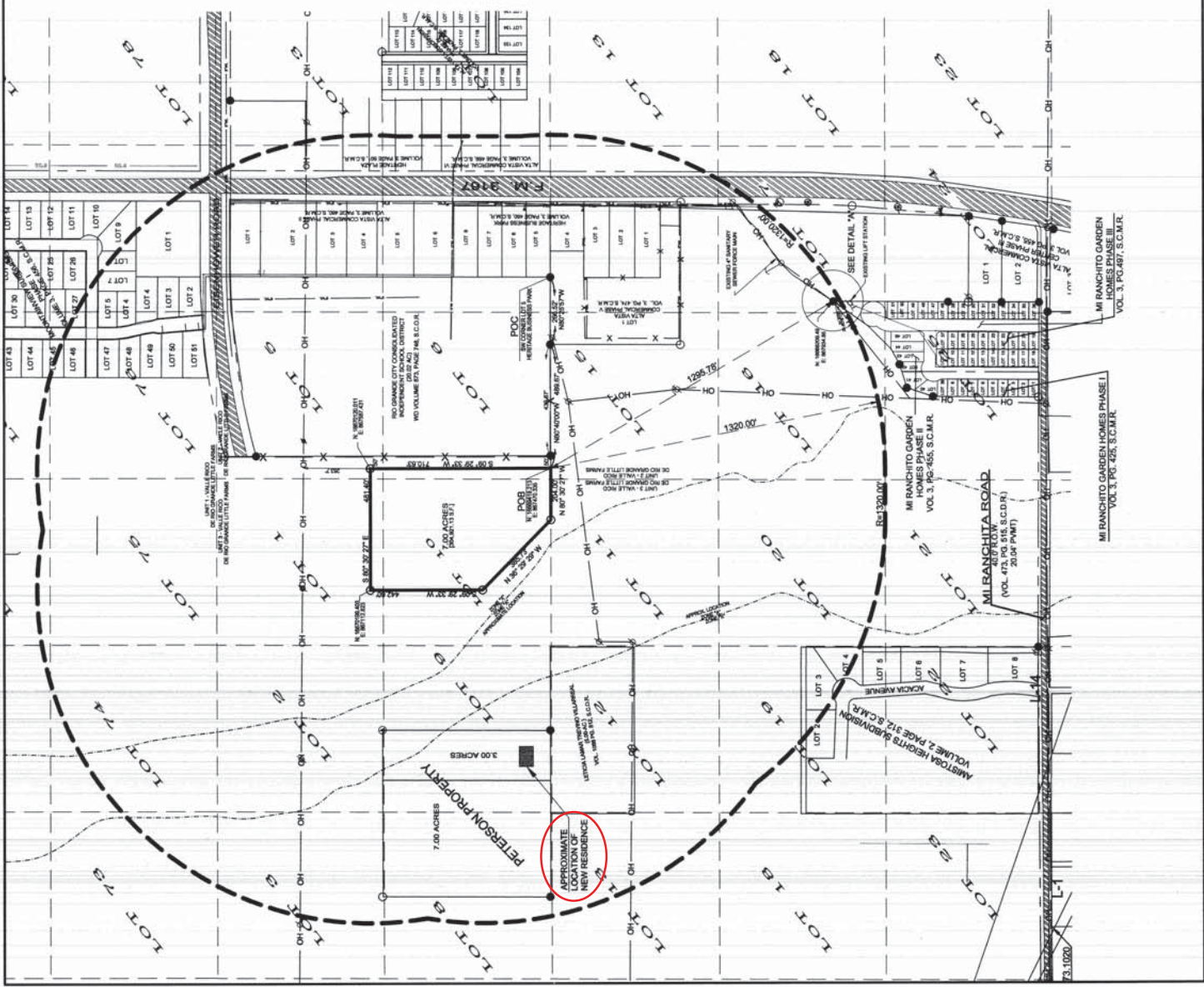


I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF A LOT CORNER SURVEY MADE ON THE GROUND ON 01/16/2013 UNDER MY DIRECTION AND SUPERVISION.

*Fred L. Kurth*  
 FRED L. KURTH, RPLS No. 6236  
 DATE: 6-7-13

**MELDON & HUNT**  
 CONSULTANTS & ENGINEERS, P.C.  
 2227 N. F.A.  
 PHOENIX, AZ 85016  
 PHONE: (602) 424-1111  
 FAX: (602) 424-1112  
 WWW: MANDH.COM

BOOK T-506, PG. 30  
 REV. DATE: JUNE 7, 2013  
 DRAWN BY: J. KURTH  
 CHECKED BY: J. KURTH  
 DATE: 06/07/13  
 REF. JOB: 11510.00 VALLE RICO AREA  
 PROJECT: MI RANCHO GARDEN HOMES PHASE II  
 DRAWN BY: M.T.C.  
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## Exhibit A - 3

-Email Confirmation Rio Water  
Supply Corporation Manager,  
Lourdes Guerra



[Print](#) | [Close Window](#)

**Subject:** Re: New Water Line Installed 602 Barreta, Rio Grande City, TX  
**From:** LOURDES GUERRA <[rio.water.supply.1@gmail.com](mailto:rio.water.supply.1@gmail.com)>  
**Date:** Wed, Jun 26, 2013 4:35 pm  
**To:** [sreidy@ess-email.com](mailto:sreidy@ess-email.com)

Hello,  
I hope this helps.

"I confirm the information provided in the following email is true and correct."

Kind Regards,

Lourdes Guerra  
RWSC Manager

On Mon, Jun 24, 2013 at 5:28 PM, <[sreidy@ess-email.com](mailto:sreidy@ess-email.com)> wrote:

Good morning Lourdes,

Linda Brown and I met with on June 10th at your office in Rio Grande City. You were kind enough to provide us with a copy of work order 3217 dated 10-24-12 for a new water line and meter installed at 602 Barretta. As support for our pending application we provided the work order with your written confirmation that Rio Water Supply Corporation ran a new water line to connect to the new water meter. The Texas Department of Housing and Community Affairs would like additional confirmation.

Please confirm as you did in the copy of the work order attached for your reference that a new water service line (pipe) was installed in order to extend water supply to the new residential building located at 602 Barretta Street in Rio Grande City in 2012.

Also please confirm that Rio Water Supply Corporation works in partnership with the City of Rio Grande City to provide water infrastructure and service.

You can merely respond to this email with the following:

"I confirm the information provided in the following email is true and correct." Please be sure to send from RWSC email address.

I am available all day tomorrow if you need to give me a call to discuss.

Thank you for your kind attention and response.

Sara Reidy - Principal  
Economic Strategic Solutions, Inc.  
Casa Linda Development Corporation  
[sreidy@ess-email.com](mailto:sreidy@ess-email.com)  
[214-941-0089](tel:214-941-0089)

*"Creating Win-Win Outcomes for the Public and Private Sector"*

--  
**THANK YOU,**  
**LOURDES GUERRA**  
Rio Water Supply Corp.  
42 N Suntex Rd.  
Rio Grande City, TX 78582  
Office #: (956) 487-2085  
Cell #: (956) 353-2922  
Fax #: (956) 716-8483

**RIO WATER SUPPLY CORP - Work Order 3217**

**42 N SUNTEX RD  
RIO GRANDE CITY TX 78582  
956-487-2085**

JEWEL PETERSON  
602 BARRETA AVE  
RIO GRANDE CITY, TX 78582

ORDER NO: 3217  
ACCOUNT: 101993  
LOCATION: 02-04150  
MID:

Ph: 956-487-2151

CLASS:

ORDER TYPE: NEW METER

ISSUE DATE	BEGIN DATE	DATE CLOSED	PRINT DATE
10/24/2012	10/24/2012	10/24/2012	6/10/2013

OLD METER ID	OLD READING	NEW METER ID	NEW READING
	0		
OLD SERIAL #		NEW SERIAL #	

EXPENSE	DESCRIPTION	EXPENSE	AMOUNT
MATERIAL		MAT. \$	.00
EQUIPMENT		EQUIP. \$	.00
EMPLOYEES	LUZ	LABOR \$	.00
LABOR HRS		TRAVEL \$	.00
MISC EXP		MISC. \$	.00
TOTAL \$			.00

**REMARKS:**

PLEASE INSTALL METER  
THIS PROPERTY IS INSIDE THE GATE AT 600 BARRETA SO PLEASE CONTACT MRS.  
PETERSON @ 956-500-1430 OR XAVIER PEREZ 956-605-4907  
Updated By: MT On: 11/5/2012 Taken By: LOURDES

*In order to install this meter RWSC had to install line to make this connection.*

*Thank You  
Lourdesguma  
RWSC Manager*

## Exhibit A - 4

- City of Rio Grande City  
Resolution Approving Texas  
Water Development Board  
Application
- Email Confirmation from Texas  
Water Development Board



## RESOLUTION NO. 2013-14

### Filing and Authorized Representative Resolution (WRD-201A)

A RESOLUTION by the City Commission of the City of Rio Grande City requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF RIO GRANDE CITY:

**SECTION 1:** That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$1,930,000.00 to provide for the costs of planning, design and construction to rehabilitate seven (7) existing lift stations.

**SECTION 2:** That Ruben O. Villarreal, Mayor be and is hereby designated the authorized representative of the City of Rio Grande City for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

**SECTION 3:** That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the City of Rio Grande City before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: Robert A. Tijerina, Estrada Hinojosa and Company, Inc.  
100 W. Houston St., Suite 1400  
San Antonio, Texas 78205 (210) 233-4888

Engineer: Fred L. Kurth, P.E., Melden and Hunt, Inc.  
115 W. McIntyre St.  
Edinburg, Texas 78541 (956) 381-0981

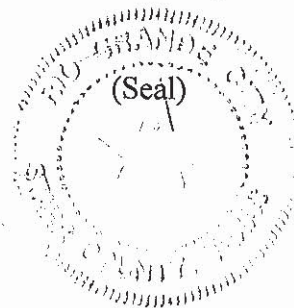
Bond Counsel: Jesus Ramirez, Ramirez & Guerrero, L.L.P.  
700 N. Veterans Blvd., Suite B  
San Juan, Texas 78589 (956) 502-5424

PASSED AND APPROVED, this the 22nd day of April, 2013

Ruben O. Villarreal, Mayor

ATTEST:

Holly D. Guerrero, City Secretary



[Print](#) | [Close Window](#)

**Subject: FW: Rio Grande City Lift Station Funding Request Status**

**From:** Maxine Gilford <Maxine.Gilford@twdb.texas.gov>

**Date:** Mon, Jun 24, 2013 3:59 pm

**To:** "lbrown@ess-email.com" <lbrown@ess-email.com>

Hi Linda,

I'm sorry I was so late getting back to you. I had to confirm the map question with the staff engineer on the project. You can see the email dialogue below, but **the answer is yes to both questions**. The request for funding to improve lift stations is anticipated to be considered by the Board on July 18, 2013 and one of these lift stations is the lift station located on the attached map. Let me know if you need anything else.

---

**From:** Nancy Richards

**Sent:** Monday, June 24, 2013 2:39 PM

**To:** Maxine Gilford

**Cc:** Larry A. Zamzow

**Subject:** RE: Rio Grande City Lift Station Funding Request Status

Maxine,

Larry confirmed that this is one of the lift stations to be rehabilitated in the July loan.

-Nancy

---

**From:** Maxine Gilford

**Sent:** Monday, June 24, 2013 12:47 PM

**To:** Nancy Richards

**Subject:** FW: Rio Grande City Lift Station Funding Request Status

**Importance:** High

Hey Nancy,

Will you let me know if one of the lift stations to be approved at the July meeting includes those on the map? Thanks. See the email below.

---

**From:** [lbrown@ess-email.com](mailto:lbrown@ess-email.com) [<mailto:lbrown@ess-email.com>]

**Sent:** Monday, June 24, 2013 9:59 AM

**To:** Maxine Gilford

**Cc:** Sara Reidy; Rick Schell

**Subject:** Rio Grande City Lift Station Funding Request Status

**Importance:** High

Hi Maxine,

Thank you for the information you provided me in our telephone conversation this morning. Please confirm by return email that the **City of Rio Grande City request for funding to improve lift stations is anticipated to be considered by the Board on July 18, 2013 and that one of these lift stations is the lift station located on the attached map.**

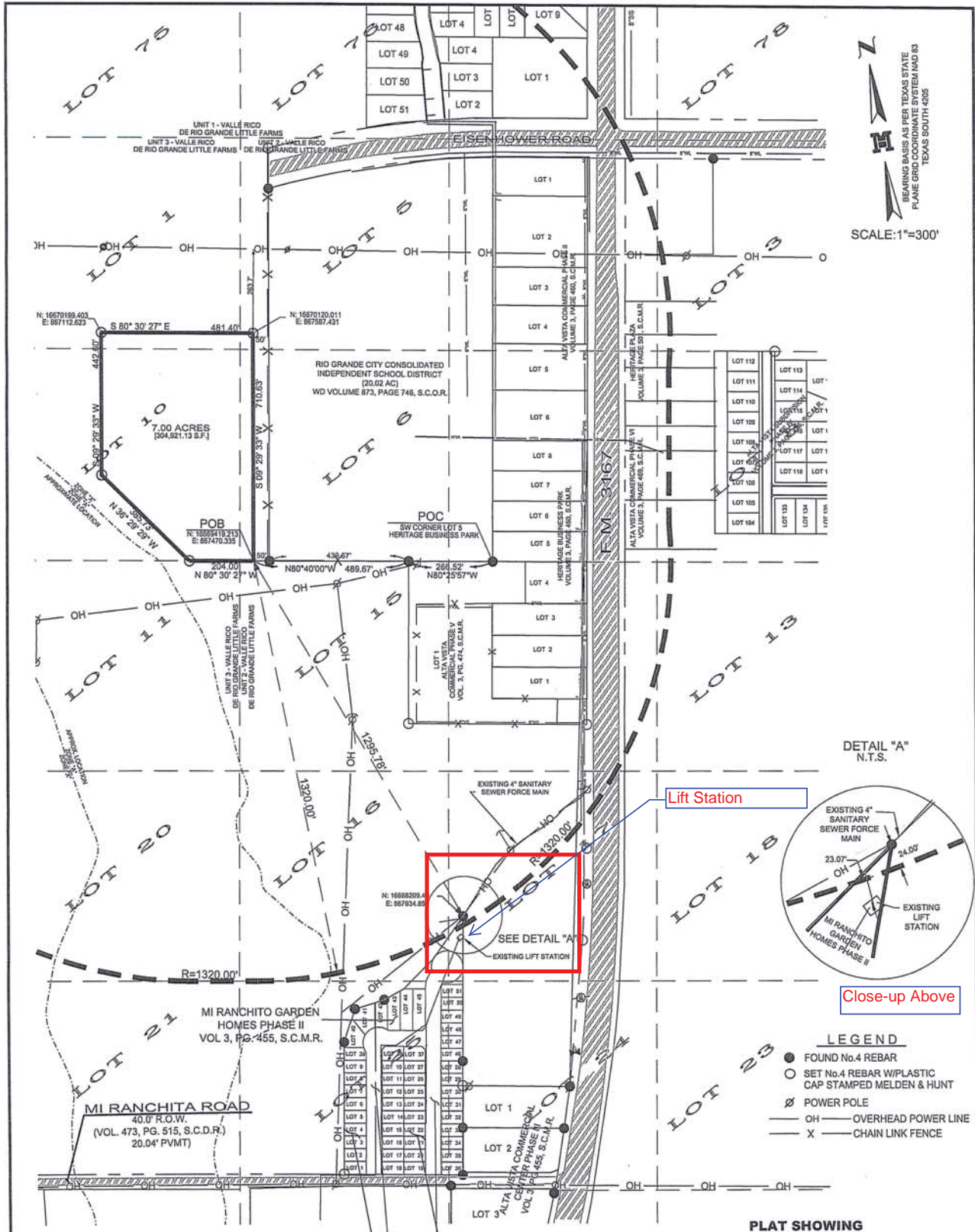
Thank you again for your kind assistance.

I apologize for the short notice, but if you could reply today I would deeply appreciate your

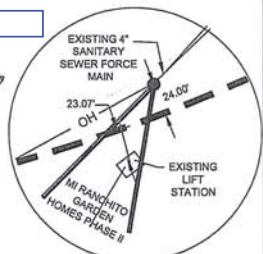
attention.

Linda S. Brown  
Principal  
Casa Linda Development Corporation and  
Economic Strategic Solutions, Inc.  
2010 Kessler Parkway  
Dallas, TX 75208  
[lbrown@ess-email.com](mailto:lbrown@ess-email.com)  
Phone: 214-941-0090  
Fax: 888-811-2360  
*"Creating Win-Win Outcomes for the Public and Private Sector"*

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DETAIL "A"  
N.T.S.



Close-up Above

**LEGEND**

- FOUND No.4 REBAR
- SET No.4 REBAR W/PLASTIC CAP STAMPED MELDEN & HUNT
- ⊘ POWER POLE
- OH — OVERHEAD POWER LINE
- X — CHAIN LINK FENCE

**PLAT SHOWING  
PROXIMITY OF 7.00 ACRES OUT OF  
LOTS 5 AND 6, UNIT No. 2  
AND LOTS 1 AND 10, UNIT No. 3  
VALLE RICO DE RIO GRANDE LITTLE FARMS  
TO EXISTING MI RANCHITO GARDEN  
HOMES PHASE II  
VOL. 3, PG. 544, S.C.M.R.**

- NOTES:**
1. SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR.
  2. SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT, WHICH MAY SHOW EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS PUTTING THE RECIPIENT OF THIS PLAT ON NOTICE THAT EASEMENTS MAY AFFECT THIS TRACT.
  3. THE NORTHEAST CORNER OF MI RANCHITO GARDEN HOMES II LIES WITHIN A QUARTER MILE OF THE PROPOSED SITE. THERE IS A 4" SANITARY SEWER FORCE MAIN THAT GOES NORTHEAST FROM THE LIFT STATION AT THE NORTHEAST CORNER OF THIS SUBDIVISION TO A LIFT STATION ALONG FM 3167.

I, ROBERTO N. TAMEZ, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF A LOT CORNER SURVEY MADE ON THE GROUND ON 01/16/2013 UNDER MY DIRECTION AND SUPERVISION.

*Robert Tamez*  
ROBERTO N. TAMEZ, RPLS No. 6238 DATE: 05/30/13



**M MELDEN & HUNT INC.**  
CONSULTANTS • ENGINEERS • SURVEYORS

227 N. F.M. 3167  
RIO GRANDE CITY, TX 78852  
PH: (956) 487-8256  
FAX: (956) 488-8591

115 W. McINTYRE  
EDINBURG, TX 78541  
PH: (956) 381-0091  
FAX: (956) 381-1839  
ESTABLISHED 1947  
www.meldenandhunt.com

BOOK T- 936, PG. 30  
DATE: JANUARY 16, 2013  
JOB No. 13520.08  
REF. JOB: 11510.03 VALLE RICO AREA  
FILE NAME: 1151003.DWG  
DRAWN BY: M.T.C.

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## Exhibit A - 5

Challenge Response Submitted  
June 11, 2013 With Additional  
Highlights (Blue)



# **Casa Linda Development Corporation**

June 11, 2013

Cameron Dorsey  
Director of Multifamily Finance  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

**RE: Challenge Response: TDHCA #13046 – La Esperanza Del Rio**

Dear Cameron:

This letter is in response to a §11.10<sup>1</sup> challenge filed by Lora Myrick, Vice President for BETCO Development, dated May 14, 2013 (the “Challenge”). In the Challenge, Ms. Myrick disputes the award of §11.9(d)(6)(C) Community Revitalization points to our application asserting two grounds, neither of which are supported by a preponderance of evidence.

### **Improvement of Basic Infrastructure within a Quarter Mile of the Development Site**

The QAP provides for the award of up to 6 points to an application if any governmental entity has approved improvement to areas of basic infrastructure within a quarter mile of the Development Site within the time frame specified in the QAP. Our application for the La Esperanza Del Rio development included evidence demonstrating that such improvement of basic infrastructure had occurred. By letter dated January 19, 2013, Elisa Y. Beas, Planning Director for the City of Rio Grande City, confirmed the following with respect to the “Mi Ranchito” residential subdivision:

*I am writing to verify that I have specific knowledge of the projects detailed on the attached as projects that have been completed within the twelve months preceding December 17, 2012 or are projected to be completed within twelve months after December 17, 2012. I am also confirming that these projects have been approved by the City and are within one-quarter mile of the proposed development.*

See, Elisa Y. Beas letter dated January 19, 2013, attached as **Exhibit “A.”**

The approved and newly constructed “Mi Ranchito” subdivision includes streets, water and wastewater infrastructure components. In particular, it includes the dedication of an easement for the operation of a wastewater lift station that serves the subdivision and contiguous properties and outflows into a 4”

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<sup>1</sup> 10 TAC §11.10. Unless otherwise noted, all references to relevant portions of the Qualified Allocation Plan, Texas Administrative Code, Title 10, Part 1, Chapter 11 (the “QAP”), will be made by section number only.

Sanitary Force Main which is part of the City's wastewater/sewer system. By approving the subdivision and accepting the dedication of the lift station easement as documented on the Mi Ranchito Garden Homes Subdivision Phase II plat recorded on February 23, 2012, attached as **Exhibit "B,"** the City expanded and improved its wastewater/sewer infrastructure in this area. In order to assist TDHCA in evaluating the Challenge, we asked our project engineers, Melden & Hunt, Inc., to prepare a survey to show the location of the La Esperanza Del Rio development site and the dedicated lift station easement. See, Melden & Hunt Survey dated June 7, 2013, attached as **Exhibit "C."** As demonstrated in the Detail on the Survey, the lift station easement lies within a quarter mile of the development site. As a supplement to the survey, Fred L. Kurth, President of Melden & Hunt, Inc., provided us with a letter confirming the location of the newly dedicated lift station easement and explaining the significance of the dedication to the improvement of the wastewater infrastructure system. Mr. Kurth concludes as follows:

*It is my understanding that prior to the dedication of the lift station easement, the lift station and its components, including the wastewater line outflowing to the 4" Sanitary Force Main shown on the survey were on private land. Significant issues existed with respect to the ability of the City to access, maintain, or expand the lift station and components because the city did not have an easement. General engineering practice recognizes that infrastructure requires easements or right-of-ways as part of the total infrastructure system and, specifically in this instance, dedication of the lift station easement significantly improved the wastewater collection infrastructure that serves this entire area.*

See, Fred L. Kurth letter dated June 7, 2013, attached as **Exhibit "D."**

Additionally, the Melden & Hunt survey also shows the existence of a newly constructed residential building located well within a quarter mile radius of the La Esperanza Del Rio development site. In connection with construction of the residential building, the local water service provider installed a privately funded, new water line and water meter to serve the property. See, Rio Water Supply Corp Work Order #3217 attached hereto as **Exhibit "E"** including hand written notation by Maria Lourdes Guerra, manager of RWSC. The residence was constructed pursuant to a building permit issued by the City and after all required inspections, the City issued a Certificate of Occupancy. See, Certificate of Occupancy attached hereto as **Exhibit "F."**

The evidence summarized above clearly demonstrates that our application meets the requirement for both wastewater and water improvements.

In the Challenge, Ms. Myrick disregards the preponderance of evidence and chooses to rely on an unusually narrow construction of the QAP requirements. The gravamen of Ms. Myrick's complaint is that an improvement of basic infrastructure within a quarter mile of the La Esperanza Del Rio Development site did not occur because the paved cul-de-sac in the "Mi Ranchito" subdivision is 52' outside the radius. As evidence, Ms. Myrick produces a survey plat that shows the location of the pavement, but fails to show lot dimensions, rights of way and glaringly omits the lift station easement and sanitary sewer forced main that serves this entire area.

The Challenge is based on a hyper-technical construction of §11.9(d)(6)(C) that is inconsistent with the underlying policy of the QAP and the TDHCA's enabling legislation, Tex. Gov't Code §§2306.001 et. seq. Although the term "infrastructure" is not defined in the QAP or in the 2013 Multifamily Housing Rules, it is a term that has acquired a particular meaning for policy makers, professionals and governing entities. In what is now recognized as a seminal work in infrastructure research and policy, the National Research Council referring to "infrastructure" stated:

*...includes both specific functional modes—highways, streets, roads, and bridges; mass transit; airports and airways; water supply and water resources; wastewater management; solid-waste treatment and disposal; electric power generation and transmission; telecommunications; and hazardous waste management—and the combined system these modal elements comprise. A comprehension of infrastructure spans not only these public works facilities, but also the operating procedures, management practices, and development policies that interact together with societal demand and the physical world to facilitate the transport of people and goods, provision of water for drinking and a variety of other uses, safe disposal of society's waste products, provision of energy where it is needed, and transmission of information within and between communities.*

See, *Infrastructure for the 21st Century: Framework for a Research Agenda*, Committee on Infrastructure Innovation, National Research Council, National Academy Press 1987.

Similarly, in their article, "*Developing a Comprehensive Infrastructure Management System*," Andrew C. Lemer and Jeff R. Wright, both professors in the School of Civil Engineering at Purdue University and recognized experts in the field of infrastructure policy, found that "*...we are coming to realize that infrastructure is more than simply a collection of diverse facilities. Rather, infrastructure comprises an interconnected functional system in which trade-offs among seemingly disparate parts can influence dramatically the performance of the whole....*"

Although the Texas Legislature has not defined "infrastructure" per se in any statute, the Legislature does define "Critical Infrastructure" as "*all public or private assets, systems, and functions vital to the security, governance, public health and safety, economy, or morale of the state or the nation.*" Tex. Govt Code §421.001(2).<sup>2</sup>

Given the generally accepted definition of infrastructure, it is simply not credible to argue that the dedication of an easement specifically intended for use in the City's wastewater collection system is not an improvement of wastewater infrastructure within the meaning of the QAP. The lift station easement

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<sup>2</sup> Other jurisdictions have adopted similarly broad definitions of "infrastructure." For example, the California Assembly, in its Government Code specifically states "*infrastructure' means real property, including land and improvements to the land, structures and equipment integral to the operation of structures, easements, rights-of-way and other forms of interest in property, roadways, and water conveyances.*" Cal Gov. Code §13101 (2013). A little closer to home, the The City of New Braunfels Platting Ordinance, Sec. 118-2 states that "*Municipal infrastructure means water, wastewater, drainage, road, pedestrian and bicycle, utility, and communication easements, rights-of-way and facilities.*"

provides a permanent base for the City to access, operate, maintain, rebuild, expand, connect, improve, replace or otherwise assure the proper operation of the wastewater collection system for this part of Rio Grande City. Indeed, due to anticipated growing demands of the growing population in this sector of Rio Grande City, Elisa Beas has indicated that the City has submitted a funding application to the Texas Water Development Board to upgrade lift stations including the lift station on the newly dedicated lift station easement in "Mi Ranchito" subdivision.

As further evidence to support her narrow construction of the QAP requirements, Ms. Myrick submitted a letter from the City's Planning Director dated May 13, 2013 which Ms. Myrick characterizes as a reversal of the January 29, 2013 letter to Linda S. Brown. The letter does no such thing. She does not refer to the lift station easement or its significance as an improvement to the wastewater collection system. By letter dated June 3, 2013, Ms. Beas confirms that she did not intend to retract or reverse her January 29 letter which, of course, is correct since the January 29 letter refers to the entire "Mi Ranchito" subdivision including the crucial dedication of the lift station easement. A copy of Ms. Beas' June 3, 2013 letter is attached as **Exhibit "G."**

Section 11.10 requires that the Department employ a "preponderance of the evidence" standard in determining challenges. Generally, "preponderance" means the greater weight of credible evidence presented. In this case, it is clear that the greater weight of evidence supports the award of §11.9(d)(6)(C) points to the La Esperanza Del Rio application based upon the expansion of basic infrastructure, either water or wastewater, within the quarter mile radius and within the prescribed time period. Accordingly, with respect to the Challenge's first point, the Challenge should be denied.

#### **Construction of a New Police Station within One Mile of the Development Site**

Additional points may be awarded to an applicant pursuant to §11.9(d)(6)(C) based on "[c]onstruction of a new police or fire station within one (1) mile of the Development Site that has a service area that includes the Development Site." In our application, we presented evidence that the Texas Department of Public Safety was establishing its district headquarters in a new building to be constructed within one mile of the La Esperanza Del Rio development site. It is undisputed that the new building will be completed within the time period required in the QAP or that it is within one mile of the development site. Oddly, the Challenge posits that a building that will house some of the most highly trained and skilled law enforcement officers in the state, namely the Texas Rangers and Texas Highway Patrol, is not a "police station" within the meaning of the QAP. Once again, Ms. Myrick chooses to impose an impossibly narrow construction on the requirements of the QAP and disregard the common meaning and underlying policy intent of rules and the enabling legislation.

In the Challenge, Ms. Myrick admits that the new DPS station will house the Texas Rangers and Texas Highway Patrol and that those law enforcement agencies are "multi-jurisdictional" and will provide "great benefit and value to Rio Grande City." However, she goes on to state that "that this facility does not meet the definition of a 'police station', as this facility will not house or serve as headquarters for the local police force who is the law enforcement agency responsible to responding to local disturbances or crimes at residences, businesses or public recreational areas in the locality." Ms. Myrick does not provide any citation or reference for her definition of "police station." Her definition most certainly does

not appear in the QAP, nor can it be found in any Texas statute. It is a definition of her own construct designed to limit and narrow the clear meaning and intent of the QAP.

As the crow flies, the La Esperanza Del Rio development site is approximately two (2) miles from the Mexican border. Starr County is known as a major corridor for the illegal smuggling of drugs and undocumented workers into the United States. This illegal trade in drugs and humans impacts the lives of all residents of Rio Grande City on a daily basis. In establishing a district headquarters in this area, it is clear that the DPS recognized the great need for law enforcement within the City and its environs. On multiple occasions, Mayor Ruben O. Villarreal has trumpeted the significance of having the DPS station in Rio Grande City to provide for the safety and security of the local citizenry. In a letter dated May 31, 2013, the Mayor stated the following:

*The Texas DPS at this location is made up of law enforcement officials representing at least three DPS divisions including the Texas Rangers and Texas Highway Patrol who will provide public safety for the city and surrounding area. All of these divisions have concurrent or overlapping jurisdiction to conduct law enforcement activities in Rio Grande City in cooperation with the local police department. The new office is a significant enhancement to our local policing efforts through an improved interfacing between agencies to enforce the law including investigations, arrests, and other important law enforcement activities. This joint effort in our border region of Texas significantly improves the protection of our local residents and businesses by securing a safer environment.*

See, Mayor Ruben O. Villarreal letter, dated May 31, 2013, attached as **Exhibit "H."**

It is undisputed that the officers working out of the new DPS station will have jurisdiction to enforce the law within the City and serve the area that includes the La Esperanza Del Rio development site. It is also important to note that the legislation creating the Texas Department of Public Safety includes specific provisions on local cooperation. Tex. Govt Code §411.009(a) provides that "[t]he sheriff and constables of each county and chief of police of each municipality are associate members of the department and are entitled to the rights and privileges granted to them by the department." The statute goes on to provide that "[t]he director with the advice and consent of the commission shall formulate and put into effect plans and means of cooperating with sheriffs, local police, and other peace officers throughout the state to prevent and discover crime, apprehend criminals, and promote public safety." Tex. Govt Code §411.009(c).

Clearly, the reason that the QAP allows an award of points for the construction of a "police station" is that the establishment of such a facility near a planned housing development will enhance the safety and security of the persons that TDHCA is ultimately charged to serve, the residents. In our case, that is exactly what the DPS station will accomplish. Moreover, Ms. Myrick wholly fails to cite any authority, precedent, statute, ordinance, or regulation that supports her definition of "police station." As such, her challenge on that point cannot stand and should be denied.

Please let us know if we can further clarify the information or provide additional information if necessary.

Sincerely,



Linda S. Brown  
Principal

Exhibits Attached

C: Sara Reidy, Casa Linda Development Corporation  
Richard D. Schell, Legal Counsel



**RIO GRANDE CITY**  
*Hill Country of the Valley*

Exhibit A

**PLANNING DEPARTMENT**  
*Elisa Y. Beas, Director*

January 29, 2013

Ms. Linda S. Brown  
Casa Linda Development Corporation  
2010 Kessler Parkway  
Dallas, Texas 75208

RE: Proposed 2013 Housing Tax Credit Application, La Esperanza Del Rio TDHCA #13046

Dear Ms. Brown,

I am writing to verify that I have specific knowledge of the projects detailed on the attached as projects that have been completed within the twelve months preceding December 17, 2012 or are projected to be completed within twelve months after December 17, 2012. I am also confirming that these projects have been approved by the City and are within one-quarter mile of the proposed development.

In addition, the Texas Department of Public Safety is constructing a new facility within 1 mile from the site location. The new facility scheduled to be open in 2013 will serve as the main station for the Texas Rangers and Texas Highway Patrol who provide public safety services to the Rio Grande City area and Starr County which includes the development site location.

The City of Rio Grande City supports community revitalization and these projects outlined on the attached have contributed to the revitalization of this important area of our community.

Should you have any questions, please don't hesitate to contact me.

Thank you,

Elisa Y. Beas  
Planning Director  
City of Rio Grande City  
101 S. Washington Street  
Rio Grande City, Texas 78582  
Phone: 956-488-8728  
Fax: 956-716-8899

Attachment

**City Approved Projects Within 1/4 mile of Proposed Development Site**

Completion Date or Projected Completion Date:	Project Scope	Source of Funding	City Approval Date
February 7, 2012	Sixteen Residential Lots with Water, Sewer and Street Construction.	Private Developer	February 17, 2012
July 5, 2012	Construction of new facility for the Texas Department of Public Safety	State Facilities Commission	July 6, 2012



# MAP OF MI RANCHITO GARDEN HOMES SUBDIVISION PHASE II

A TRACT OF LAND CONTAINING 2.1655 ACRES OUT OF LOTS 16 AND 25, UNIT No. 2 OF THE VALLE RICO DE RIO GRANDE LITTLE FARMS OUT OF PORCION 76, ANCIENT JURISDICTION OF CAMARGO, MEXICO NOW STARR COUNTY, TEXAS, AS RECORDED IN VOL. 56, PG. 124 S.C.D.R. AND VOL. 1, PG. 167 S.C.M.R.

### METES AND BOUNDS DESCRIPTION

A TRACT OF LAND CONTAINING 2.1655 ACRES SITUATED IN THE COUNTY OF STARR, TEXAS, BEING A PART OF PORTION OF LOTS 16 AND 25, UNIT NO. 2 OF THE VALLE RICO DE RIO GRANDE LITTLE FARMS OUT OF PORCION 76, ANCIENT JURISDICTION OF CAMARGO, MEXICO, NOW STARR COUNTY, TEXAS, AS RECORDED IN VOLUME 56, PAGE 124, STARR COUNTY DEED RECORD, AND IN VOLUME 1, PAGE 167, STARR COUNTY MAP RECORDS, BEING SAID 2.1655-ACRE TRACT WAS CONVEYED TO ADRIN BEL ONE INVESTMENTS L.P., BY WRIT OF A WARRANTY DEED DATED JULY 10, 2008, RECORDED IN VOLUME 1204, PAGE 304, STARR COUNTY OFFICIAL RECORDS, SAID 2.1655 ACRES ALSO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

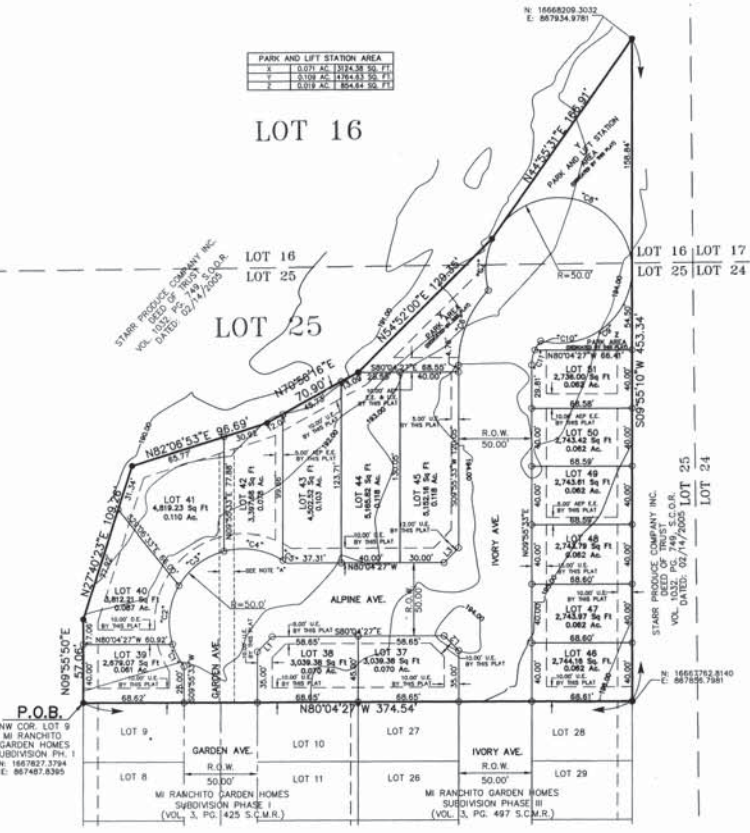
BEING: A TRACT OF LAND CONTAINING 2.1655 ACRES SITUATED IN THE COUNTY OF STARR, TEXAS, BEING A PART OF PORTION OF LOTS 16 AND 25, UNIT NO. 2 OF THE VALLE RICO DE RIO GRANDE LITTLE FARMS OUT OF PORCION 76, ANCIENT JURISDICTION OF CAMARGO, MEXICO, NOW STARR COUNTY, TEXAS, AS RECORDED IN VOLUME 56, PAGE 124, STARR COUNTY DEED RECORD, AND IN VOLUME 1, PAGE 167, STARR COUNTY MAP RECORDS, BEING SAID 2.1655-ACRE TRACT WAS CONVEYED TO ADRIN BEL ONE INVESTMENTS L.P., BY WRIT OF A WARRANTY DEED DATED JULY 10, 2008, RECORDED IN VOLUME 1204, PAGE 304, STARR COUNTY OFFICIAL RECORDS, SAID 2.1655 ACRES ALSO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING: A TRACT OF LAND CONTAINING 2.1655 ACRES SITUATED IN THE COUNTY OF STARR, TEXAS, BEING A PART OF PORTION OF LOTS 16 AND 25, UNIT NO. 2 OF THE VALLE RICO DE RIO GRANDE LITTLE FARMS OUT OF PORCION 76, ANCIENT JURISDICTION OF CAMARGO, MEXICO, NOW STARR COUNTY, TEXAS, AS RECORDED IN VOLUME 56, PAGE 124, STARR COUNTY DEED RECORD, AND IN VOLUME 1, PAGE 167, STARR COUNTY MAP RECORDS, BEING SAID 2.1655-ACRE TRACT WAS CONVEYED TO ADRIN BEL ONE INVESTMENTS L.P., BY WRIT OF A WARRANTY DEED DATED JULY 10, 2008, RECORDED IN VOLUME 1204, PAGE 304, STARR COUNTY OFFICIAL RECORDS, SAID 2.1655 ACRES ALSO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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BEING: A TRACT OF LAND CONTAINING 2.1655 ACRES SITUATED IN THE COUNTY OF STARR, TEXAS, BEING A PART OF PORTION OF LOTS 16 AND 25, UNIT NO. 2 OF THE VALLE RICO DE RIO GRANDE LITTLE FARMS OUT OF PORCION 76, ANCIENT JURISDICTION OF CAMARGO, MEXICO, NOW STARR COUNTY, TEXAS, AS RECORDED IN VOLUME 56, PAGE 124, STARR COUNTY DEED RECORD, AND IN VOLUME 1, PAGE 167, STARR COUNTY MAP RECORDS, BEING SAID 2.1655-ACRE TRACT WAS CONVEYED TO ADRIN BEL ONE INVESTMENTS L.P., BY WRIT OF A WARRANTY DEED DATED JULY 10, 2008, RECORDED IN VOLUME 1204, PAGE 304, STARR COUNTY OFFICIAL RECORDS, SAID 2.1655 ACRES ALSO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:



LINE	LENGTH	BEARING
L1	14.11	S24°30'15"E
L2	14.11	S24°30'15"E
L3	14.11	S24°30'15"E

CURVE	LENGTH	RADIUS	TANGENT	CHORD	BEARING	DELTA
C1	18.84	50.00	8.85	18.86	S77°34'18.74"E	172°42'44"
C2	41.87	50.00	21.96	48.81	S181°33'36.76"E	41°22'22"
C3	38.57	50.00	20.68	38.58	S82°34'20.76"E	457°24"
C4	41.72	50.00	22.18	48.72	S70°32'26.76"E	97°58'20"
C5	3.62	50.00	1.81	3.62	S45°28'17.41"E	2°43'07"
C6	68.70	50.00	35.78	68.70	S12°28'26.76"E	323°58'20"
C7	69.30	50.00	36.19	69.30	S12°28'26.76"E	323°58'20"
C8	128.11	50.00	198.82	85.24	S84°50'57.76"E	144°30'76"
C9	89.30	50.00	64.72	79.41	S181°34'42.76"E	158°42'26"
C10	3.64	50.00	1.82	3.64	S45°28'26.76"E	2°43'07"
C11	10.49	50.00	5.24	10.49	S12°30'26.76"E	47°58'20"

PRINCIPAL CONTACTS: OWNER: ADRIN BEL ONE INVESTMENT L.P. PRESIDENT: PEDRO SOLIS III ENGINEER: RUBEN CHAPA, P.E. SURVEYOR: ROBERTO N. TAMEZ, R.P.L.S. MELDEN AND HUNT INC.

MAINTENANCE: 7051 E. HWY. 83, RIO GRANDE CITY, TX 78982 (956) 533-1472 7051 E. HWY. 83, RIO GRANDE CITY, TX 78982 (956) 533-1472 227 N. F.M. ROAD 3167, RIO GRANDE CITY, TX 78982 (956) 487-8256 227 N. F.M. ROAD 3167, RIO GRANDE CITY, TX 78982 (956) 487-8256

STATE OF TEXAS COUNTY OF STARR I, PEDRO SOLIS IS THE UNDERSIGNED, PRESIDENT OF ADRIN BEL ONE INVESTMENTS L.P. AND AS THE AGENT OF THE LAND SHOWN ON THIS PLAN, AND DESIGNATED HEREIN AS MI RANCHITO GARDEN HOMES SUBDIVISION PHASE II, TO THE CITY OF RIO GRANDE CITY, TEXAS AND WHERE SAID CITY IS SUBDIVISION PHASE II, I HEREBY CERTIFY THAT THE CITY OF RIO GRANDE CITY, TEXAS HAS REVIEWED AND APPROVED THE SUBDIVISION APPROVAL PROCESS OF THE CITY OF RIO GRANDE CITY, ALL THE SAME FOR THE PURPOSES THEREIN EXPRESSED, EITHER ON THE PLAN HEREOF OR IN THE OFFICIAL MINUTES OF THE APPLICABLE AUTHORITY OF THE CITY OF RIO GRANDE CITY.

*[Signature]* 2-21-12 DATE

PEDRO SOLIS R. OWNER 7051 E. HWY. 83 RIO GRANDE CITY, TEXAS 78982

STATE OF TEXAS COUNTY OF STARR BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED PEDRO SOLIS R. OWNER, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN, GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 21st DAY OF February, 2012.

*[Signature]* 2012 JUNE 15th COMMISSION EXPIRES FEBRUARY 15th 11th DISTRICT

NOTARY PUBLIC, STARR COUNTY, TEXAS MY COMMISSION EXPIRES:

STATE OF TEXAS COUNTY OF STARR I, THE UNDERSIGNED, RUBEN CHAPA, A REGISTERED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT PROFESSIONAL ENGINEERING CONSIDERATION HAS BEEN GIVEN TO THIS PLAN AND IS A TRUE AND ACCURATE REPRESENTATION OF THE SUBDIVISION OF THE LANDS HEREON DESCRIBED.

*[Signature]* 2/21/12 DATE

RUBEN CHAPA, P.E. #19713 227 N. F.M. ROAD 3167 RIO GRANDE CITY, TEXAS 78982

STATE OF TEXAS COUNTY OF STARR I, THE UNDERSIGNED, ROBERTO N. TAMEZ, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAN IS TRUE AND IS CORRECTLY MADE AND PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY MADE ON THE GROUND UNDER MY SUPERVISION.

*[Signature]* 2/21/12 DATE

ROBERTO N. TAMEZ, R.P.L.S. #0238 227 N. F.M. ROAD 3167 RIO GRANDE CITY, TEXAS 78982

STATE OF TEXAS COUNTY OF STARR I, THE UNDERSIGNED MAYOR OF THE CITY OF RIO GRANDE CITY, TEXAS, DO HEREBY CERTIFY THAT THIS SUBDIVISION CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THE CITY.

*[Signature]* 2-23-12 DATE

HONORABLE RUBEN O. VILLARREAL MAYOR, CITY OF RIO GRANDE CITY, TEXAS

APPROVED BY THE CITY OF RIO GRANDE CITY COUNCIL ON Feb. 15, 2012

*[Signature]* 2-15-12 DATE

M. HOLLY REEDER CITY SECRETARY

STATE OF TEXAS COUNTY OF STARR I, DENNIS O. GONZALEZ, CLERK OF STARR COUNTY TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT WAS FILED FOR RECORD THIS 23rd DAY OF Feb. A.D. 2012 AT 10:57:00 A.M. IN VOLUME 3, PAGE 827 MAP RECORDS OF STARR COUNTY, TEXAS.

*[Signature]* 2/23/12 DATE

D. O. GONZALEZ COUNTY CLERK STARR COUNTY, TEXAS

THIS PLAN APPROVED BY THE RIO GRANDE WATER SUPPLY CORP. ON Feb. 17th DAY OF February, A.D. 2012.

*[Signature]* 2/17/12 DATE

DEAN CLERK, PRESIDENT RIO GRANDE WATER SUPPLY CORPORATION.

ETU INFORMATION: THE FOREGOING TRACT OF LAND KNOWN AS MI RANCHITO GARDEN HOMES SUBDIVISION PHASE II IS LOCATED WITHIN THE CITY LIMITS OF THE CITY OF RIO GRANDE CITY, TEXAS, LOCATED APPROXIMATELY 6.12 MILES NORTH OF THE INTERSECTION OF U.S. HWY. 83 ON F.M. ROAD 3167 IN THE SOUTHWESTERN SUBURBAN OF STARR COUNTY, TEXAS.

INDEX TO SHEETS OF MI RANCHITO GARDEN HOMES SUBDIVISION PHASE II: SHEET 1: HEADSHEET, LOCATION MAP AND EXA. PRINCIPAL CONTACTS MAP; LOT, STREET, AND EASEMENT LAYOUT; DESCRIPTION (METES AND BOUNDS); SURVEYOR'S CERTIFICATION, PLAT NOTES AND RESTRICTIONS; OWNER'S DESIGNATION, CERTIFICATION, AND ATTESTATION; CITY APPROVAL; CERTIFICATE; COUNTY APPROVAL; CERTIFICATE; COUNTY CLERK'S RECORDING CERTIFICATE; REVISION NOTES; SHEET 2: FINAL ENGINEERING REPORT, INCLUDING DESCRIPTION OF WATER AND WASTEWATER SUPPLY AND SEWERAGE SYSTEMS; DRAINAGE REPORT INCLUDING DESCRIPTION OF DRAINAGE AND SEWERAGE SYSTEMS; E. TOPOGRAPHY AND SHADING; AND ENGINEERING REVISION NOTES.

**M MELDEN & HUNT INC.**  
CONSULTANTS • ENGINEERS • SURVEYORS  
115 W. MOUNTAINVIEW 227 N. F.M. ROAD 3167  
EDWING, TX 78841 RIO GRANDE, TX 78982  
PH: (956) 381-0281 PH: (956) 487-8256  
FAX: (956) 381-0282 PH: (956) 488-8581  
ESTABLISHED 1947 www.meldenandhunt.com



DATE OF PREPARATION OF PLAT: JULY 11, 2006

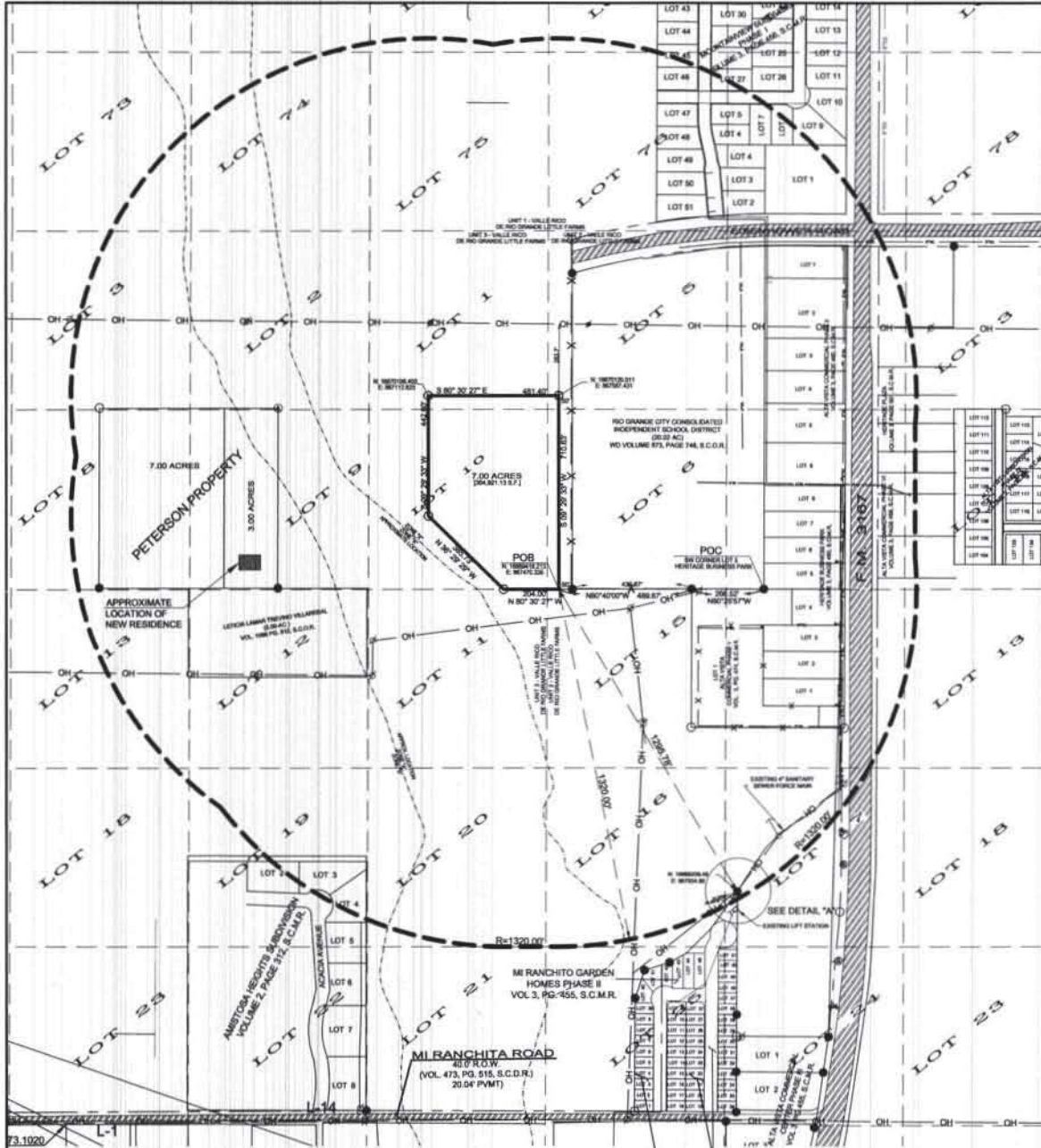
DRAWN BY: A.R. DATE: 07-11-06  
SURVEYED, CHECKED: R.T. DATE: 2-15-12  
FINAL CHECK: B. CHAPA DATE: 2-15-12

DRAWING DATE: 07/11/2006  
RELEASE DATE: 01/31/2012

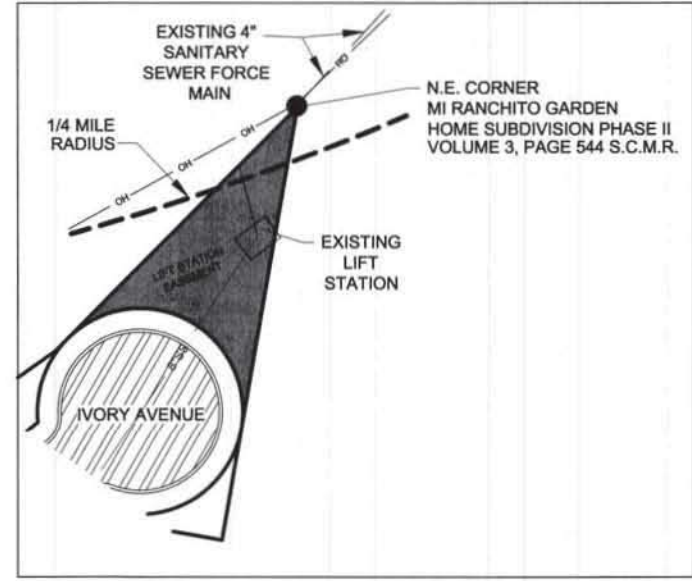
DESIGNED BY: R. CHAPA REVISION DATE BY

DRAWN BY: A.R.  
CHECKED BY: R. CHAPA

JOB No. 05545.00



DETAIL "A"  
N.T.S.



**LEGEND**

- FOUND No. 4 REBAR
- SET No. 4 REBAR W/PLASTIC CAP STAMPED MELDEN & HUNT
- ⊕ POWER POLE
- OH — OVERHEAD POWER LINE
- X — CHAIN LINK FENCE

**PLAT SHOWING PROXIMITY OF 7.00 ACRES OUT OF LOTS 5 AND 6, UNIT No. 2 AND LOTS 1 AND 10, UNIT No. 3 VALLE RICO DE RIO GRANDE LITTLE FARMS TO EXISTING MI RANCHITO GARDEN HOMES PHASE II VOL. 3, PG. 544, S.C.M.R.**



I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF A LOT CORNER SURVEY MADE ON THE GROUND ON 01/16/2013 UNDER MY DIRECTION AND SUPERVISION.

*Fred L. Kurth* 6-7-13  
FRED L. KURTH, RPLS No. 6238 DATE

- NOTES:**
1. SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR.
  2. SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT MAY SHOW EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS NOT RESPONSIBLE FOR THIS PLAT OR NOTES THAT EASEMENTS MAY AFFECT THIS TRACT.
  3. THE NORTHEAST CORNER OF MI RANCHITO GARDEN HOMES II LIES WITHIN QUARTER MILE OF THE PROPOSED SITE. THERE IS A 4" SANITARY SEWER MAIN THAT GOES NORTHWEST FROM THE LIFT STATION AT THE NORTHEAST CORNER OF THIS SUBDIVISION TO A LIFT STATION ALONG FM 3187.
  4. THE LIFT STATION EASEMENT LIES WITHIN THE 1/4 MILE RADIUS.

**M MELDEN & HUNT**  
CONSULTANTS + ENGINEERS + SURVEYORS

227 N. F.A.  
RD GRANDE CT  
PH: (956) 4-  
FAX: (956) 4-

BOOK T: 536, PG. 30  
REV. DATE: JUNE 7, 2013  
DATE: JANUARY 16, 2013  
JOB No.: 13520.08  
REF. JOB: 11510.03 VALLE RICO AREA  
FILE NAME: 1151003.DWG  
DRAWN BY: M.T.C.

115 W. McJ  
EDINBURG, TX  
PH: (956) 3  
FAX: (956) 1  
ESTABLISHED  
www.mhdsurvey.com

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MELDEN & HUNT INC.  
CONSULTANTS • ENGINEERS • SURVEYORS  
FRED L. KURTH • ALLAN F. BOOE • KELLEY A. HELLER-VELA

June 7, 2013

Ms. Linda S. Brown, Principal  
Casa Linda Development Corporation  
2010 Kessler Parkway  
Dallas, TX 75208

Dear Ms. Brown:

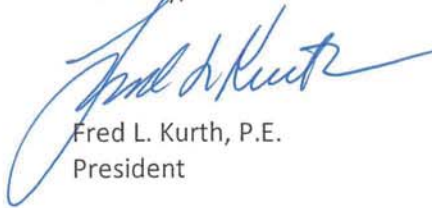
MHI has provided a certified sealed land survey of the proximity of 7.0 acres out of Lots 5 & 6, Unit #2 and Lots 1 & 10, Unit #3, Valle Rico de Rio Grande Little Farms (the La Esperanza Del Rio development site) to the existing Mi Ranchito Garden Homes Subdivision Phase II, Volume 3, page 544, SCMR. This survey confirms the existence of a lift station easement that is within ¼ mile of the 7.0 acre tract. The easement for the lift station was dedicated to the City of Rio Grande City, February 23, 2012.

It is my understanding that prior to the dedication of the lift station easement, the lift station and its components, including the wastewater line outflowing to the 4" Sanitary Force Main shown on the survey were on private land. Significant issues existed with respect to the ability of the City to access, maintain, or expand the lift station and components because the city did not have an easement.

General engineering practice recognizes that infrastructure requires easements or right-of-ways as part of the total infrastructure system and, specifically in this instance, dedication of the lift station easement significantly improved the wastewater collection infrastructure that serves this entire area.

Please feel free to contact me if you should need any further information.

Sincerely,

  
Fred L. Kurth, P.E.  
President



RIO WATER SUPPLY CORP - Work Order 3217

42 N SUNTEX RD  
RIO GRANDE CITY TX 78582  
956-487-2085

JEWEL PETERSON  
602 BARRETA AVE  
RIO GRANDE CITY, TX 78582

ORDER NO: 3217  
ACCOUNT: 101993  
LOCATION: 02-04150  
MID:

Ph: 956-487-2151 CLASS: ORDER TYPE: NEW METER

ISSUE DATE	BEGIN DATE	DATE CLOSED	PRINT DATE
10/24/2012	10/24/2012	10/24/2012	6/10/2013

OLD METER ID	OLD READING	NEW METER ID	NEW READING
	0		
OLD SERIAL #		NEW SERIAL #	

EXPENSE	DESCRIPTION	EXPENSE	AMOUNT
MATERIAL		MAT. \$	.00
EQUIPMENT		EQUIP. \$	.00
EMPLOYEES	LUZ	LABOR \$	.00
LABOR HRS		TRAVEL \$	.00
MISC EXP		MISC. \$	.00
TOTAL \$			.00

REMARKS:

PLEASE INSTALL METER  
THIS PROPERTY IS INSIDE THE GATE AT 600 BARRETA SO PLEASE CONTACT MRS.  
PETERSON @ 956-500-1430 OR XAVIER PEREZ 956-605-4907  
Updated By: MT On: 11/5/2012 Taken By: LOURDES

In order to install this meter RWSC had to install line to make this connection.

Thank You  
Lourdesguma  
RWSC Manager

Exhibit F

# Certificate of Occupancy

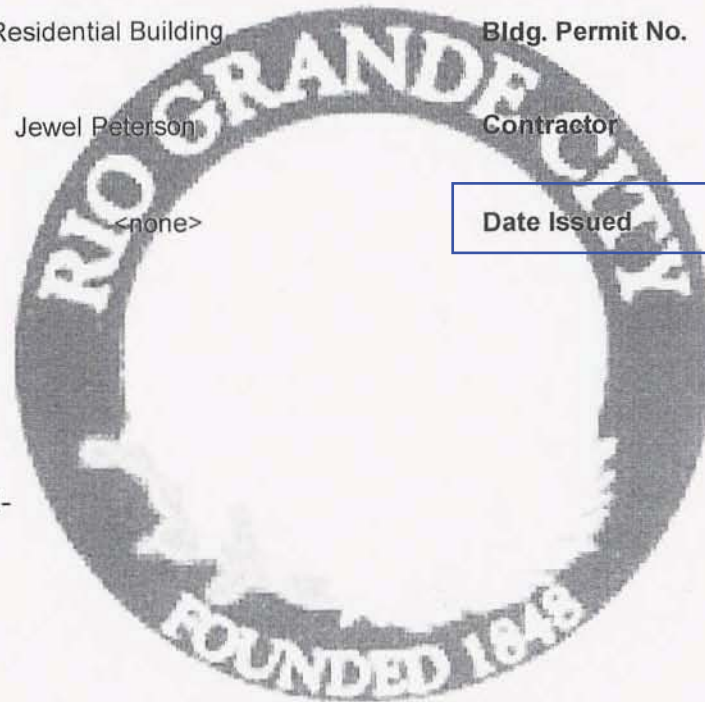
Rio Grande City  
Department of Planning  
Building Inspection

This certificate issued pursuant to the requirements of the International Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances of the jurisdiction regulating building construction or use. For the following:

Permit Type	Residential Building	Bldg. Permit No.	RBLD-10-12-4790
Owner	Jewel Peterson	Contractor	R Benitez
Subdivision/Project	<none>	Date Issued	5/29/2013

602 Barreta Avenue

Rio Grande City TX 78582-  
Location



*[Signature]*  
Authorized Signature

Not Transferable  
POST IN A CONSPICUOUS PLACE



**RIO GRANDE CITY**  
*Hill Country of the Valley*

Exhibit G

Mayor Ruben O. Villarreal  
Mayor Pro-Tem Herman R. Garza, III  
Commissioner Arcadio Salinas, III  
Commissioner Rey Ramirez  
Commissioner Dave "Chachi" Jones

June 3, 2013

Cameron Dorsey, Director  
Multifamily Housing Finance Division  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, TX 78711-3941

**RE: La Esperanza Del Rio – TDHCA #13046 Infrastructure Requirements for Community Revitalization Points**

Dear Mr. Dorsey:

I am writing to first clarify that my letter to you dated May 13, 2013 related to this project at the request of BETCO Development was not intended as a retraction or a reversal of my letter to Casa Linda Development Corporation dated January 29, 2013. I stand by my original letter to Casa Linda Development Corporation for their application for the La Esperanza Del Rio project.

Thank you for your kind attention and please don't hesitate to contact me should you have any questions.

Sincerely,

Elisa Y. Beas  
Deputy City Manager  
City of Rio Grande City  
101 S. Washington Street  
Rio Grande City, TX 78582  
Phone: 956-488-8728  
Fax: 956-716-8899



**RIO GRANDE CITY**  
*Hill Country of the Valley*

Exhibit H

Mayor Ruben O. Villarreal  
Mayor Pro-Tem Hernan R. Garza, III  
Commissioner Arcadio J. Salinas, III  
Commissioner Rey Ramirez  
Commissioner Dave Jones

May 31, 2013

Linda S. Brown  
President  
Casa Linda Development Corporation  
2010 Kessler Parkway  
Dallas, TX 75208

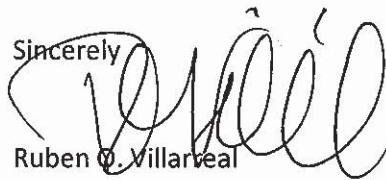
Dear Ms. Brown:

I am writing at your request to emphasize the local public safety importance of the new Texas Department of Public Safety central Starr County headquarters in Rio Grande City located on North FM 3167 in Rio Grande City, Texas. The new facility provides expanded public safety services to the city and Starr County area that are greatly needed by enforcing the law and preventing crime.

The Texas DPS at this location is made up of law enforcement officials representing at least three DPS divisions including the Texas Rangers and Texas Highway Patrol who will provide public safety for the city and surrounding area. All of these divisions have concurrent or overlapping jurisdiction to conduct law enforcement activities in Rio Grande City in cooperation with the local police department. The new office is a significant enhancement to our local policing efforts through an improved interfacing between agencies to enforce the law including investigations, arrests, and other important law enforcement activities. This joint effort in our border region of Texas significantly improves the protection of our local residents and businesses by securing a safer environment.

As Mayor, I am proud to have been actively involved in assisting in the department's commitment to this location and new facility. Rio Grande City and its surrounding communities as a result is a safer place to live and work from this centralized and expanded state and local policing commitment. The proposed housing development project located within a mile from the station, La Esperanza Del Rio, will directly benefit from the station's proximity. Again, this station is an important community revitalization public safety commitment for our area.

I am happy to answer any questions you may have about this important addition to the public safety of our residents and businesses.

Sincerely,  
  
Ruben O. Villarreal  
Mayor

C: Rose Benavides, President Starr County Industrial Foundation

City Hall at 101 S. Washington Street / Rio Grande City, Texas 78582-4415  
(956) 487-0672 / Fax (956) 716-8899

[www.cityofrgc.com](http://www.cityofrgc.com)

Heritage Plaza (#13053)

Montgomery



**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for Heritage Plaza (#13053);

**WHEREAS**, the Applicant failed to notify the correct state senator and representative of the district containing the development due to changes resulting from redistricting;

**WHEREAS**, staff terminated the application pursuant to §10.203(2) of the Uniform Multifamily Rules and §2306.6705(9), Texas Government Code, which require such notifications be made as nonwaivable threshold requirements; and

**WHEREAS**, the Applicant appealed the termination and requests that the Board reinstate the Application;

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the termination of Heritage Plaza (#13053) is hereby denied.

**BACKGROUND**

The Housing Tax Credit Pre-Application for Heritage Plaza, located in Rural Region 6, was received by the Department prior to the Pre-Application Final Delivery Date of January 8, 2013. That pre-application included a certification that Senator Nichols of Senate District 3 and Representative Creighton of House District 16 had been duly notified in accordance with statute and the rules. On January 8, 2013, the results of the 2012 elections became effective, meaning that not only did some elected officials change but also that some of the House and Senate districts changed. In the case of Heritage Plaza, the site, up to January 7, 2013, was indeed located in Senate District 3 and House District 16. Therefore, the pre-application did meet the threshold criteria. However, as of January 8, 2013, this particular site is located in Senate District 4 and House District 3. Therefore, the statute requires in connection with full application that Senator Williams and Representative Bell be notified by March 1, 2013. Staff received a full Application for Heritage Plaza by the March 1, 2013 deadline, and it contained a certification that no additional notifications were made because the pre-application met all of the threshold requirements. Staff's initial review of the Application did not reveal the fact that the Applicant did not notify the appropriate elected officials at the time the full Application was submitted.

However, the Application was challenged by LDG Development, LLC, and upon review of the challenge and Applicant response indicating that in fact Senator Williams and Representative Bell had *not* been notified by March 1, 2013, staff terminated the Application.

The Applicant, in their appeal, requests leniency due to the unusual circumstances surrounding the redistricting process and pending litigation. While staff appreciates that the redistricting created some confusion, the maps for this redistricting plan, although not yet effective, were available to the public in the spring of 2012. There was a significant amount of time for developers to research the new district maps and make an accurate determination as to which districts would include their sites. The Applicant also states that information on the Texas Legislative Council website was misleading, indicating that the City of Montgomery was entirely inside Senate District 3 and House District 16. Because the site was within the City of Montgomery city limits the Applicant incorrectly assumed the site to be in those Senate and House districts. However, staff's review of this website found that there are a number of different ways to use it, one of which is entering an address to determine the appropriate districts. As with all addresses, because they are approximations, this method generates a map and a warning if a site is near a district boundary. In addition, the website contains a general warning that the county voter registration office should be contacted if accuracy is important. Staff found ultimately that the correct information could be found on this website when using a reasonable level of due diligence and some Applicants in similar situations were able to find the correct information and notify the required individuals.

Another basis for the Applicant's appeal is that Senator Nichols and Representative Creighton did not indicate that the Applicant's site was outside their jurisdiction. However, it is the responsibility of the Applicant to ensure that the correct elected officials receive the proper notifications as required by statute. Finally, the Applicant points out that the proper notifications were eventually made, although after the March 1, 2013 deadline, and that support letters from both Senator Williams and Representative Bell were submitted to the Department in a timely manner. While this is true, staff finds it does not remedy the fact that the notifications were not made at the time of Application.

Staff recommends denial of the appeal.

# MONTGOMERY HERITAGE PLAZA LP

June 20, 2013

**By Email and Uploaded onto Multifamily Serv-U**

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

RE: #13053 – Heritage Plaza, Montgomery, Texas;  
Appeal of Termination Notice.

Dear Mr. Irvine:

This letter is an appeal of the Termination Notice dated June 14, 2013, sent by Jean Latsha on behalf of Cameron Dorsey, Director of Multifamily Finance. Termination of the Heritage Plaza 9% Housing Tax Credit Application was based upon Notifications having been sent to the State Senator and the State Representative within whose districts the project site was located on January 7, 2013, but not recognizing that Texas re-districting changed the elected representatives for the project site as of January 8, 2013, when State Senator Tommy Williams and State Representative Cecil Bell, Jr. took office. We ask that the application not be terminated in view of unusual circumstances resulting in a temporary re-districting plan while the Texas Legislature's re-districting plan was being litigated, and misleading information published on the Texas Legislative Council website that supported our belief that the current status of the re-districting process was having no effect upon the project's elected officials.

We request that you take into consideration the extremely unusual circumstances of having district lines in flux with litigation pending over what lines would be used. We were not given the impression that the elected officials for the project site were actually changing as a result of an order from the U.S. District Court for the Western District of Texas. We request that you take into consideration the fact that information published relating to the temporary re-districting ordered by the U.S. District Court for the Western District of Texas was misleading in that it reflected that State Senator Tommy Williams and State Representative Cecil Bell, Jr. each represented 0% of the population of the City of Montgomery. Since the project is located within the city limits, the published materials showing that Senator Nichols and Representative Creighton each represented 100% of the City of Montgomery were deceptive and supported our misapprehension.

**1. January Notifications.**

The anticipated re-districting of Texas has been much in the news, and we were aware that the proposed re-districting plan had not been accepted by the Federal judiciary as qualifying and was subject to litigation. Since we had previously submitted an application for Heritage Plaza in the 2012 Round, we were already in contact with the existing legislative representatives. Prior to filing the Pre-Application we were advised that the senatorial and house districts had not changed, and Representative Brandon Creighton indicated that he would be supportive of the project. Senator Robert Nichols' office was contacted only once because we received notice on January 10, 2013 that he would not be issuing support letters for any of the anticipated tax credit applications sited in his district. Notifications concerning the project were sent to Senator Nichols and Representative Creighton on January 7, 2013, which was the date that the Pre-Application was submitted to the TDHCA by Federal Express delivery. We appropriately certified that notifications had been sent to the legislators in our Pre-Application Notification. (See Exhibit 1)

**2. Misleading Publication of Information Regarding Temporary Re-Districting.**

We have been advised that as of January 8, 2013, with the installation of state officials elected in November 2012 pursuant to the temporary judicial re-districting, the appropriate representatives for the project site were actually State Senator Tommy Williams and State Representative Cecil Bell, Jr. We wish to point out, however, that the Texas Legislative Council website posts information concerning locating the correct State Senator or State Representative for a specific location. In particular, information dealing with the re-districting efforts is published on that website. Posted on that website is the following information about the temporary senate and house districts that were established by the U.S. District Court for the Western District of Texas through PlanS172 and PlanH309 (please see the hard copies of the reports that are attached as the indicated Exhibits):

Senatorial District 3 (Nichols) (See Exhibit 2) -

<http://www.fyi.legis.state.tx.us/fyiwebdocs/PDF/senate/dist3/r6.pdf>

Senatorial District 4 (Williams) (See Exhibit 3) -

<http://www.fyi.legis.state.tx.us/fyiwebdocs/PDF/senate/dist4/r6.pdf>

House District 16 (Creighton) (See Exhibit 4) -

<http://www.fyi.legis.state.tx.us/fyiwebdocs/PDF/house/dist16/r6.pdf>

House District 3 (Bell) (See Exhibit 5) -

<http://www.fyi.legis.state.tx.us/fyiwebdocs/PDF/house/dist3/r6.pdf>

On the attached copies of the information from the webpages indicated, we have highlighted the pertinent judicial plan, the date it was created by court order, the district number pursuant to the plan and the date posted on the Texas Legislative Council website. We have also highlighted the information provided that shows the representation of the City of Montgomery in Montgomery County, Texas pursuant to PlanS172 and PlanH309. The materials provided indicate that pursuant to the temporary re-districting by court order for the Senate (PlanS172), Senator

Nichols in District 3 represents 100% of the City of Montgomery and Senator Williams in District 4 represents 0% of the City of Montgomery. Likewise, the information posted regarding the temporary re-districting by court order for the House (PlanH309) shows that Representative Creighton in District 16 represents 100% of the City of Montgomery, and Representative Bell in District 3 represents 0% of the City of Montgomery. *Because the project is located within the city limits of Montgomery, immediately adjacent to the Historic Downtown District of the City of Montgomery, this official record provides a misleading representation concerning the districts in which the project is located and who are the elected officials representing the project. The material presented consistently shows that Nichols and Creighton each represent 100% of the City of Montgomery and that Williams and Bell each represent 0% of the City of Montgomery. (See Exhibit 6)*

### **3. Frequent Contact with State Representative and No Indication of Change.**

We were in frequent contact with Representative Creighton from October 2012 through March 1, 2013, and during that period all of Representative Creighton and his staff, the city personnel and our own representatives were of the understanding that the project was in his district. During October through January our contact with Representative Creighton was in connection with soliciting municipal support for our project. After the Pre-Application log was published, our contact with him was in combating opposition to our project which was and continues to be waged by a competitor tax credit developer. As a result of a letter-writing campaign launched by the competing developer, the City of Montgomery was barraged with telephone calls and correspondence, and our time was essentially taken up with emergency meetings to counter the negative publicity being disseminated (See Exhibit 7).

At no time during this period did either Senator Nichols or Representative Creighton or their office staffs indicate that the Senator and the Representative for the project site would or had changed. Representative Creighton became a member of the House Committee on Re-districting on January 31, 2013 and has since become a member of the Select House Committee on Re-districting. The status is misleading enough that Representative Creighton's office gave no indication at all that he no longer represented the project, even considering their familiarity with the site. We did not have any information concerning when the re-districting being litigated would be approved and take effect (and to the best of our understanding, this has not happened yet). Information published on the official Texas Legislative Council website erroneously indicated that under the judicial temporary re-districting, the City of Montgomery was 100% within the districts represented by Senator Nichols and Representative Creighton (see Exhibits 2 and 4). We therefore reasonably concluded that the project was within the districts represented by Senator Nichols and Representative Creighton, and that the Notification information provided in the Pre-Application remained correct.

### **4. Notification from New State Representative.**

On March 12, 2013, we received a telephone call from Joe Williams, District Coordinator from State Representative Cecil Bell, Jr.'s office, indicating re-districting had resulted in a change of district for the project site and that Representative Bell would be the new State Representative. It appears the Representative Bell's information came from a notification about the project that

June 20, 2013

Page 4

was sent out by the TDHCA on or about January 18, 2013. Had we known about the TDHCA's correspondence, we would have made inquiry because of the discrepancy from the Notifications we had previously provided for the Pre-Application.

When we received the information from Representative Bell's office, we advised Tara Garcia, Chief of Staff in Representative Creighton's office, and asked that she verify the change. Ms. Garcia called Mr. Williams and was advised that the project was now located in House District 3, by virtue of Representative Bell's new term of office pursuant to PlanH309. We met with Joe Williams on March 15<sup>th</sup> and discussed the project and the effect of the re-districting. We accordingly notified Representative Bell on March 18, 2013 and met with him concerning the project on March 25, 2013. We further investigated and determined that the senatorial district also changed pursuant to PlanS172, so we provided notification to Senator Tommy Williams on March 28, 2013. Neither of these two officials is shown to currently represent the City of Montgomery per Exhibits 5 and 3.

#### **5. Senator Williams and Representative Bell Both Support the Project.**

Heritage Plaza has received letters of support from Senator Williams and Representative Bell. It is clear that all of the state elected officials have been informed about the project and have received the Notification, although the Notification was sent to Senator Williams and Representative Bell after March 1, 2013, but immediately upon determining that the temporary re-districting information accessed was misleading as to the City of Montgomery's elected state officials. Representative Bell has sent a letter to you, joining in our appeal efforts and requesting that a "reasonableness standard" be used in determining compliance with the requirement that the elected officials receive notification of the project. (See Exhibit 8)

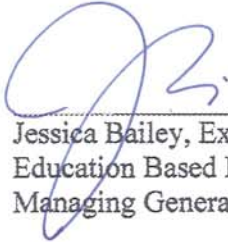
We feel that the uncertain status of the Texas re-districting plan was largely contributory to this issue with Notifications to the elected officials. Although we were working directly with a State Representative who was on the Re-districting Committee during this period, we were given to understand that there was no change in the project's elected legislators and were only advised of the new districting lines when a newly elected Representative contacted us. Material accessed from the official Texas Legislative Council website improperly indicated that the elected officials for the City of Montgomery were the ones to whom Notification was provided prior to January 7, 2013. We sincerely request that this misrepresentation be considered a mitigating factor in determining whether the Applicant reasonably complied with the TDHCA requirements, and that you grant this appeal. In the event that you do not grant our appeal, then we respectfully request that you place this matter on the agenda for the next TDHCA Board Meeting.

June 20, 2013

Page 5

Thank you for the opportunity to file this appeal of the termination of the Heritage Plaza Apartments Housing Tax Credit Application. If you have any questions that have not been addressed, please do not hesitate to call.

Sincerely,



Jessica Bailey, Executive Director  
Education Based Housing, Inc.,  
Managing General Partner

Enclosures: Exhibits 1 through 8.

# EXHIBIT 1



## Certification of Notifications

Pursuant to §10.203 of the Uniform Multifamily Rules and/or other applicable Rules, evidence of notifications includes this sworn affidavit, and the Elected Officials and Neighborhood Organizations Forms. All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

I (We) certify that all required requests for Neighborhood Organizations pursuant to §10.203 of the Uniform Multifamily Rules and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by December 17, 2012 for Competitive HTC Applications, or no later than 14 days prior to the submission of the Threshold documentation for all other Applications.

I (We) certify that (mark all that apply):

from dropdown menu:

No reply letter was received from the local elected officials.

from dropdown menu:

N/A

All neighborhood organizations that were notified are correctly listed on the Neighborhood Organizations Form and all notifications were made in the format provided in the Public Notifications Template.

I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §10.203 of the Uniform Multifamily Rules and/or other applicable Rules. The notifications were in the format provided in the *Public Notifications Template*. All of the following entities were notified and are correctly listed on the *Elected Officials 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 not required to be submitted in this 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 from the date of Parts 5 and 6 submission for all other Applications as required under §10.203.

By:

Chris Richardson  
Signature of Applicant/Development Owner

Chris Richardson  
Printed Name

1/4/2013  
Date

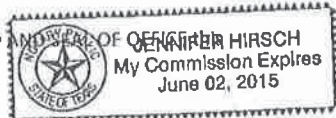
Denise Hirsch  
Notary Public, State of

Texas  
County of

Waller 06-02-2015  
My Commission expires

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Chris Richardson, 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



7 day of January 2013.

## Elected Officials Form

Identify all elected officials which represent the Development Site.

Robert Nichols	3
State Senator	District
En Route	
Support Letter	
John Fox	
City Mayor	

Brandon Creighton	16
State Representative	District
En Route	
Support Letter	
Alan B Sadler	
County Judge	

Dr Beau Rees	Montgomery ISD	<a href="mailto:brees@misd.org">brees@misd.org</a>
School Superintendent	District Name	Email
13159 Walden Rd.	Montgomery	77356
Address	City	Zip

Trish Mayne	Montgomery	<a href="mailto:tmayne@misd.org">tmayne@misd.org</a>
Presiding officer of Board of Trustees	City	Email
13159 Walden Rd.	Montgomery	77356
Address	City	Zip

# EXHIBIT 2

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 3 - PLANS172**

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>											
Total:	843,567	611,890	109,262	109,091	216,526	15,151	72.5	13.0	12.9	25.7	1.8
VAP:	641,369	483,044	79,984	68,049	147,209	11,116	75.3	12.5	10.6	23.0	1.7
<b>Anderson (100 %)</b>											
Elkhart (100 %)	Total: 1,371	1,086	142	113	252	33	79.2	10.4	8.2	18.4	2.4
	VAP: 944	770	106	53	157	17	81.6	11.2	5.6	16.6	1.8
Frankston * (98 %)	Total: 1,210	952	193	47	238	20	78.7	16.0	3.9	19.7	1.7
	VAP: 920	755	123	25	148	17	82.1	13.4	2.7	16.1	1.8
Palestine (100 %)	Total: 18,712	9,780	4,563	4,101	8,554	378	52.3	24.4	21.9	45.7	2.0
	VAP: 13,402	7,795	3,077	2,312	5,352	255	58.2	23.0	17.3	39.9	1.9
Rest of County	Total: 37,165	23,974	7,784	5,026	12,763	428	64.5	20.9	13.5	34.3	1.2
	VAP: 31,717	19,837	7,246	4,323	11,548	332	62.5	22.8	13.6	36.4	1.0
<b>Angelina (100 %)</b>											
Burke (100 %)	Total: 737	558	26	149	174	5	75.7	3.5	20.2	23.6	0.7
	VAP: 521	414	14	90	104	3	79.5	2.7	17.3	20.0	0.6
Diboll (100 %)	Total: 4,776	1,518	1,003	2,229	3,199	59	31.8	21.0	46.7	67.0	1.2
	VAP: 3,369	1,240	709	1,403	2,103	26	36.8	21.0	41.6	62.4	0.8
Hudson (100 %)	Total: 4,731	3,270	277	1,104	1,366	95	69.1	5.9	23.3	28.9	2.0
	VAP: 3,202	2,307	174	663	830	65	72.0	5.4	20.7	25.9	2.0
Huntington (100 %)	Total: 2,118	1,863	141	94	228	27	88.0	6.7	4.4	10.8	1.3
	VAP: 1,518	1,353	94	52	145	20	89.1	6.2	3.4	9.6	1.3
Lufkin (100 %)	Total: 35,067	16,029	9,929	8,464	18,188	850	45.7	28.3	24.1	51.9	2.4
	VAP: 25,640	13,182	6,904	5,027	11,839	619	51.4	26.9	19.6	46.2	2.4
Redland CDP (100 %)	Total: 1,047	551	239	240	476	20	52.6	22.8	22.9	45.5	1.9
	VAP: 774	449	184	124	307	18	58.0	23.8	16.0	39.7	2.3
Zavalla (100 %)	Total: 713	688	9	10	18	7	96.5	1.3	1.4	2.5	1.0
	VAP: 524	508	4	6	10	6	96.9	0.8	1.1	1.9	1.1
Rest of County	Total: 37,582	30,412	1,939	4,855	6,744	426	80.9	5.2	12.9	17.9	1.1
	VAP: 28,017	23,466	1,350	2,899	4,232	319	83.8	4.8	10.3	15.1	1.1
<b>Cherokee (100 %)</b>											
Alto (100 %)	Total: 1,225	645	318	256	574	6	52.7	26.0	20.9	46.9	0.5
	VAP: 923	537	230	152	382	4	58.2	24.9	16.5	41.4	0.4
Bullard (2 %)	Total: 47	47	0	0	0	0	100.0	0.0	0.0	0.0	0.0
	VAP: 39	39	0	0	0	0	100.0	0.0	0.0	0.0	0.0
Cuney (100 %)	Total: 140	16	112	17	123	1	11.4	80.0	12.1	87.9	0.7
	VAP: 101	13	78	10	87	1	12.9	77.2	9.9	86.1	1.0
Gallatin (100 %)	Total: 419	367	11	28	39	13	87.6	2.6	6.7	9.3	3.1
	VAP: 312	273	10	20	30	9	87.5	3.2	6.4	9.6	2.9
Jacksonville (100 %)	Total: 14,544	6,030	3,377	4,986	8,282	232	41.5	23.2	34.3	56.9	1.6
	VAP: 10,232	4,984	2,300	2,815	5,084	164	48.7	22.5	27.5	49.7	1.6
New Summerfield (100 %)	Total: 1,111	280	31	794	821	10	25.2	2.8	71.5	73.9	0.9
	VAP: 746	233	18	492	507	6	31.2	2.4	66.0	68.0	0.8
Reklaw (58 %)	Total: 218	150	17	50	62	6	68.8	7.8	22.9	28.4	2.8
	VAP: 165	125	13	24	36	4	75.8	7.9	14.5	21.8	2.4
Rusk (100 %)	Total: 5,551	3,302	1,539	669	2,193	56	59.5	27.7	12.1	39.5	1.0
	VAP: 4,481	2,635	1,265	539	1,799	47	58.8	28.2	12.0	40.1	1.0
Shadybrook CDP (100 %)	Total: 1,967	1,692	127	98	221	54	86.0	6.5	5.0	11.2	2.7
	VAP: 1,478	1,286	91	60	149	43	87.0	6.2	4.1	10.1	2.9
Troup (3 %)	Total: 61	56	0	5	5	0	91.8	0.0	8.2	8.2	0.0
	VAP: 44	41	0	3	3	0	93.2	0.0	6.8	6.8	0.0
Wells (100 %)	Total: 790	586	146	48	193	11	74.2	18.5	6.1	24.4	1.4
	VAP: 562	429	93	32	125	8	76.3	16.5	5.7	22.2	1.4
Rest of County	Total: 24,772	18,721	2,238	3,548	5,739	312	75.6	9.0	14.3	23.2	1.3
	VAP: 18,589	14,806	1,569	1,990	3,545	238	79.6	8.4	10.7	19.1	1.3
<b>Hardin (100 %)</b>											
Kountze (100 %)	Total: 2,123	1,488	509	106	609	26	70.1	24.0	5.0	28.7	1.2
	VAP: 1,528	1,095	350	69	414	19	71.7	22.9	4.5	27.1	1.2
Lumberton (100 %)	Total: 11,943	11,096	80	567	640	207	92.9	0.7	4.7	5.4	1.7
	VAP: 8,768	8,246	42	342	381	141	94.0	0.5	3.9	4.3	1.6
Pinewood Estates CDP (100 %)	Total: 1,678	1,531	22	99	121	26	91.2	1.3	5.9	7.2	1.5
	VAP: 1,280	1,192	14	53	67	21	93.1	1.1	4.1	5.2	1.6
Rose Hill Acres (100 %)	Total: 441	413	0	22	22	6	93.7	0.0	5.0	5.0	1.4
	VAP: 340	319	0	16	16	5	93.8	0.0	4.7	4.7	1.5
Silsbee (100 %)	Total: 6,611	4,206	2,050	267	2,311	94	63.6	31.0	4.0	35.0	1.4
	VAP: 4,910	3,278	1,406	159	1,562	70	66.8	28.6	3.2	31.8	1.4
Sour Lake (100 %)	Total: 1,813	1,630	53	92	145	38	89.9	2.9	5.1	8.0	2.1
	VAP: 1,344	1,225	33	59	92	27	91.1	2.5	4.4	6.8	2.0
Wildwood CDP * (58 %)	Total: 713	675	4	22	26	12	94.7	0.6	3.1	3.6	1.7
	VAP: 579	552	3	15	18	9	95.3	0.5	2.6	3.1	1.6
Rest of County	Total: 29,313	27,049	649	1,209	1,849	415	92.3	2.2	4.1	6.3	1.4
	VAP: 21,776	20,285	441	742	1,178	313	93.2	2.0	3.4	5.4	1.4
<b>Henderson (100 %)</b>											
Athens (100 %)	Total: 12,710	6,835	2,369	3,397	5,698	177	53.8	18.6	26.7	44.8	1.4
	VAP: 9,454	5,660	1,645	2,028	3,652	142	59.9	17.4	21.5	38.6	1.5

\* In this district, the city or CDP is in more than one county.

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 3 - PLANS172**

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>											
<b>Henderson (100 %)</b>											
Berryville (100 %)	Total: 975	876	43	33	71	28	89.8	4.4	3.4	7.3	2.9
	VAP: 735	665	31	23	51	19	90.5	4.2	3.1	6.9	2.6
Brownsboro (100 %)	Total: 1,039	839	37	162	196	4	80.8	3.6	15.6	18.9	0.4
	VAP: 699	595	18	84	100	4	85.1	2.6	12.0	14.3	0.6
Caney City (100 %)	Total: 217	154	58	3	61	2	71.0	26.7	1.4	28.1	0.9
	VAP: 186	131	52	1	53	2	70.4	28.0	0.5	28.5	1.1
Chandler (100 %)	Total: 2,734	2,326	277	73	348	60	85.1	10.1	2.7	12.7	2.2
	VAP: 2,083	1,791	207	45	252	40	86.0	9.9	2.2	12.1	1.9
Coffee City (100 %)	Total: 278	152	105	26	125	1	54.7	37.8	9.4	45.0	0.4
	VAP: 216	125	77	17	90	1	57.9	35.6	7.9	41.7	0.5
Enchanted Oaks (100 %)	Total: 326	293	2	24	25	8	89.9	0.6	7.4	7.7	2.5
	VAP: 279	259	1	15	16	4	92.8	0.4	5.4	5.7	1.4
Eustace (100 %)	Total: 991	910	14	53	67	14	91.8	1.4	5.3	6.8	1.4
	VAP: 692	647	5	31	36	9	93.5	0.7	4.5	5.2	1.3
Frankston * (2 %)	Total: 19	19	0	0	0	0	100.0	0.0	0.0	0.0	0.0
	VAP: 12	12	0	0	0	0	100.0	0.0	0.0	0.0	0.0
Gun Barrel City (100 %)	Total: 5,672	5,086	77	387	460	126	89.7	1.4	6.8	8.1	2.2
	VAP: 4,404	4,058	38	215	253	93	92.1	0.9	4.9	5.7	2.1
Log Cabin (100 %)	Total: 714	643	17	45	62	9	90.1	2.4	6.3	8.7	1.3
	VAP: 583	533	15	26	41	9	91.4	2.6	4.5	7.0	1.5
Mabank (26 %)	Total: 774	640	28	73	99	35	82.7	3.6	9.4	12.8	4.5
	VAP: 526	445	12	45	56	25	84.6	2.3	8.6	10.6	4.8
Malakoff (100 %)	Total: 2,324	1,461	458	373	826	37	62.9	19.7	16.0	35.5	1.6
	VAP: 1,700	1,131	326	220	542	27	66.5	19.2	12.9	31.9	1.6
Moore Station (100 %)	Total: 201	24	166	9	175	2	11.9	82.6	4.5	87.1	1.0
	VAP: 151	16	129	4	133	2	10.6	85.4	2.6	88.1	1.3
Murchison (100 %)	Total: 594	519	11	63	74	1	87.4	1.9	10.6	12.5	0.2
	VAP: 455	404	8	42	50	1	88.8	1.8	9.2	11.0	0.2
Payne Springs (100 %)	Total: 767	707	5	32	37	23	92.2	0.7	4.2	4.8	3.0
	VAP: 604	567	3	22	25	12	93.9	0.5	3.6	4.1	2.0
Poynor (100 %)	Total: 305	287	5	7	12	6	94.1	1.6	2.3	3.9	2.0
	VAP: 214	204	4	2	6	4	95.3	1.9	0.9	2.8	1.9
Seven Points (95 %)	Total: 1,385	1,206	16	146	160	19	87.1	1.2	10.5	11.6	1.4
	VAP: 1,038	927	10	91	99	12	89.3	1.0	8.8	9.5	1.2
Star Harbor (100 %)	Total: 444	422	0	12	12	10	95.0	0.0	2.7	2.7	2.3
	VAP: 392	374	0	11	11	7	95.4	0.0	2.8	2.8	1.8
Tool (100 %)	Total: 2,240	2,059	25	113	137	44	91.9	1.1	5.0	6.1	2.0
	VAP: 1,882	1,759	14	75	88	35	93.5	0.7	4.0	4.7	1.9
Trinidad (100 %)	Total: 886	669	151	48	198	19	75.5	17.0	5.4	22.3	2.1
	VAP: 681	538	104	27	131	12	79.0	15.3	4.0	19.2	1.8
Rest of County	Total: 42,937	37,367	1,437	3,411	4,799	771	87.0	3.3	7.9	11.2	1.8
	VAP: 33,704	30,103	979	2,040	3,004	597	89.3	2.9	6.1	8.9	1.8
<b>Houston (100 %)</b>											
Crockett (100 %)	Total: 6,950	2,712	3,033	1,127	4,127	111	39.0	43.6	16.2	59.4	1.6
	VAP: 5,113	2,286	2,128	655	2,763	64	44.7	41.6	12.8	54.0	1.3
Grapeland (100 %)	Total: 1,489	915	516	46	560	14	61.5	34.7	3.1	37.6	0.9
	VAP: 1,147	737	375	27	400	10	64.3	32.7	2.4	34.9	0.9
Kennard (100 %)	Total: 337	227	85	20	103	7	67.4	25.2	5.9	30.6	2.1
	VAP: 249	173	65	8	72	4	69.5	26.1	3.2	28.9	1.6
Latexo (100 %)	Total: 322	254	25	41	63	5	78.9	7.8	12.7	19.6	1.6
	VAP: 229	193	14	20	34	2	84.3	6.1	8.7	14.8	0.9
Lovelady (100 %)	Total: 649	547	48	45	93	9	84.3	7.4	6.9	14.3	1.4
	VAP: 471	407	35	25	60	4	86.4	7.4	5.3	12.7	0.8
Rest of County	Total: 13,985	10,156	2,602	1,085	3,670	159	72.6	18.6	7.8	26.2	1.1
	VAP: 11,597	8,381	2,211	899	3,098	118	72.3	19.1	7.8	26.7	1.0
<b>Jasper (100 %)</b>											
Browndell (100 %)	Total: 197	95	97	7	102	0	48.2	49.2	3.6	51.8	0.0
	VAP: 150	77	71	2	73	0	51.3	47.3	1.3	48.7	0.0
Buna CDP (100 %)	Total: 2,142	1,865	176	66	240	37	87.1	8.2	3.1	11.2	1.7
	VAP: 1,636	1,450	127	36	163	23	88.6	7.8	2.2	10.0	1.4
Evadale CDP (100 %)	Total: 1,483	1,434	12	33	45	4	96.7	0.8	2.2	3.0	0.3
	VAP: 1,068	1,040	1	23	24	4	97.4	0.1	2.2	2.2	0.4
Jasper (100 %)	Total: 7,590	3,177	3,456	822	4,252	161	41.9	45.5	10.8	56.0	2.1
	VAP: 5,358	2,519	2,295	448	2,731	108	47.0	42.8	8.4	51.0	2.0
Kirbyville (100 %)	Total: 2,142	1,497	441	165	602	43	69.9	20.6	7.7	28.1	2.0
	VAP: 1,578	1,167	297	86	381	30	74.0	18.8	5.4	24.1	1.9
Sam Rayburn CDP (100 %)	Total: 1,181	1,054	34	69	102	25	89.2	2.9	5.8	8.6	2.1
	VAP: 950	865	17	48	65	20	91.1	1.8	5.1	6.8	2.1
Rest of County	Total: 20,975	17,817	2,009	855	2,845	313	84.9	9.6	4.1	13.6	1.5
	VAP: 16,075	13,824	1,445	605	2,042	209	86.0	9.0	3.8	12.7	1.3
<b>Liberty (100 %)</b>											
Ames (100 %)	Total: 1,003	85	854	38	890	28	8.5	85.1	3.8	88.7	2.8

\* In this district, the city or CDP is in more than one county.

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 3 - PLANS172**

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>											
<b>Liberty (100 %)</b>											
VAP:	755	60	644	27	670	25	7.9	85.3	3.6	88.7	3.3
Big Thicket Lake Estates CDP * (57 %)	Total: 423	381	4	35	39	3	90.1	0.9	8.3	9.2	0.7
VAP:	326	305	1	17	18	3	93.6	0.3	5.2	5.5	0.9
Cleveland (100 %)	Total: 7,666	3,501	1,920	2,131	4,004	161	45.7	25.0	27.8	52.2	2.1
VAP:	5,614	2,800	1,384	1,332	2,693	121	49.9	24.7	23.7	48.0	2.2
Daisetta (100 %)	Total: 966	866	34	53	87	13	89.6	3.5	5.5	9.0	1.3
VAP:	701	639	20	32	52	10	91.2	2.9	4.6	7.4	1.4
Dayton (100 %)	Total: 7,242	4,587	1,385	1,110	2,486	169	63.3	19.1	15.3	34.3	2.3
VAP:	5,178	3,458	925	673	1,596	124	66.8	17.9	13.0	30.8	2.4
Dayton Lakes (100 %)	Total: 93	82	0	11	11	0	88.2	0.0	11.8	11.8	0.0
VAP:	73	64	0	9	9	0	87.7	0.0	12.3	12.3	0.0
Devers (100 %)	Total: 447	303	35	102	135	9	67.8	7.8	22.8	30.2	2.0
VAP:	322	228	28	58	86	8	70.8	8.7	18.0	26.7	2.5
Hardin (100 %)	Total: 819	716	8	76	84	19	87.4	1.0	9.3	10.3	2.3
VAP:	613	560	4	37	41	12	91.4	0.7	6.0	6.7	2.0
Hull CDP (100 %)	Total: 669	641	5	18	23	5	95.8	0.7	2.7	3.4	0.7
VAP:	490	475	2	8	10	5	96.9	0.4	1.6	2.0	1.0
Kenefick (100 %)	Total: 563	532	1	25	25	6	94.5	0.2	4.4	4.4	1.1
VAP:	439	416	1	17	17	6	94.8	0.2	3.9	3.9	1.4
Liberty (100 %)	Total: 8,397	5,155	1,190	1,949	3,112	130	61.4	14.2	23.2	37.1	1.5
VAP:	6,199	4,045	866	1,196	2,047	107	65.3	14.0	19.3	33.0	1.7
Mont Belvieu (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
VAP:	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
North Cleveland (100 %)	Total: 247	169	9	64	68	10	68.4	3.6	25.9	27.5	4.0
VAP:	190	139	6	41	45	6	73.2	3.2	21.6	23.7	3.2
Old River-Winfree (11 %)	Total: 141	122	4	15	19	0	86.5	2.8	10.6	13.5	0.0
VAP:	100	90	1	9	10	0	90.0	1.0	9.0	10.0	0.0
Plum Grove (100 %)	Total: 600	520	2	74	76	4	86.7	0.3	12.3	12.7	0.7
VAP:	437	387	2	45	47	3	88.6	0.5	10.3	10.8	0.7
Rest of County	Total: 46,367	34,661	3,205	7,901	11,014	692	74.8	6.9	17.0	23.8	1.5
VAP:	34,839	26,599	2,651	5,107	7,705	535	76.3	7.6	14.7	22.1	1.5
<b>Montgomery (14 %)</b>											
Conroe (2 %)	Total: 1,060	598	172	247	417	45	56.4	16.2	23.3	39.3	4.2
VAP:	679	408	93	150	243	28	60.1	13.7	22.1	35.8	4.1
Cut and Shoot (87 %)	Total: 934	777	7	140	147	10	83.2	0.7	15.0	15.7	1.1
VAP:	679	580	7	83	90	9	85.4	1.0	12.2	13.3	1.3
<b>Montgomery (100 %)</b>	Total: 619	359	164	89	252	8	58.0	26.5	14.4	40.7	1.3
VAP:	452	267	130	49	179	6	59.1	28.8	10.8	39.6	1.3
Willis (100 %)	Total: 5,658	2,377	1,095	2,152	3,206	75	42.0	19.4	38.0	56.7	1.3
VAP:	3,771	1,780	718	1,244	1,941	50	47.2	19.0	33.0	51.5	1.3
Rest of County	Total: 56,869	46,572	1,546	7,667	9,128	1,169	81.9	2.7	13.5	16.1	2.1
VAP:	43,285	36,919	945	4,612	5,516	850	85.3	2.2	10.7	12.7	2.0
<b>Nacogdoches (100 %)</b>											
Appleby (100 %)	Total: 474	421	14	28	42	11	88.8	3.0	5.9	8.9	2.3
VAP:	370	336	11	17	28	6	90.8	3.0	4.6	7.6	1.6
Chireno (100 %)	Total: 386	283	55	43	95	8	73.3	14.2	11.1	24.6	2.1
VAP:	277	215	34	22	55	7	77.6	12.3	7.9	19.9	2.5
Cushing (100 %)	Total: 612	544	19	24	43	25	88.9	3.1	3.9	7.0	4.1
VAP:	444	401	9	17	26	17	90.3	2.0	3.8	5.9	3.8
Garrison (100 %)	Total: 895	568	228	83	310	17	63.5	25.5	9.3	34.6	1.9
VAP:	665	444	166	45	211	10	66.8	25.0	6.8	31.7	1.5
Nacogdoches (100 %)	Total: 32,996	16,885	9,821	5,537	15,202	909	51.2	29.8	16.8	46.1	2.8
VAP:	26,342	14,777	7,388	3,540	10,835	730	56.1	28.0	13.4	41.1	2.8
Redfield CDP (100 %)	Total: 441	298	53	87	140	3	67.6	12.0	19.7	31.7	0.7
VAP:	329	240	39	48	87	2	72.9	11.9	14.6	26.4	0.6
Rest of County	Total: 28,720	20,700	2,032	5,554	7,527	493	72.1	7.1	19.3	26.2	1.7
VAP:	21,036	16,034	1,426	3,238	4,643	359	76.2	6.8	15.4	22.1	1.7
<b>Newton (100 %)</b>											
Deweyville CDP (100 %)	Total: 1,023	951	16	18	33	39	93.0	1.6	1.8	3.2	3.8
VAP:	796	751	7	12	19	26	94.3	0.9	1.5	2.4	3.3
Newton (100 %)	Total: 2,478	1,445	885	114	996	37	58.3	35.7	4.6	40.2	1.5
VAP:	1,949	1,161	675	89	761	27	59.6	34.6	4.6	39.0	1.4
South Toledo Bend CDP (100 %)	Total: 524	503	5	11	16	5	96.0	1.0	2.1	3.1	1.0
VAP:	476	462	2	8	10	4	97.1	0.4	1.7	2.1	0.8
Rest of County	Total: 10,420	7,926	2,082	260	2,334	160	76.1	20.0	2.5	22.4	1.5
VAP:	7,871	6,092	1,525	132	1,655	124	77.4	19.4	1.7	21.0	1.6
<b>Orange (100 %)</b>											
Bridge City (100 %)	Total: 7,840	6,982	40	556	590	268	89.1	0.5	7.1	7.5	3.4
VAP:	5,820	5,299	16	330	343	178	91.0	0.3	5.7	5.9	3.1
Mauriceville CDP (100 %)	Total: 3,252	2,914	38	269	301	37	89.6	1.2	8.3	9.3	1.1
VAP:	2,276	2,080	18	154	168	28	91.4	0.8	6.8	7.4	1.2

\* In this district, the city or CDP is in more than one county.

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 3 - PLANS172**

		Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>												
<b>Orange (100 %)</b>												
Orange (100 %)	Total:	18,595	10,817	6,364	976	7,293	485	58.2	34.2	5.2	39.2	2.6
	VAP:	13,978	8,681	4,343	640	4,960	337	62.1	31.1	4.6	35.5	2.4
Pine Forest (100 %)	Total:	487	452	1	26	27	8	92.8	0.2	5.3	5.5	1.6
	VAP:	366	344	1	16	17	5	94.0	0.3	4.4	4.6	1.4
Pinehurst (100 %)	Total:	2,097	1,610	318	127	444	43	76.8	15.2	6.1	21.2	2.1
	VAP:	1,709	1,374	217	87	303	32	80.4	12.7	5.1	17.7	1.9
Port Arthur (0 %)	Total:	4	3	0	0	0	1	75.0	0.0	0.0	0.0	25.0
	VAP:	4	3	0	0	0	1	75.0	0.0	0.0	0.0	25.0
Rose City (100 %)	Total:	502	418	4	71	73	11	83.3	0.8	14.1	14.5	2.2
	VAP:	395	334	3	52	53	8	84.6	0.8	13.2	13.4	2.0
Vidor (100 %)	Total:	10,579	9,796	28	540	567	216	92.6	0.3	5.1	5.4	2.0
	VAP:	7,890	7,391	14	328	342	157	93.7	0.2	4.2	4.3	2.0
West Orange (100 %)	Total:	3,443	2,721	227	422	648	74	79.0	6.6	12.3	18.8	2.1
	VAP:	2,724	2,269	126	271	396	59	83.3	4.6	9.9	14.5	2.2
Rest of County	Total:	35,038	32,182	278	1,779	2,048	808	91.8	0.8	5.1	5.8	2.3
	VAP:	26,168	24,387	162	1,062	1,217	564	93.2	0.6	4.1	4.7	2.2
<b>Polk (100 %)</b>												
Big Thicket Lake Estates CDP * (43 %)	Total:	319	279	1	20	21	19	87.5	0.3	6.3	6.6	6.0
	VAP:	255	224	0	13	13	18	87.8	0.0	5.1	5.1	7.1
Cedar Point CDP (100 %)	Total:	630	571	17	36	53	6	90.6	2.7	5.7	8.4	1.0
	VAP:	555	506	14	29	43	6	91.2	2.5	5.2	7.7	1.1
Corrigan (100 %)	Total:	1,595	543	687	361	1,044	8	34.0	43.1	22.6	65.5	0.5
	VAP:	1,085	418	439	223	661	6	38.5	40.5	20.6	60.9	0.6
Goodrich (100 %)	Total:	271	163	45	59	104	4	60.1	16.6	21.8	38.4	1.5
	VAP:	204	135	32	34	66	3	66.2	15.7	16.7	32.4	1.5
Indian Springs CDP (100 %)	Total:	785	709	2	37	39	37	90.3	0.3	4.7	5.0	4.7
	VAP:	616	569	1	21	22	25	92.4	0.2	3.4	3.6	4.1
Livingston (100 %)	Total:	5,335	3,200	998	1,053	2,030	105	60.0	18.7	19.7	38.1	2.0
	VAP:	3,909	2,505	674	661	1,328	76	64.1	17.2	16.9	34.0	1.9
Onalaska (100 %)	Total:	1,764	1,566	102	61	161	37	88.8	5.8	3.5	9.1	2.1
	VAP:	1,415	1,280	72	37	107	28	90.5	5.1	2.6	7.6	2.0
Pleasant Hill CDP (100 %)	Total:	522	200	28	289	317	5	38.3	5.4	55.4	60.7	1.0
	VAP:	350	148	21	178	199	3	42.3	6.0	50.9	56.9	0.9
Seven Oaks (100 %)	Total:	111	29	77	1	78	4	26.1	69.4	0.9	70.3	3.6
	VAP:	91	27	61	1	62	2	29.7	67.0	1.1	68.1	2.2
West Livingston CDP (100 %)	Total:	8,071	4,605	1,811	1,582	3,378	88	57.1	22.4	19.6	41.9	1.1
	VAP:	7,026	3,942	1,656	1,368	3,011	73	56.1	23.6	19.5	42.9	1.0
Rest of County	Total:	26,010	20,965	1,680	2,460	4,096	949	80.6	6.5	9.5	15.7	3.6
	VAP:	20,330	16,962	1,187	1,519	2,692	676	83.4	5.8	7.5	13.2	3.3
<b>Sabine (100 %)</b>												
Hemphill (100 %)	Total:	1,198	946	146	86	232	20	79.0	12.2	7.2	19.4	1.7
	VAP:	897	736	99	46	145	16	82.1	11.0	5.1	16.2	1.8
Milam CDP (100 %)	Total:	1,480	1,320	84	40	124	36	89.2	5.7	2.7	8.4	2.4
	VAP:	1,222	1,109	56	28	84	29	90.8	4.6	2.3	6.9	2.4
Pineland (100 %)	Total:	850	605	196	44	235	10	71.2	23.1	5.2	27.6	1.2
	VAP:	615	451	132	26	156	8	73.3	21.5	4.2	25.4	1.3
Rest of County	Total:	7,306	6,613	422	174	592	101	90.5	5.8	2.4	8.1	1.4
	VAP:	5,980	5,466	318	117	435	79	91.4	5.3	2.0	7.3	1.3
<b>San Augustine (100 %)</b>												
Broadus (100 %)	Total:	207	196	1	6	7	4	94.7	0.5	2.9	3.4	1.9
	VAP:	151	145	0	5	5	1	96.0	0.0	3.3	3.3	0.7
San Augustine (100 %)	Total:	2,108	767	1,101	221	1,321	20	36.4	52.2	10.5	62.7	0.9
	VAP:	1,604	678	783	130	913	13	42.3	48.8	8.1	56.9	0.8
Rest of County	Total:	6,550	5,220	959	305	1,258	72	79.7	14.6	4.7	19.2	1.1
	VAP:	5,244	4,272	741	180	917	55	81.5	14.1	3.4	17.5	1.0
<b>San Jacinto (100 %)</b>												
Cape Royale CDP (100 %)	Total:	670	611	29	30	52	7	91.2	4.3	4.5	7.8	1.0
	VAP:	584	538	20	25	40	6	92.1	3.4	4.3	6.8	1.0
Coldspring (100 %)	Total:	853	547	259	24	282	24	64.1	30.4	2.8	33.1	2.8
	VAP:	628	420	179	16	195	13	66.9	28.5	2.5	31.1	2.1
Oakhurst CDP (100 %)	Total:	233	192	31	9	39	2	82.4	13.3	3.9	16.7	0.9
	VAP:	184	156	21	6	26	2	84.8	11.4	3.3	14.1	1.1
Point Blank (100 %)	Total:	688	560	90	24	113	15	81.4	13.1	3.5	16.4	2.2
	VAP:	584	491	62	18	80	13	84.1	10.6	3.1	13.7	2.2
Shepherd (100 %)	Total:	2,319	1,644	352	263	607	68	70.9	15.2	11.3	26.2	2.9
	VAP:	1,663	1,204	266	152	412	47	72.4	16.0	9.1	24.8	2.8
Rest of County	Total:	21,621	16,650	2,132	2,530	4,584	387	77.0	9.9	11.7	21.2	1.8
	VAP:	16,415	13,121	1,569	1,476	3,005	289	79.9	9.6	9.0	18.3	1.8
<b>Shelby (100 %)</b>												
Center (100 %)	Total:	5,193	2,030	1,769	1,355	3,103	60	39.1	34.1	26.1	59.8	1.2
	VAP:	3,746	1,646	1,239	829	2,059	41	43.9	33.1	22.1	55.0	1.1

\* In this district, the city or CDP is in more than one county.

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 3 - PLANS172**

		Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>												
<b>Shelby (100 %)</b>												
Huxley (100 %)	Total:	385	344	24	17	41	0	89.4	6.2	4.4	10.6	0.0
	VAP:	322	295	17	10	27	0	91.6	5.3	3.1	8.4	0.0
Joaquin (100 %)	Total:	824	600	131	87	218	6	72.8	15.9	10.6	26.5	0.7
	VAP:	594	442	97	49	146	6	74.4	16.3	8.2	24.6	1.0
Tenaha (100 %)	Total:	1,160	424	460	278	724	12	36.6	39.7	24.0	62.4	1.0
	VAP:	779	322	290	161	448	9	41.3	37.2	20.7	57.5	1.2
Timpson (100 %)	Total:	1,155	667	386	101	480	8	57.7	33.4	8.7	41.6	0.7
	VAP:	845	502	266	73	335	8	59.4	31.5	8.6	39.6	0.9
Rest of County	Total:	16,731	12,470	1,799	2,326	4,104	157	74.5	10.8	13.9	24.5	0.9
	VAP:	12,435	9,691	1,317	1,311	2,618	126	77.9	10.6	10.5	21.1	1.0
<b>Trinity (100 %)</b>												
Groveton (100 %)	Total:	1,057	758	146	145	291	8	71.7	13.8	13.7	27.5	0.8
	VAP:	776	571	106	93	199	6	73.6	13.7	12.0	25.6	0.8
Trinity (100 %)	Total:	2,697	1,305	783	556	1,339	53	48.4	29.0	20.6	49.6	2.0
	VAP:	1,967	1,055	551	323	874	38	53.6	28.0	16.4	44.4	1.9
Westwood Shores CDP (100 %)	Total:	1,162	1,110	6	32	38	14	95.5	0.5	2.8	3.3	1.2
	VAP:	997	955	5	27	32	10	95.8	0.5	2.7	3.2	1.0
Rest of County	Total:	9,669	8,646	496	384	879	144	89.4	5.1	4.0	9.1	1.5
	VAP:	7,804	7,074	381	246	626	104	90.6	4.9	3.2	8.0	1.3
<b>Tyler (100 %)</b>												
Chester (100 %)	Total:	312	295	4	12	16	1	94.6	1.3	3.8	5.1	0.3
	VAP:	233	222	2	8	10	1	95.3	0.9	3.4	4.3	0.4
Colmesneil (100 %)	Total:	596	521	48	20	68	7	87.4	8.1	3.4	11.4	1.2
	VAP:	449	389	40	15	55	5	86.6	8.9	3.3	12.2	1.1
Ivanhoe (100 %)	Total:	887	797	44	22	62	28	89.9	5.0	2.5	7.0	3.2
	VAP:	711	657	20	13	33	21	92.4	2.8	1.8	4.6	3.0
Ivanhoe North (100 %)	Total:	538	472	15	46	61	5	87.7	2.8	8.6	11.3	0.9
	VAP:	424	376	10	34	44	4	88.7	2.4	8.0	10.4	0.9
Warren CDP (100 %)	Total:	757	725	16	6	22	10	95.8	2.1	0.8	2.9	1.3
	VAP:	558	543	6	3	9	6	97.3	1.1	0.5	1.6	1.1
Wildwood CDP * (42 %)	Total:	522	507	0	9	9	6	97.1	0.0	1.7	1.7	1.1
	VAP:	448	436	0	8	8	4	97.3	0.0	1.8	1.8	0.9
Woodville (100 %)	Total:	2,586	1,726	710	114	823	37	66.7	27.5	4.4	31.8	1.4
	VAP:	1,990	1,405	499	61	559	26	70.6	25.1	3.1	28.1	1.3
Rest of County	Total:	15,568	12,464	1,664	1,258	2,908	196	80.1	10.7	8.1	18.7	1.3
	VAP:	12,601	9,934	1,425	1,107	2,521	146	78.8	11.3	8.8	20.0	1.2

\* In this district, the city or CDP is in more than one county.



# EXHIBIT 3

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 4 - PLANS172**

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 4</b>											
Total:	815,995	512,214	118,273	157,222	272,419	31,362	62.8	14.5	19.3	33.4	3.8
VAP:	597,765	394,677	83,500	98,852	180,843	22,245	66.0	14.0	16.5	30.3	3.7
<b>Chambers (100 %)</b>											
Anahuac (100 %)	Total: 2,243	1,294	342	572	909	40	57.7	15.2	25.5	40.5	1.8
	VAP: 1,643	1,003	266	347	612	28	61.0	16.2	21.1	37.2	1.7
Baytown * (6 %)	Total: 4,116	2,860	403	750	1,146	110	69.5	9.8	18.2	27.8	2.7
	VAP: 3,053	2,245	279	461	738	70	73.5	9.1	15.1	24.2	2.3
Beach City (100 %)	Total: 2,198	1,922	48	189	236	40	87.4	2.2	8.6	10.7	1.8
	VAP: 1,652	1,474	33	121	154	24	89.2	2.0	7.3	9.3	1.5
Cove (100 %)	Total: 510	452	9	36	43	15	88.6	1.8	7.1	8.4	2.9
	VAP: 375	339	7	21	26	10	90.4	1.9	5.6	6.9	2.7
Mont Belvieu (100 %)	Total: 3,835	3,153	140	478	596	86	82.2	3.7	12.5	15.5	2.2
	VAP: 2,677	2,273	85	272	347	57	84.9	3.2	10.2	13.0	2.1
Oak Island CDP (100 %)	Total: 363	211	7	80	87	65	58.1	1.9	22.0	24.0	17.9
	VAP: 262	163	3	46	49	50	62.2	1.1	17.6	18.7	19.1
Old River-Winfree (89 %)	Total: 1,104	959	60	71	131	14	86.9	5.4	6.4	11.9	1.3
	VAP: 787	687	42	46	88	12	87.3	5.3	5.8	11.2	1.5
Seabrook (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Shoreacres (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Stowell CDP (100 %)	Total: 1,756	825	386	542	918	13	47.0	22.0	30.9	52.3	0.7
	VAP: 1,225	632	294	292	581	12	51.6	24.0	23.8	47.4	1.0
Texas City * (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Winnie CDP (100 %)	Total: 3,254	2,345	126	749	861	48	72.1	3.9	23.0	26.5	1.5
	VAP: 2,379	1,820	85	445	523	36	76.5	3.6	18.7	22.0	1.5
Rest of County	Total: 15,717	10,746	1,571	3,168	4,682	289	68.4	10.0	20.2	29.8	1.8
	VAP: 11,032	7,843	1,090	1,916	2,989	200	71.1	9.9	17.4	27.1	1.8
<b>Galveston (1 %)</b>											
Bolivar Peninsula CDP (100 %)	Total: 2,417	1,962	21	353	372	83	81.2	0.9	14.6	15.4	3.4
	VAP: 2,046	1,755	15	215	230	61	85.8	0.7	10.5	11.2	3.0
Galveston (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Texas City * (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Rest of County	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>Harris (3 %)</b>											
Atascocita CDP (37 %)	Total: 24,180	16,808	2,625	3,810	6,307	1,065	69.5	10.9	15.8	26.1	4.4
	VAP: 17,531	12,711	1,702	2,424	4,074	746	72.5	9.7	13.8	23.2	4.3
Baytown * (2 %)	Total: 1,690	556	390	704	1,068	66	32.9	23.1	41.7	63.2	3.9
	VAP: 1,080	381	253	406	648	51	35.3	23.4	37.6	60.0	4.7
Crosby CDP (100 %)	Total: 2,299	1,325	157	790	933	41	57.6	6.8	34.4	40.6	1.8
	VAP: 1,610	1,009	104	470	569	32	62.7	6.5	29.2	35.3	2.0
Houston * (3 %)	Total: 60,824	49,185	2,113	7,110	9,075	2,564	80.9	3.5	11.7	14.9	4.2
	VAP: 44,445	36,854	1,388	4,464	5,789	1,802	82.9	3.1	10.0	13.0	4.1
Humble (2 %)	Total: 323	208	60	50	110	5	64.4	18.6	15.5	34.1	1.5
	VAP: 240	165	37	33	70	5	68.8	15.4	13.8	29.2	2.1
The Woodlands CDP * (3 %)	Total: 2,362	1,534	55	567	616	212	64.9	2.3	24.0	26.1	9.0
	VAP: 1,595	1,108	34	326	356	131	69.5	2.1	20.4	22.3	8.2
Rest of County	Total: 43,925	29,438	3,638	9,901	13,395	1,092	67.0	8.3	22.5	30.5	2.5
	VAP: 31,357	22,282	2,360	5,986	8,298	777	71.1	7.5	19.1	26.5	2.5
<b>Jefferson (100 %)</b>											
Beaumont (100 %)	Total: 118,296	41,041	57,126	15,898	72,376	4,879	34.7	48.3	13.4	61.2	4.1
	VAP: 89,027	34,824	40,467	10,372	50,509	3,694	39.1	45.5	11.7	56.7	4.1
Bevil Oaks (100 %)	Total: 1,274	1,107	60	76	136	31	86.9	4.7	6.0	10.7	2.4
	VAP: 1,040	940	30	48	78	22	90.4	2.9	4.6	7.5	2.1
Central Gardens CDP (100 %)	Total: 4,347	3,772	58	388	444	131	86.8	1.3	8.9	10.2	3.0
	VAP: 3,406	3,025	40	250	289	92	88.8	1.2	7.3	8.5	2.7
China (100 %)	Total: 1,160	836	251	66	312	12	72.1	21.6	5.7	26.9	1.0
	VAP: 944	681	203	54	253	10	72.1	21.5	5.7	26.8	1.1
Fannett CDP (100 %)	Total: 2,252	1,878	96	218	311	63	83.4	4.3	9.7	13.8	2.8
	VAP: 1,676	1,434	61	134	195	47	85.6	3.6	8.0	11.6	2.8
Groves (100 %)	Total: 16,144	12,174	751	2,639	3,345	625	75.4	4.7	16.3	20.7	3.9
	VAP: 12,370	9,746	487	1,687	2,160	464	78.8	3.9	13.6	17.5	3.8
Nederland (100 %)	Total: 17,547	14,254	786	1,871	2,620	673	81.2	4.5	10.7	14.9	3.8
	VAP: 13,318	11,205	437	1,228	1,648	465	84.1	3.3	9.2	12.4	3.5
Nome (100 %)	Total: 588	392	111	83	193	3	66.7	18.9	14.1	32.8	0.5
	VAP: 441	310	80	49	128	3	70.3	18.1	11.1	29.0	0.7
Port Arthur (100 %)	Total: 53,814	12,291	22,451	15,917	37,973	3,550	22.8	41.7	29.6	70.6	6.6
	VAP: 39,300	10,766	16,226	9,912	25,951	2,583	27.4	41.3	25.2	66.0	6.6
Port Neches (100 %)	Total: 13,040	11,154	189	1,296	1,463	423	85.5	1.4	9.9	11.2	3.2

\* In this district, the city or CDP is in more than one county.

Cities and Census Designated Places (CDPs) by District

**SENATE DISTRICT 4 - PLANS172**

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 4</b>											
<b>Jefferson (100 %)</b>											
VAP:	10,016	8,798	98	833	924	294	87.8	1.0	8.3	9.2	2.9
Taylor Landing (100 %)	Total: 228	211	4	5	9	8	92.5	1.8	2.2	3.9	3.5
VAP:	191	179	4	3	7	5	93.7	2.1	1.6	3.7	2.6
Rest of County	Total: 23,583	13,393	5,492	4,442	9,837	353	56.8	23.3	18.8	41.7	1.5
VAP:	20,146	11,039	4,968	3,904	8,788	319	54.8	24.7	19.4	43.6	1.6
<b>Montgomery (86 %)</b>											
Cleveland (0 %)	Total: 9	9	0	0	0	0	100.0	0.0	0.0	0.0	0.0
VAP:	8	8	0	0	0	0	100.0	0.0	0.0	0.0	0.0
Conroe (98 %)	Total: 55,147	26,549	6,011	21,414	27,070	1,528	48.1	10.9	38.8	49.1	2.8
VAP:	40,617	21,872	4,124	13,706	17,627	1,118	53.8	10.2	33.7	43.4	2.8
Cut and Shoot (13 %)	Total: 136	96	6	21	27	13	70.6	4.4	15.4	19.9	9.6
VAP:	92	66	4	14	18	8	71.7	4.3	15.2	19.6	8.7
Houston * (0 %)	Total: 4,047	2,655	508	624	1,109	283	65.6	12.6	15.4	27.4	7.0
VAP:	3,548	2,433	402	484	871	244	68.6	11.3	13.6	24.5	6.9
Magnolia (100 %)	Total: 1,393	1,058	147	163	310	25	76.0	10.6	11.7	22.3	1.8
VAP:	1,030	802	112	95	207	21	77.9	10.9	9.2	20.1	2.0
Montgomery (0 %)	Total: 2	1	0	1	1	0	50.0	0.0	50.0	50.0	0.0
VAP:	2	1	0	1	1	0	50.0	0.0	50.0	50.0	0.0
Oak Ridge North (100 %)	Total: 3,049	2,617	50	311	357	75	85.8	1.6	10.2	11.7	2.5
VAP:	2,414	2,122	32	208	238	54	87.9	1.3	8.6	9.9	2.2
Panorama Village (100 %)	Total: 2,170	1,993	30	122	146	31	91.8	1.4	5.6	6.7	1.4
VAP:	1,848	1,723	15	85	98	27	93.2	0.8	4.6	5.3	1.5
Patton Village (100 %)	Total: 1,557	1,171	22	323	340	46	75.2	1.4	20.7	21.8	3.0
VAP:	1,068	846	12	176	187	35	79.2	1.1	16.5	17.5	3.3
Pinehurst CDP (100 %)	Total: 4,624	3,106	89	1,380	1,457	61	67.2	1.9	29.8	31.5	1.3
VAP:	3,348	2,451	56	800	851	46	73.2	1.7	23.9	25.4	1.4
Porter Heights CDP (100 %)	Total: 1,653	1,216	18	385	403	34	73.6	1.1	23.3	24.4	2.1
VAP:	1,207	942	8	233	241	24	78.0	0.7	19.3	20.0	2.0
Roman Forest (100 %)	Total: 1,538	1,314	25	158	182	42	85.4	1.6	10.3	11.8	2.7
VAP:	1,179	1,039	21	92	112	28	88.1	1.8	7.8	9.5	2.4
Shenandoah (100 %)	Total: 2,134	1,760	85	204	282	92	82.5	4.0	9.6	13.2	4.3
VAP:	1,779	1,497	59	156	211	71	84.1	3.3	8.8	11.9	4.0
Splendora (100 %)	Total: 1,615	1,408	23	158	180	27	87.2	1.4	9.8	11.1	1.7
VAP:	1,118	994	11	92	103	21	88.9	1.0	8.2	9.2	1.9
Stagecoach (100 %)	Total: 538	456	8	60	68	14	84.8	1.5	11.2	12.6	2.6
VAP:	406	352	4	36	40	14	86.7	1.0	8.9	9.9	3.4
The Woodlands CDP * (97 %)	Total: 91,485	72,146	2,599	10,930	13,406	5,933	78.9	2.8	11.9	14.7	6.5
VAP:	65,378	53,029	1,672	6,878	8,485	3,864	81.1	2.6	10.5	13.0	5.9
Tomball (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
VAP:	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Willis (0 %)	Total: 4	4	0	0	0	0	100.0	0.0	0.0	0.0	0.0
VAP:	4	4	0	0	0	0	100.0	0.0	0.0	0.0	0.0
Woodbranch (100 %)	Total: 1,282	1,121	27	103	121	40	87.4	2.1	8.0	9.4	3.1
VAP:	1,005	895	19	66	79	31	89.1	1.9	6.6	7.9	3.1
Woodloch (100 %)	Total: 207	181	7	18	25	1	87.4	3.4	8.7	12.1	0.5
VAP:	157	138	5	13	18	1	87.9	3.2	8.3	11.5	0.6
Rest of County	Total: 218,016	155,067	9,092	48,028	56,431	6,518	71.1	4.2	22.0	25.9	3.0
VAP:	154,693	115,772	5,766	28,952	34,385	4,536	74.8	3.7	18.7	22.2	2.9

\* In this district, the city or CDP is in more than one county.

# EXHIBIT 4

Cities and Census Designated Places (CDPs) by District

**HOUSE DISTRICT 16 - PLANH309**

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 16</b>											
Total:	166,647	111,475	10,118	42,040	51,568	3,604	66.9	6.1	25.2	30.9	2.2
VAP:	122,271	87,499	6,677	25,804	32,162	2,610	71.6	5.5	21.1	26.3	2.1
<b>Montgomery (37 %)</b>											
Cleveland (0 %)	Total: 9	9	0	0	0	0	100.0	0.0	0.0	0.0	0.0
	VAP: 8	8	0	0	0	0	100.0	0.0	0.0	0.0	0.0
Conroe (94 %)	Total: 52,859	24,538	5,950	21,298	26,897	1,424	46.4	11.3	40.3	50.9	2.7
	VAP: 38,367	19,924	4,029	13,596	17,424	1,019	51.9	10.5	35.4	45.4	2.7
Cut and Shoot (100 %)	Total: 1,070	873	13	161	174	23	81.6	1.2	15.0	16.3	2.1
	VAP: 771	646	11	97	108	17	83.8	1.4	12.6	14.0	2.2
<b>Montgomery (100 %)</b>	Total: 619	359	164	89	252	8	58.0	26.5	14.4	40.7	1.3
	VAP: 452	267	130	49	179	6	59.1	28.8	10.8	39.6	1.3
Panorama Village (100 %)	Total: 2,170	1,993	30	122	146	31	91.8	1.4	5.6	6.7	1.4
	VAP: 1,848	1,723	15	85	98	27	93.2	0.8	4.6	5.3	1.5
Patton Village (100 %)	Total: 1,557	1,171	22	323	340	46	75.2	1.4	20.7	21.8	3.0
	VAP: 1,068	846	12	176	187	35	79.2	1.1	16.5	17.5	3.3
Roman Forest (100 %)	Total: 1,538	1,314	25	158	182	42	85.4	1.6	10.3	11.8	2.7
	VAP: 1,179	1,039	21	92	112	28	88.1	1.8	7.8	9.5	2.4
Splendora (100 %)	Total: 1,615	1,408	23	158	180	27	87.2	1.4	9.8	11.1	1.7
	VAP: 1,118	994	11	92	103	21	88.9	1.0	8.2	9.2	1.9
Willis (100 %)	Total: 5,662	2,381	1,095	2,152	3,206	75	42.1	19.3	38.0	56.6	1.3
	VAP: 3,775	1,784	718	1,244	1,941	50	47.3	19.0	33.0	51.4	1.3
Woodbranch (100 %)	Total: 1,282	1,121	27	103	121	40	87.4	2.1	8.0	9.4	3.1
	VAP: 1,005	895	19	66	79	31	89.1	1.9	6.6	7.9	3.1
Rest of County	Total: 98,266	76,308	2,769	17,476	20,070	1,888	77.7	2.8	17.8	20.4	1.9
	VAP: 72,680	59,373	1,711	10,307	11,931	1,376	81.7	2.4	14.2	16.4	1.9

\* In this district, the city or CDP is in more than one county.

# EXHIBIT 5

Cities and Census Designated Places (CDPs) by District

**HOUSE DISTRICT 3 - PLANH309**

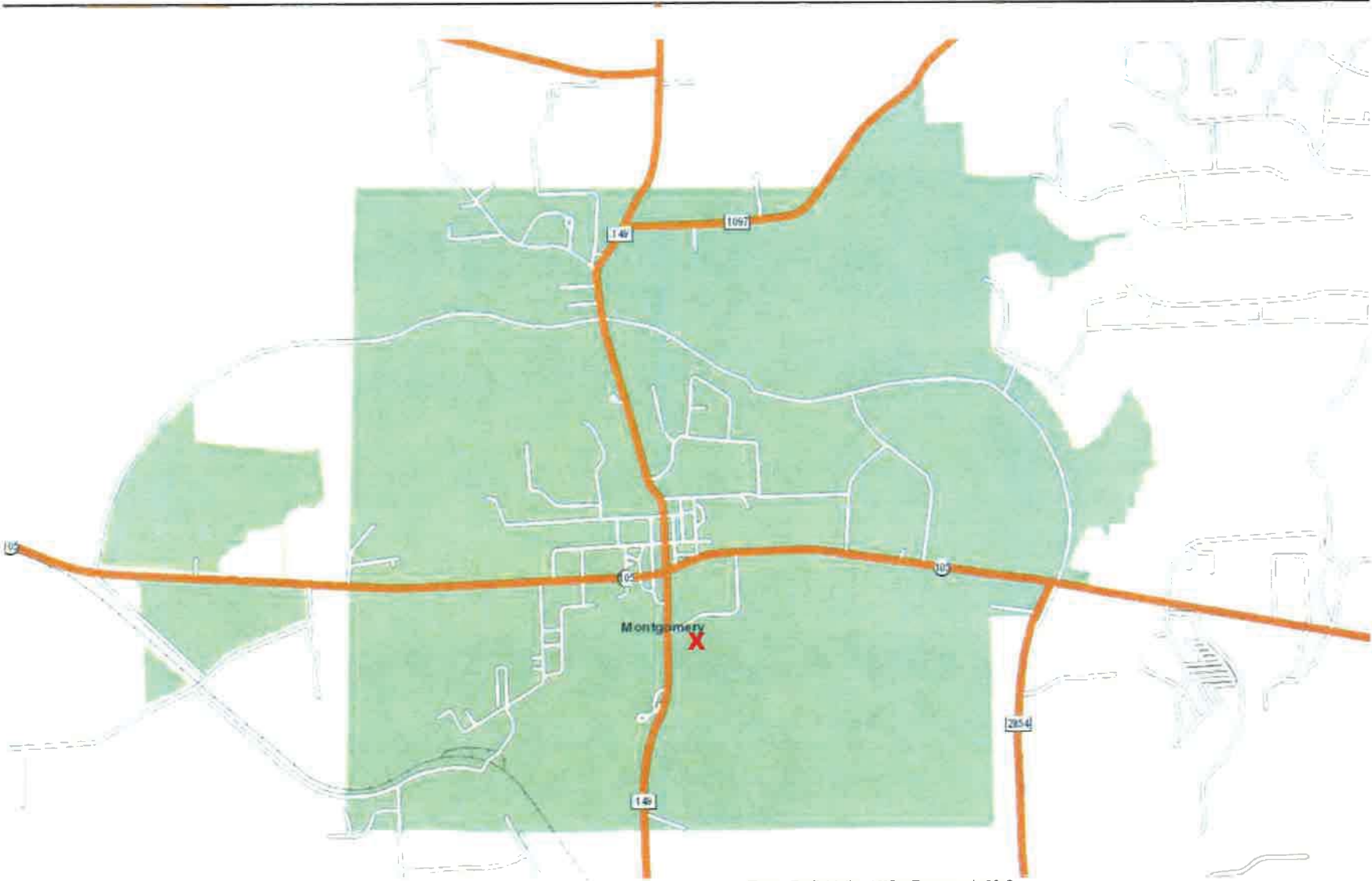
	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>											
Total:	164,955	107,092	14,867	39,782	54,068	3,795	64.9	9.0	24.1	32.8	2.3
VAP:	119,595	81,673	11,557	23,942	35,195	2,727	68.3	9.7	20.0	29.4	2.3
<b>Montgomery (27 %)</b>											
Conroe (0 %)	Total: 87	36	11	29	40	11	41.4	12.6	33.3	46.0	12.6
	VAP: 58	30	8	11	19	9	51.7	13.8	19.0	32.8	15.5
Houston (0 %)	Total: 4,047	2,655	508	624	1,109	283	65.6	12.6	15.4	27.4	7.0
	VAP: 3,548	2,433	402	484	871	244	68.6	11.3	13.6	24.5	6.9
Magnolia (100 %)	Total: 1,393	1,058	147	163	310	25	76.0	10.6	11.7	22.3	1.8
	VAP: 1,030	802	112	95	207	21	77.9	10.9	9.2	20.1	2.0
<b>Montgomery (0 %)</b>	Total: 2	1	0	1	1	0	50.0	0.0	50.0	50.0	0.0
	VAP: 2	1	0	1	1	0	50.0	0.0	50.0	50.0	0.0
Pinehurst CDP (100 %)	Total: 4,624	3,106	89	1,380	1,457	61	67.2	1.9	29.8	31.5	1.3
	VAP: 3,348	2,451	56	800	851	46	73.2	1.7	23.9	25.4	1.4
Porter Heights CDP (100 %)	Total: 1,653	1,216	18	385	403	34	73.6	1.1	23.3	24.4	2.1
	VAP: 1,207	942	8	233	241	24	78.0	0.7	19.3	20.0	2.0
Stagecoach (100 %)	Total: 538	456	8	60	68	14	84.8	1.5	11.2	12.6	2.6
	VAP: 406	352	4	36	40	14	86.7	1.0	8.9	9.9	3.4
The Woodlands CDP (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Tomball (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Woodloch (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Rest of County	Total: 109,406	79,304	2,983	24,604	27,326	2,776	72.5	2.7	22.5	25.0	2.5
	VAP: 77,447	59,207	1,929	14,527	16,326	1,914	76.4	2.5	18.8	21.1	2.5
<b>Waller (100 %)</b>											
Brookshire (100 %)	Total: 4,702	774	1,723	2,223	3,874	54	16.5	36.6	47.3	82.4	1.1
	VAP: 3,123	639	1,139	1,337	2,444	40	20.5	36.5	42.8	78.3	1.3
Hempstead (100 %)	Total: 5,770	1,299	2,297	2,158	4,381	90	22.5	39.8	37.4	75.9	1.6
	VAP: 4,002	1,054	1,615	1,296	2,878	70	26.3	40.4	32.4	71.9	1.7
Katy (8 %)	Total: 1,156	917	15	202	216	23	79.3	1.3	17.5	18.7	2.0
	VAP: 870	707	8	138	145	18	81.3	0.9	15.9	16.7	2.1
Pattison (100 %)	Total: 472	298	29	137	166	8	63.1	6.1	29.0	35.2	1.7
	VAP: 381	263	24	86	110	8	69.0	6.3	22.6	28.9	2.1
Pine Island (100 %)	Total: 988	490	120	363	483	15	49.6	12.1	36.7	48.9	1.5
	VAP: 746	417	92	228	320	9	55.9	12.3	30.6	42.9	1.2
Prairie View (100 %)	Total: 5,576	147	5,030	427	5,393	36	2.6	90.2	7.7	96.7	0.6
	VAP: 5,168	132	4,754	308	5,006	30	2.6	92.0	6.0	96.9	0.6
Waller (81 %)	Total: 1,880	904	463	501	945	31	48.1	24.6	26.6	50.3	1.6
	VAP: 1,332	696	319	304	612	24	52.3	23.9	22.8	45.9	1.8
Rest of County	Total: 22,661	14,431	1,426	6,525	7,896	334	63.7	6.3	28.8	34.8	1.5
	VAP: 16,927	11,547	1,087	4,058	5,124	256	68.2	6.4	24.0	30.3	1.5

\* In this district, the city or CDP is in more than one county.

# EXHIBIT 6



**"X" - Heritage Plaza site location**



# EXHIBIT 7

Artisan American Corp.  
5325 Katy Freeway  
Houston, Texas 77007

We are Artisan American Corp. and are one of the applicants for TDHCA tax credits to help pay the cost to construct affordable housing within the City of Montgomery. Our project is the only senior's community. It is our understanding that City Council has expressed a preference for a TDHCA tax credit family project to be located behind Brookshire Brothers in the center of the town. Here are the advantages we feel our 80 unit low density one story townhouse TDHCA senior's project on 12 acres named Buffalo Manor on Buffalo Springs Drive would bring to the City:

- \* We will provide housing and services that are not currently being addressed within the community; there are several existing multi-family conventional family options (Cheatham project, Montgomery Trace, Snug Harbor, etc...)
- \* We will enable Montgomery residents to stay within their existing community or move older family members nearby.
- \* Community involvement – mostly retired seniors are interested in volunteering and are active within the community.
- \* Positive impact on existing local businesses, i.e., medical, pharmacy, restaurants, shops and the new Live Oak facility.
- \* Senior housing attracts stable, responsible residents. Our applicants must have a 625 or better credit score and pass a background and felony check.
- \* Senior Projects generally are viewed as an asset that attracts people to communities whereas family apartments can negatively impact area home values.
- \* Seniors communities have less impact or burden on city services. Buffalo Manor will pay school taxes but will not increase the demand on the school system.
- \* The demographics of senior housing communities reduces the crime rate per capita.
- \* Our marketing for residents is done via local churches and community groups as soon as construction begins, as seniors are able to wait and commit for their new residence in advance.

We believe our senior's project has a good chance of winning the award if we can show strong community support within the next few days. Would you be kind enough to return the enclosed form indicating your preference for our senior's project instead of the City Council sponsored family project. We believe our proposed senior community has wide support from the residents of the Montgomery area. Your input matters!

Yours truly,



H. Elizabeth Young

Re: Proposed 80 units Buffalo Manor, Ltd.

H. Elizabeth Young, President  
Artisan American Corp.  
5325 Katy Freeway, Suite One  
Houston, Texas 77007

Dear Sirs,

Please be advised we support the proposed Buffalo Manor Seniors tax credit apartments to be located on Buffalo Springs Drive. We do not support a family tax credit project to be built in Montgomery, Texas.

---

Name

---

Address

---

**From:** "Kotlan, William" <[wkotlan@ci.montgomery.tx.us](mailto:wkotlan@ci.montgomery.tx.us)>  
**Date:** June 18, 2013, 1:27:12 PM CDT  
**To:** Matt Fuqua <[mfuqua@blazerbuilding.com](mailto:mfuqua@blazerbuilding.com)>  
**Subject:** Fwd: Proposed Unofficial Town Hall Meeting

Matt,

Below is the email regarding the unofficial town hall meeting at Ransom's steakhouse. The meeting was set up by the land seller for the prospective TDHCA project proposed by Vernon and Elizabeth Young. The purpose of the meeting was to inflame public opinion against affordable housing projects like yours that were not restricted for seniors. I attended the meeting to dispel rumors regarding the process that the City went through in deciding to support the Heritage Plaza project.

Bill Kotlan  
City Administrator

----- Forwarded message -----

From: <[plefevre@lefco-inc.com](mailto:plefevre@lefco-inc.com)>  
Date: Tue, Feb 5, 2013 at 4:31 PM  
Subject: Proposed Unofficial Town Hall Meeting  
To: bill kotlan <[wkotlan@ci.montgomery.tx.us](mailto:wkotlan@ci.montgomery.tx.us)>, John Fox <[montgomeryfoxes@msn.com](mailto:montgomeryfoxes@msn.com)>, Joe Shockley <[joe\\_histmontgsq@yahoo.com](mailto:joe_histmontgsq@yahoo.com)>, John Champagne <[champfly@consolidated.net](mailto:champfly@consolidated.net)>, Jon Bickford <[jonthebickford@gmail.com](mailto:jonthebickford@gmail.com)>, Kirk Jones <[kirk@texasstarretreat.com](mailto:kirk@texasstarretreat.com)>, Thomas Knight <[sknight16k@aim.com](mailto:sknight16k@aim.com)>, Tony Westlake <[twestlake@pobox.com](mailto:twestlake@pobox.com)>, Gareth Westlake <[gareth@fieldfish.com](mailto:gareth@fieldfish.com)>, Patti Stafford <[patti.stafford@amegybank.com](mailto:patti.stafford@amegybank.com)>, Billy Ray Duncan <[brd221@consolidated.net](mailto:brd221@consolidated.net)>, Jack Shepherd <[jack7201@mscc.net](mailto:jack7201@mscc.net)>, Mike Newman <[hwn@att.net](mailto:hwn@att.net)>, Duane Barrett <[DBarrett@rgmiller.com](mailto:DBarrett@rgmiller.com)>, Randy Burleigh <[rlburle@consolidated.net](mailto:rlburle@consolidated.net)>, don carter <[donhcarter@gmail.com](mailto:donhcarter@gmail.com)>, brenda beaven <[brenda.n.beaven@gmail.com](mailto:brenda.n.beaven@gmail.com)>, Ronnie Christian <[rchristian@ci.montgomery.tx.us](mailto:rchristian@ci.montgomery.tx.us)>, Bill Parker <[billparker1@consolidated.net](mailto:billparker1@consolidated.net)>, Pat Easley <[peasley2002@yahoo.com](mailto:peasley2002@yahoo.com)>

This is an invitation to any property owner or resident of the City of Montgomery to attend an INFORMAL TOWN HALL MEETING TO BE HELD AT RANSOMS STEAKHOUSE THIS COMING SATURDAY, FEBRUARY 9 - at 9am. The meeting has to conclude by 10:30 to allow for the normal operations of the restaurant. The purpose of the meeting is to allow attendees the opportunity to learn about the proposed low income housing developments within the city.

Bill Kotlan as the City Administrator has been invited in an informal capacity so that he can dispassionately lay out things from the City Administration perspective. It is my understanding that not more than two City Councillors can be present at any one time. No members of the press and none of the low income housing developers are invited as we consider this to be an internal discussion.

THIS IS AN IMPORTANT ISSUE THAT WILL HAVE LONG TERM RAMIFICATIONS FOR THE CITY. YOU ARE ENCOURAGED TO PASS THIS ON TO OTHER RESIDENTS OR PROPERTY OWNERS OF THE CITY

PLEASE DO **NOT** PASS THIS ON TO ANYONE WHO IS NOT A RESIDENT OR PROPERTY OWNER. This meeting is designed to be informal, educational and informational regarding development that may impact the city in the years to come. This is NOT a debate but rather a forum to discuss and learn. At the conclusion, attendees will have an opportunity to voice their support For or Against Low income Family Housing or For or Against Low Income Senior Housing (or neither). These votes will then be made available to City Council, TDHCA and the State Representatives as much of the grant process is dependent on the support (or not) of the community.

BACKGROUND:

Only ONE candidate will receive a grant from The Texas Department of Housing and Community Affairs (TDHCA) for a low income housing project within the City of Montgomery. This candidate will be one of three applicants for "Family" housing or the only applicant for "Senior" housing.

Three candidates would like to build a "Family" projects. One on the property behind Brookshire Brothers and the other two candidates would like to build on the Loop - one near Mia Lago and the other near to the Community Center. The candidate who would like to build a "Seniors" project proposes to build it on property WE OWN on the West side of Buffalo Springs Drive immediately across from Buffalo Crossing - South of the bridge but close to Waterstone. At the moment the candidate who wants to build a family housing project behind Brookshire enjoys the support of the City Administration and is a clear favorite to get the award.

The awarding of the project could be based, in part, on points and is at the sole discretion of the TDHCA. Points are awarded for various factors- vicinity to retail, banks, medical etc. Because the City is so small all candidates will tend to score the same points. The large and what is likely considered to be the most influential points come from:

- 1) Support by the City in the form of a contribution in excess of \$ 7,500 gets 13 Points.
- 2) Support from an elected representative gets 12 Points and last but not least:
- 3) Quantifiable Community Participation (QCP) gets 16 Points.

The City of Montgomery Administration has already awarded a \$ 10,000 MIDC grant to the Family project to be located behind Brookshire Brothers. At this time they say they DO NOT intend to award a similar grant to the other contenders, including the Seniors project. The 13 points associated with this are fairly pivotal and it is possible that Council would revisit this decision on Tuesday February 12 if there were enough support for an alternative.

The purpose of this email and the proposed **unofficial** TOWN HALL meeting is to allow residents of the City of Montgomery to bring their views to bear in the awarding of the other 12 & 16 Points as well as revisiting of the potential 13 points favored by the City on behalf of one "Family" project.

THERE IS A CLEAR CHOICE BETWEEN A LOW INCOME FAMILY PROJECT OR A LOW INCOME SENIORS PROJECT. IT IS POSSIBLE THAT AN OVERWHELMING NONE OF THE ABOVE MIGHT PREVENT ANY PROJECT BUT THIS IS UNLIKELY.

Sincerely,

Philip LeFevre  
Buffalo Springs Development

--

**Bill Kotlan**

City Administrator  
City of Montgomery  
P.O. Box 708  
Montgomery, Texas 77356

(936) 597-3962 direct line  
wkotlan@ci.montgomery.tx.us  
<http://www.historicmontgomerytexas.com/>

# EXHIBIT 8





# TEXAS HOUSE *of* REPRESENTATIVES

## Representative Cecil Bell, Jr.

*District 3*

June 19, 2013

Tim Irvine, Executive Director  
TDHCA  
221 E. 11th St.  
Austin, TX 78701-2410

RE: TDHCA #13053 – Heritage Plaza Apartments

Dear Mr. Irvine:

I was informed that Texas Department of Housing and Community Affairs (TDHCA) has terminated the application for housing tax credits filed by Montgomery Heritage Plaza, LP (the "Applicant") for Heritage Plaza Apartments, a proposed 80-unit development to be located on Flagship Boulevard and Liberty Street in the City of Montgomery, Montgomery County, Texas. As you may know, I provided a letter of support for Heritage Plaza on March 27, in connection with its application. I respectfully request that you grant the appeal of termination filed by the Applicant so that this much-needed project, which had the highest scoring application in Region 6/Rural, can obtain a tax credit allocation.

It is my understanding that the reason for the termination related to providing notification to the state senator and state representative representing the project on the date the full application was filed with TDHCA. It appears that the redistricting measures implemented by the federal courts have caused some confusion. As a result of redistricting, the district in which the development is proposed changed from District 16 to District 3 on January 8. The Applicant, doing its due diligence, reviewed a report on Cities and Census Designated Places provided by the Texas Legislative Council (TLC) which indicates that 0 percent of the City of Montgomery is located within my district. A copy of this report is included with this letter. Thus, the Applicant mistakenly interpreted the report to mean the project was still within District 16. In actuality and unbeknownst to the Applicant, TLC bases these reports on voting age population, not land represented. This crucial information is not referenced on these types of reports.

Subsequent to my taking office, I received a notification concerning the proposed project from TDHCA. Shortly thereafter, my office began communicating with the Applicant. Unfortunately, it was not until after March 1 that we realized the Applicant was not aware of the change in districts that redistricting produced. However, immediately upon realizing its mistake, the

June 19, 2013

Page 2

Applicant submitted to me a notification letter dated March 14. Having had several previous conversations with the Applicant and full knowledge of the project, I did not hesitate to produce a letter of support for this project. That letter was provided March 27, before the April 1 deadline.

While I would generally agree that notifications after an application submission could have a material impact on an elected official's ability to comment, in this case, because my office and I communicated with the Applicant on several occasions, failure to receive timely written notification from the Applicant was not material to my ability to demonstrate support for the project. I respectfully request that you apply a reasonableness standard to these circumstances, as allowed in § 10.2 of the Uniform Multifamily Rules.

Thank you for your consideration. Please do not hesitate to contact me at (512) 463-0650 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cecil Bell, Jr.', written over a horizontal line.

Cecil Bell, Jr.

Inclusion

Cities and Census Designated Places (CDPs) by District  
 HOUSE DISTRICT 3 - PLANH309

	Total	Anglo	Black	Hisp	B+H	Other	%A	%B	%H	%BH	%O
<b>DISTRICT 3</b>											
Total:	164,955	107,092	14,867	39,782	54,068	3,795	64.9	9.0	24.1	32.8	2.3
VAP:	119,595	81,673	11,557	23,942	35,195	2,727	68.3	9.7	20.0	29.4	2.3
<b>Montgomery (27 %)</b>											
Conroe (0 %)	Total: 87	36	11	29	40	11	41.4	12.6	33.3	46.0	12.6
	VAP: 58	30	8	11	19	9	51.7	13.8	19.0	32.8	15.5
Houston (0 %)	Total: 4,047	2,655	508	624	1,109	283	65.6	12.6	15.4	27.4	7.0
	VAP: 3,548	2,433	402	484	871	244	68.6	11.3	13.6	24.5	6.9
Magnolia (100 %)	Total: 1,393	1,058	147	163	310	25	76.0	10.6	11.7	22.3	1.8
	VAP: 1,030	802	112	95	207	21	77.9	10.9	9.2	20.1	2.0
Montgomery (0 %)	Total: 2	1	0	1	1	0	50.0	0.0	50.0	50.0	0.0
	VAP: 2	1	0	1	1	0	50.0	0.0	50.0	50.0	0.0
Pinehurst CDP (100 %)	Total: 4,624	3,106	89	1,380	1,457	61	67.2	1.9	29.8	31.5	1.3
	VAP: 3,348	2,451	56	800	851	46	73.2	1.7	23.9	25.4	1.4
Porter Heights CDP (100 %)	Total: 1,653	1,216	18	385	403	34	73.6	1.1	23.3	24.4	2.1
	VAP: 1,207	942	8	233	241	24	78.0	0.7	19.3	20.0	2.0
Stagecoach (100 %)	Total: 538	456	8	60	68	14	84.8	1.5	11.2	12.6	2.6
	VAP: 406	352	4	36	40	14	86.7	1.0	8.9	9.9	3.4
The Woodlands CDP (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Tomball (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Woodloch (0 %)	Total: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	VAP: 0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Rest of County	Total: 109,406	79,304	2,983	24,604	27,326	2,776	72.5	2.7	22.5	25.0	2.5
	VAP: 77,447	59,207	1,929	14,527	16,326	1,914	76.4	2.5	18.8	21.1	2.5
<b>Waller (100 %)</b>											
Brookshire (100 %)	Total: 4,702	774	1,723	2,223	3,874	54	16.5	36.6	47.3	82.4	1.1
	VAP: 3,123	639	1,139	1,337	2,444	40	20.5	36.5	42.8	78.3	1.3
Hempstead (100 %)	Total: 5,770	1,299	2,297	2,158	4,381	90	22.5	39.8	37.4	75.9	1.6
	VAP: 4,002	1,054	1,615	1,296	2,878	70	26.3	40.4	32.4	71.9	1.7
Katy (8 %)	Total: 1,156	917	15	202	216	23	79.3	1.3	17.5	18.7	2.0
	VAP: 870	707	8	138	145	18	81.3	0.9	15.9	16.7	2.1
Pattison (100 %)	Total: 472	298	29	137	166	8	63.1	6.1	29.0	35.2	1.7
	VAP: 381	263	24	86	110	8	69.0	6.3	22.6	28.9	2.1
Pine Island (100 %)	Total: 988	490	120	363	483	15	49.6	12.1	36.7	48.9	1.5
	VAP: 746	417	92	228	320	9	55.9	12.3	30.6	42.9	1.2
Prairie View (100 %)	Total: 5,576	147	5,030	427	5,393	36	2.6	90.2	7.7	96.7	0.6
	VAP: 5,168	132	4,754	308	5,006	30	2.6	92.0	6.0	96.9	0.6
Waller (81 %)	Total: 1,880	904	463	501	945	31	48.1	24.6	26.6	50.3	1.6
	VAP: 1,332	696	319	304	612	24	52.3	23.9	22.8	45.9	1.8
Rest of County	Total: 22,661	14,431	1,426	6,525	7,896	334	63.7	6.3	28.8	34.8	1.5
	VAP: 16,927	11,547	1,087	4,058	5,124	256	68.2	6.4	24.0	30.3	1.5

\* In this district, the city or CDP is in more than one county.



## TOMMY WILLIAMS

Texas State Senator  
District 4

Committees:  
Finance, Chair  
Administration  
Open Government  
State Affairs

June 20, 2013

Mr. Tim Irvine,  
Executive Director  
TDHCA  
221 E. 11th Street  
Austin, TX

Via: e-mail: [tim.irvine@mail.tdhca.state.tx.us](mailto:tim.irvine@mail.tdhca.state.tx.us)

Re: Heritage Plaza, Montgomery, Texas,  
TDHCA Project #13053

Dear Mr. Irvine,

I am writing in support of the appeal of termination filed by Montgomery Heritage Plaza LP for the development of Heritage Plaza Apartments, planned to be located in the City of Montgomery, Texas.

On March 28, 2013 my office submitted a letter of support for this project. I was recently informed the above-referenced application may be terminated due to incorrect notice and other requirements. From my investigation it appears redistricting issues and document representation have impacted the applicant's potential selection. I do not believe there was wrongful intent of filing or notice on the part of the applicant.

The City of Montgomery, Texas is a growing community and has need and support for this project. I remain in support of my original letter of March 28, and respectfully support the applications appeal of termination.

Sincerely,

A handwritten signature in black ink that reads "Tommy Williams".

Tommy Williams



## TOMMY WILLIAMS

Texas State Senator  
District 4

Committees:  
Finance, Chair  
Administration  
Open Government  
State Affairs

June 20, 2013

Mr. Tim Irvine,  
Executive Director  
TDHCA  
221 E. 11th Street  
Austin, TX

Via: e-mail: [tim.irvine@mail.tdhca.state.tx.us](mailto:tim.irvine@mail.tdhca.state.tx.us)

Re: Heritage Plaza, Montgomery, Texas,  
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I am writing in support of the appeal of termination filed by Montgomery Heritage Plaza LP for the development of Heritage Plaza Apartments, planned to be located in the City of Montgomery, Texas.

On March 28, 2013 my office submitted a letter of support for this project. I was recently informed the above-referenced application may be terminated due to incorrect notice and other requirements. From my investigation it appears redistricting issues and document representation have impacted the applicant's potential selection. I do not believe there was wrongful intent of filing or notice on the part of the applicant.

The City of Montgomery, Texas is a growing community and has need and support for this project. I remain in support of my original letter of March 28, and respectfully support the applications appeal of termination.

Sincerely,

A handwritten signature in black ink that reads "Tommy Williams".

Tommy Williams

Mayorca Villas (#13068)

Brownsville

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for Mayorca Villas (#13068);

**WHEREAS**, staff identified two (2) points that the Applicant elected but that the Application did not qualify to receive under §11.9(c)(6) of the 2013 Qualified Allocation Plan related to locating in an Underserved Area (10 TAC §11.9(c)(6));

**WHEREAS**, staff also deducted one (1) point under §11.9(f)(1) for failing to document eligibility for the points elected in the Application self score form for locating the Development in an Underserved Area; and

**WHEREAS**, the Applicant appealed the scoring notice and requests that the Board award two (2) points under §11.9(c)(6) and not deduct the one (1) point under §11.9(f)(1);

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the scoring notice for Mayorca Villas (#13068) for awarding of the two (2) points under 10 TAC §11.9(c)(6), Underserved Area points, is hereby denied; and

**FURTHER RESOLVED**, the Applicant's appeal of the scoring notice for Mayorca Villas (#13068) for assessing a one (1) point deduction under 10 TAC §11.9(f)(1), is hereby granted.

**BACKGROUND**

At the May 9, 2013 Board meeting, the Board considered action on an agenda item relating to the awarding of points for location in an Economically Distressed Area (EDA). An EDA qualifies as an Underserved Area for purposes of the awarding of points under 10 TAC §11.9(c)(6)(B). The issues revolve around how an Applicant that elected points can sufficiently document eligibility for the scoring item and whether a point deduction should be applied in instances where the Applicant is not found to be eligible for the elected points. The Board ultimately directed staff to allow each of applications that elected these points come before the Board through the appeal process such that the Board could handle them on a case by case basis.

At the June 13, 2013 Board meeting, the Board heard appeals for two other applications in very similar circumstances. In each of those instances, the Board denied the appeals for the EDA points but granted the appeals of the one (1) point deduction.

Following is a more robust description of the issues surrounding this scoring item followed by a description of the documentation provided by the Applicant for Mayorca Villas to evidence eligibility. The Applicant's full appeal is attached to this Board Action Request.

#### Summary of Issues

The multifamily rules define an EDA as, "An area that has been identified by the Water Development Board as meeting the criteria for an economically distressed area under Texas Water Code, §17.921." (10 TAC §10.3(a)(40)) This section of the Texas Water Code is referenced several times in Chapter 2306 of the Texas Government Code when citing economically distressed areas and is defined in the Texas Water Code for the purpose of administering water infrastructure funding by the TWDB. Moreover, the definition in the Water Code reserves the designation of EDA for the TWDB. The EDA definition in the Texas Water Code is as follows:

"Economically distressed area" means an area in which:

- (A) water supply or sewer services are inadequate to meet minimal needs of residential users as defined by board rules;
- (B) financial resources are inadequate to provide water supply or sewer services that will satisfy those needs; and
- (C) an established residential subdivision was located on June 1, 2005, as determined by the board.

Texas Water Code §17.921(1)

\*The "board" is defined in §17.001(1) of the Texas Water Code as the "Texas Water Development Board."

Staff initially provided applicants guidance that one clear way to support an election of points under the QAP for being located within an EDA was to provide a letter from the TWDB reflecting that the site is located within an EDA as defined by §17.921 of the Texas Water Code. However, the TWDB does not have an established process for designating EDAs in any instance other than for the explicit purpose of evaluating an application for TWDB funding. Many applicants contacted the TWDB and were unable to obtain such a letter. As the March 1, 2013 application deadline approached, staff received several calls from the TWDB and met with the staff of the TWDB on multiple occasions in an effort to identify a process by which an applicant could establish whether or not their development site was located within an EDA. However, no workable solution was identified. Staff provided guidance that applicants should exercise caution in electing points under this selection criterion due to the absence of another known and clear method of establishing that a site is within an EDA.

Generally, an Applicant that claims points for a particular selection criterion but is unable to provide sufficient supporting documentation would be subject to a one (1) point deduction under §11.9(f)(1) of the QAP. This deduction was established for the purpose of discouraging applicants from electing points for items in which an applicant had no solid basis for claiming the points. In the preamble to the rules



presented to the Board in November 2012, staff provided the following reasoned response relating to the penalty deduction:

Staff recommends keeping the point deductions in place for the 2013 program year for those items that the developer applicant should clearly know are not properly supported, despite the changes to the QAP. Because staff performs full reviews on applications that appear to be competitive, it is imperative that applicants accurately self-score their applications. If applicants elect points in good faith and those points are ultimately not awarded, staff will not deduct additional points. However, staff wants to discourage applicants from requesting points for which they have no reasonable assumption of qualifying.

In response to commenter (58) regarding the points associated with underserved areas, particularly the economically distressed areas, staff will make it clear in the multifamily programs procedures manual what evidence will be acceptable in order to qualify for points. In that specific case, staff will require a letter from the Texas Water Development Board. If the applicant requests these points and is not able to produce such a letter, then staff would deduct points. In addition, should the original calculation for leveraging points be inconsistent with the requested points, staff would not deduct points, even if after underwriting that score may change. Staff appreciates the support of commenter (46).

While applicants were clearly on notice that a point deduction might be assessed in instances in which a TWDB letter was not submitted to support an election for location in an EDA, staff is posing, on a case by case basis, whether the Board believes, in light of the way applicants seeking to claim this scoring item encountered unanticipated obstacles, a one (1) point deduction is warranted. At the time the preamble was written, staff believed that a letter from the TWDB was a reasonable method to support an election for location in an EDA. However, a clear process for obtaining that letter was not available prior to the application deadline, and some applicants attempted to find alternative supporting documentation despite no change in guidance from staff regarding such alternative evidence. Staff appreciates that some applicants may have chosen not to elect these points even though they may have also obtained alternative supporting documentation; these applicants chose not to risk any assessment of a point deduction by deviating from staff's guidance by claiming the EDA point with some alternative supporting documentation not consistent with staff guidance. Their decision not to elect points may have been different if no risk of a point deduction had existed. However, staff also believes that the Board has sufficient discretion, given the preamble language that good faith point elections would not result in a point deduction, to direct staff not to apply the point deduction to applications electing the EDA points in cases in which some supporting documentation was provided, even if such documentation is insufficient for the points to be awarded.

#### Documentation provided by Applicant

In this instance, the Applicant for Mayorca Villas provided two pieces of documentation to evidence eligibility for the two (2) Underserved Area points elected in the Application but was unable to provide a letter from the TWDB.

The Applicant provided a copy of the publicly available report from TWDB called “Economically Distressed Areas Program (“EDAP”) Status Report (“Status Report”). This report includes a map of counties that have adopted the Model Subdivision Rule, but this is just one component in determining whether an area is economically distressed. The counties identified as meeting this particular requirement cover roughly a third of the entire area of the state. The Status Report also includes a list of projects funded under the EDAP. However, this does not mean that TWDB determined the entire city or county met the definition of EDA, and no “project boundaries” are available. Additionally, status reports such as the one referenced were known to staff and the development community generally because it was used in prior years to document location in an EDA. However, prior year’s rules specifically designated entire counties as EDAs if one EDAP funded project had occurred within that county. The current rules do not permit this same treatment.

In addition to the report itself, the Applicant provided a certification from TWDB officials effectively certifying that the report is the EDAP Status Report, but the certification does not speak to this specific transaction or the location of this specific transaction. The Applicant indicated that they met with representatives of the TWDB and were told a letter would not be provided to any tax credit applicants. The Applicant has indicated that they believe the Application qualifies for the EDA points and that they acted in good faith in electing said points.

The Applicant requests that, whether the Board awards these two (2) points or not, the one (1) point deduction not be assessed. The full appeal is attached hereto.

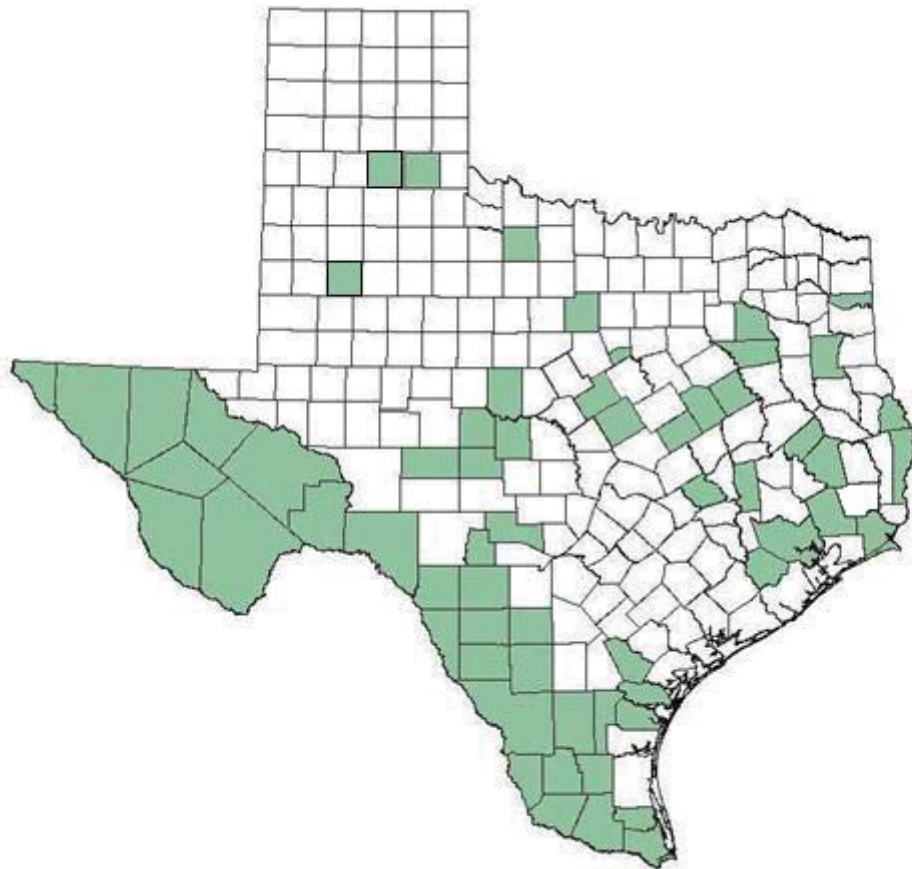
Staff Recommendation

Staff recommends denial of the appeal of two (2) points for location in an EDA and granting of the appeal related to the one (1) point deduction.

# Economically Distressed Areas Program

**Counties meeting Model Subdivision Rule requirements  
for EDAP eligibility as of November 30, 2012**

## STATUS REPORT



### Table of Contents

<b>Background</b>	<b>2</b>
<b>Summary of EDAP Funding</b>	<b>3</b>
<b>Index by County</b>	<b>4</b>
<b>Projects Listed by County</b>	<b>5-22</b>

**During this quarter (September 1, 2012 – November 30, 2012), no additional counties adopted Model Subdivision Rule requirements.**

**Melissa Adami**

**Subject:** FW: HTC Application Deficiency Notice - TDHCA# 13068 Development Name: Mayorca Villas

**From:** Liz Cline [<mailto:liz.cline@tdhca.state.tx.us>]

**Sent:** 05/22/2013 11:10 AM

**To:** Melissa Adami; Dewey Stevens; [Bfisher8@airmail.net](mailto:Bfisher8@airmail.net)

**Cc:** Liz Cline

**Subject:** HTC Application Deficiency Notice - TDHCA# 13068 Development Name: Mayorca Villas

**Importance:** High

In the course of the Department's **Eligibility/Selection/Threshold** review of the above referenced application, a possible Administrative Deficiency as defined in 10 TAC §10.201(7)(A), has been identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Issues initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information are reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. Site Characteristics: Submit a map that clearly identifies the location of the proposed Development, illustrates the location and services by name, and includes a radius or scale to indicate the distance. – Revised map with service identification and radius scale included.
2. Zoning: Submit a letter from the chief executive officer of the unit of general local government or other local official with appropriate jurisdiction that clarifies that the Development is permitted under the provisions of the zoning ordinance. – letter from the city included in response. The city will do this confirmation in detail until they review the plat and prepare to issue a building permit. Staff is aware of this in most Cities. The zoning department letter confirms we can build 25 units per acre or up to 218 living units on the 8.75 acres. Our plan calls for only 120 units. Both the local project architect and engineer are confirming what you requested that out site plan and design for only 120 units up to three stories is compliant with this zoning category.

Additionally, the zoning designation listed on the Site Information Form is not consistent with the submitted zoning letter. Revise the appropriate exhibit(s) so that all documents match each other. – 'Site information form part I' included with revised zoning designation.

3. Underserved Area: A letter from the Texas Water Development Board does not appear to have been submitted. Please explain how the Development meets the requirements of §11.9(c)(6). – I made a visit to the Texas Water Development Board office in Austin, and according to Mireya Loewe, they will not be writing letters for any tax credit developers to fulfill this point scoring item. I was able to get a letter confirming that this information is correct, enclosed under number 3 in the PDF, and a certified copy of that EDA report, also included here. According to the EDA report, dated February 28, 2013, Cameron County is an economically distressed area as defined in §11.9(c)(6), and is actively receiving funds for construction and development through the TWDB. Our area is most definitely an underserved area as identified in the EDA report, published by the TWDB in February. The QAP requires TDHCA to provide a two point scoring advantage to projects in Economically Distressed Areas as defined by the TWDB. Our development is clearly and unambiguously in an EDA as defined by the water board. The letter you specified is not offered by the TWDB but they have provided

a written certification to the applicant showing both Brownsville and Cameron County as eligible areas under the EDA program. Our written certification from the TWDB along with the report, specifically page 3 of the status report on EDAP, confirm we met the requirement for the two points. The staff should note there is \$50 million of projects under this program and \$30 million or 60% of the EDA funds for construction are in Cameron County. Applicant is compliant with the requirements of the QAP for these points. (See page 3 of the report)

4. Declared Disaster Area: Pursuant to Board action taken at the January 17, 2013 meeting, applications for developments located in Dallas, Tarrant, and Kaufman counties will qualify for 8 points under this scoring item. Developments located in all other counties will qualify for 7 points based on statewide disaster declarations related to wildfires and drought. You have requested 8 points for Declared Disaster Area. Please explain how the Development meets the requirements. – In a TDHCA email sent on January 4<sup>th</sup>, 2013 (enclosed) the department identified Wood and San Patricio Counties as 7 point scorers and “All other counties” to be 8 point scorers on the Declared Disaster Areas point item. We saved this email and included it in our application as support, behind that item. We believed that the email on January 4<sup>th</sup> was in effect when we submitted our pre-app and application. However, if the department revised its decision, we will adjust our score if required. See adjusted form enclosed. In addition, the QAP contemplates points for CDBG DR funding from Dolly and Ike round 2. Our site is in the assessment area eligible for DR (Disaster Recovery) funding. As a result we felt we were entitled to the 8 points. We did not know at the time the final application was filed that the board had made this determination that reduced it to 7 points for our area
5. Site Information Form Part II: The form indicates an Appraisal has been submitted. Please clarify. – No appraisal was submitted for this new construction, vacant site. It is an arms-length contract with a unrelated Seller, so no appraisal is required. The price of the total property, \$.18 million, versus the land cost in the application is a specific % the application site is as portion of the total site. Revised form enclosed.
6. Site Control: The submitted Purchase Option Agreement does not appear to identify the purchase price, expiration date, and closing date. Submit Exhibit B as stated in the Purchase Option Agreement. - Page 72 of 195 in the original application (page 2, item 1f of the original option agreement) shows the purchase price to be \$1.8 million. Page 1 of the agreement shows the terms. The option goes through July 31, 2013 per the letter of contract status confirmation from the Seller’s attorney. If awarded credits we exercise the option and the contract goes into effect, Exhibit B. That allows additional time, with earnest money to complete due diligence and close the land purchase. The contract allows a minimum of 30 days beyond the date the option is exercised or August 31, 2013. Buyer has the right to buy, (4), thirty day extensions in the contract closing date. The effective date of the contract is after the exercise of the option. Those sections are highlighted in this submission set. Highlights do not appear in the contract as originally attached to the option agreement.
7. Site Control: Submit evidence that the Purchase Option Agreement is still valid. The additional option term as specified in the Purchase Option Agreement and First Amended Purchase Option Agreement indicate the agreement may have expired. Submit evidence that the earnest money, option fee, and additional option fee have been paid and are current. – letter from seller’s attorney included here, attesting to the fact that all fees have been paid and that the site control is in good standing through the next extension date of July 31<sup>st</sup>. A final option payment of \$2,500 is due July 1, 2013 to keep the option valid to July 31, 2013.
8. Certifications of Notifications: Part 2 of the exhibit has been partially completed indicating that a pre-application was not submitted or did not meet Threshold. Please clarify and revise any appropriate exhibit(s). – revised form attached. We did not realize that those check boxes were included with Part 2 questions on the

# Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.  
Austin, TX 78711-3231, [www.twdb.texas.gov](http://www.twdb.texas.gov)  
Phone (512) 463-7847, Fax (512) 475-2053

THE STATE OF TEXAS     §  
  
COUNTY OF TRAVIS     §

As the Executive Administrator of the Texas Water Development Board, I hereby certify that attached is a copy of the following, as contained in the records of the Texas Water Development Board:

Economically Distressed Areas Program Status Report dated February 28, 2013.

Under Texas Water Code §6.153(a), a certified copy with the seal of the Texas Water Development Board and the signature of the Executive Administrator is admissible as evidence in any court or administrative proceeding.

WITNESS MY HAND, and the Seal of the Texas Water Development Board, this the 28<sup>th</sup> day of May, 2013.

Texas Water Development Board



Melanie Callahan  
Executive Administrator



(Seal)

**Our Mission**     :     **Board Members**

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

: Billy R. Bradford Jr., Chairman  
: Joe M. Crutcher, Vice Chairman  
: Melanie Callahan, Executive Administrator

Lewis H. McMahan, Member  
Edward G. Vaughan, Member

Monte Cluck, Member  
F.A. "Rick" Rylander, Member

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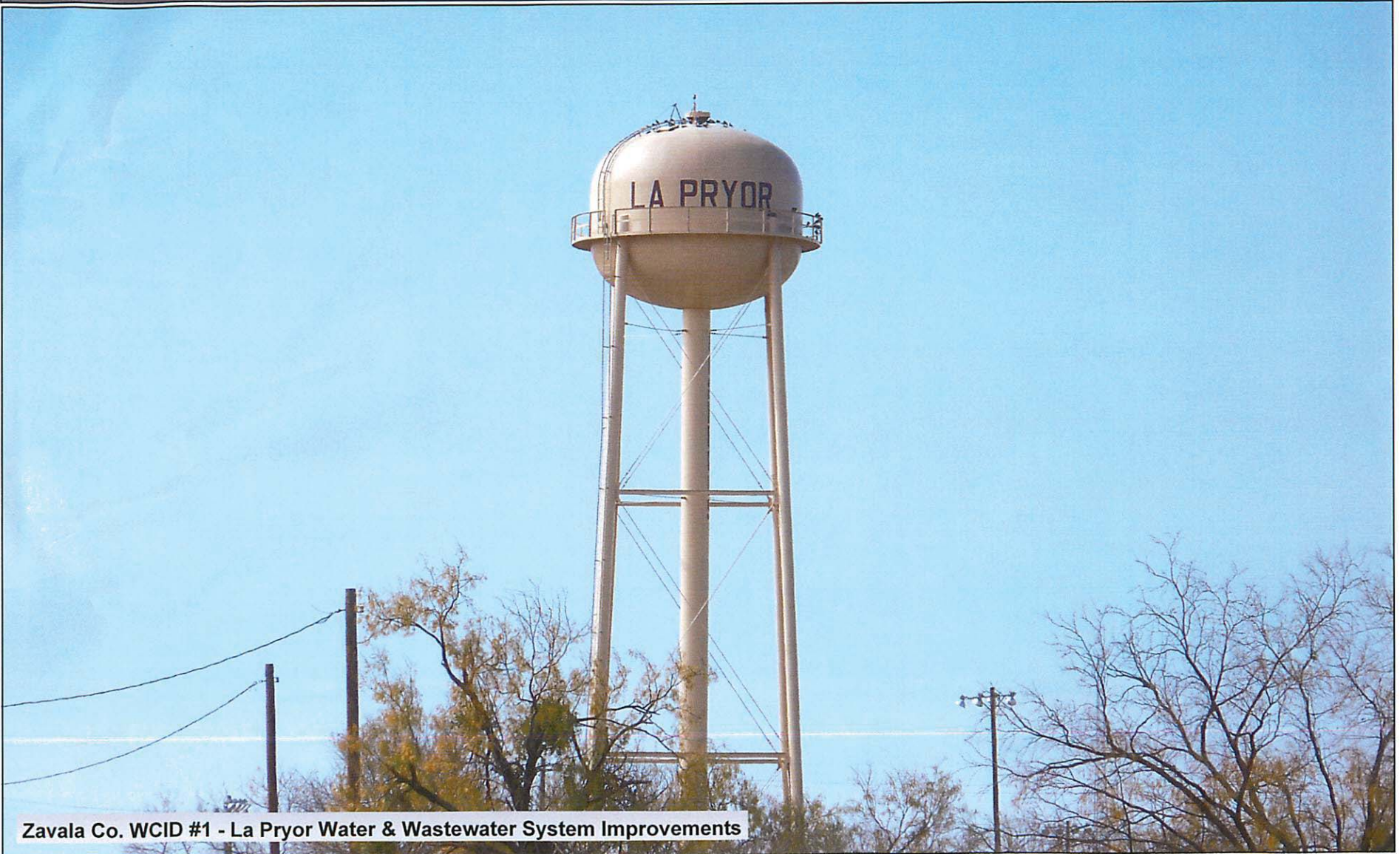
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# Economically Distressed Areas Program

Status Report - February 28, 2013



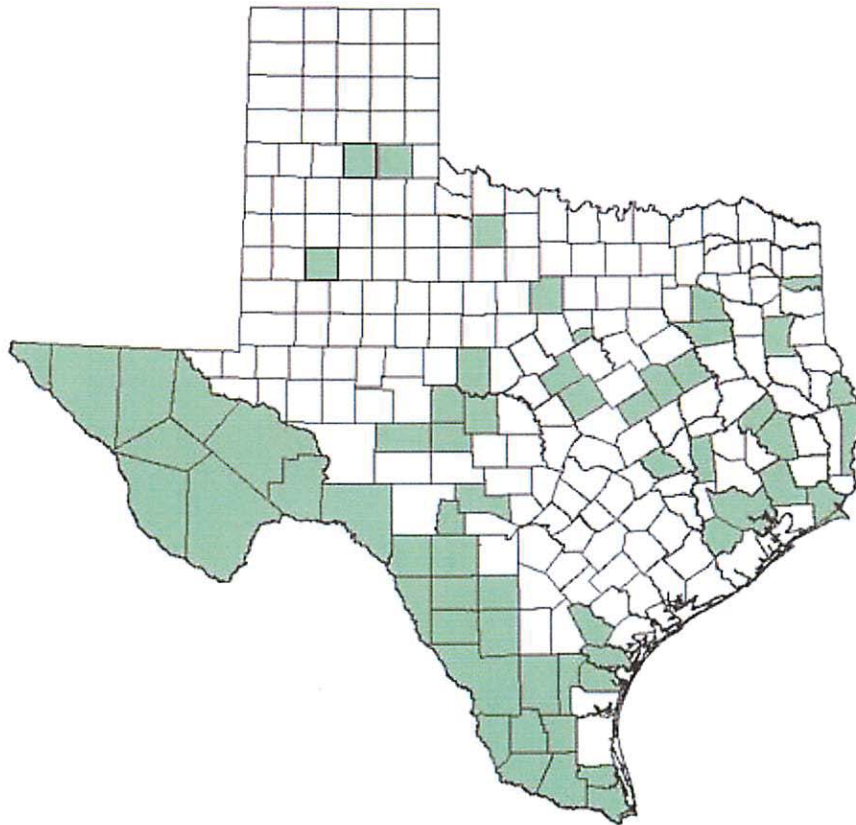
Zavala Co. WCID #1 - La Pryor Water & Wastewater System Improvements



# Economically Distressed Areas Program

**Counties meeting Model Subdivision Rule requirements  
for EDAP eligibility as of February 28, 2013**

## STATUS REPORT

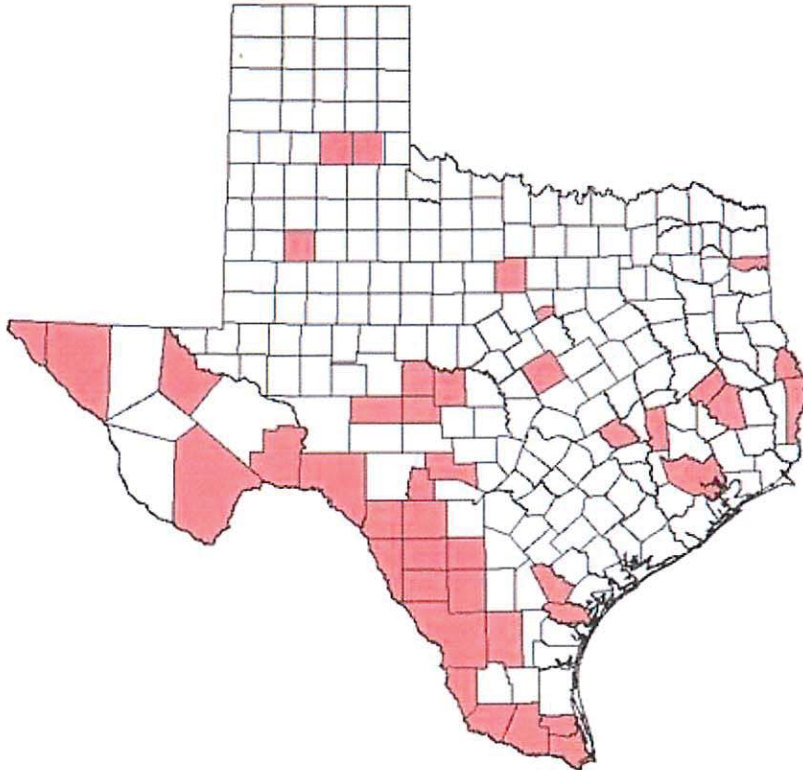


### Table of Contents

<b>Background</b>	<b>2</b>
<b>Summary of EDAP Funding</b>	<b>3</b>
<b>Index by County</b>	<b>4</b>
<b>Projects Listed by County</b>	<b>5-22</b>

**During this quarter (December 1, 2012 – February 28, 2013), no additional counties adopted Model Subdivision Rule requirements.**

## Counties with Communities that have received EDAP funding as of February 28, 2013



Since December 1, 2012, the TWDB approved planning and design funding for two projects. Additionally, one project completed planning, acquisition, and design phase activities.

## Background

The Texas Water Development Board (TWDB), state leaders, legislators and the citizens of Texas have been active in providing water and wastewater services to economically distressed areas of the state for over 20 years. The Economically Distressed Areas Program (EDAP), including its related programs, has provided over \$719 million in grants and loans to fund the planning, acquisition, design, and construction of much-needed basic water and wastewater infrastructure. The EDAP can also be used to pay for first-time service connections for homes in an area to be served by an EDAP project that meets additional federal low-income criteria.

In 1989 the 71<sup>st</sup> Legislature passed comprehensive legislation that established EDAP to be administered by the TWDB and established the Model Subdivision Rules (MSR) for the regulation of future residential subdivisions. These laws focused on two major goals: delivering water and wastewater services to meet the immediate health and safety concerns, and stopping the proliferation of sub-standard subdivisions through tougher enforcement of development standards.

The EDAP program provides financial assistance in the form of a grant, or a combination grant/loan to disadvantaged political subdivisions, including cities, counties, water districts and non-profit water supply corporations. EDAP projects provide adequate water and wastewater to Texas residents without service and to those with existing systems that do not meet minimum state standards. Throughout its history, the EDAP has involved collaborative funding with state and federal agencies, such as the Environmental Protection Agency, the United States Department of Agriculture-Rural Development, the Texas Department of Agriculture, North American Development Bank, the Border Environmental Cooperation Commission, local governments including counties, cities, water and wastewater utilities, and non-profit groups.

## Economically Distressed Areas Program Status Report - February 28, 2013

County	COMPLETED PROJECTS				UNDER CONSTRUCTION			PLANNING, ACQUISITION & DESIGN				TOTAL		
	Facility Plans & Design	Construction	EDAP Funding	Estimated Residents with Service Available	Under Construction	EDAP Funding	Estimated Population to benefit	PAD In Progress	EDAP Funding	Estimated Construction & Future Costs	Estimated Population to benefit	Total Projects	Total EDAP Funding	Total TWDB Assistance to these Projects
Bee County	1	2	\$5,240,967	1,019								3	\$5,240,967	\$5,600,967
Brewster County								1	\$290,000	\$1,210,000	6,053	1	\$290,000	\$290,000
Briscoe County								1	\$1,825,000	\$4,265,000	1,680	1	\$1,825,000	\$1,825,000
Burleson County								1	\$57,750	\$6,842,250	872	1	\$57,750	\$57,750
Cameron County	3	12	\$80,056,307	32,476	2	\$29,328,800	3,888					17	\$109,385,107	\$111,807,947
Coryell County	1	1	\$2,984,065	790								2	\$2,984,065	\$3,189,065
Dimmit County	1	3	\$5,724,605	2,830								4	\$5,724,605	\$5,724,605
Duval County	1		\$177,800									1	\$177,800	\$177,800
El Paso County	3	9	\$122,174,632	86,761	1	\$651,000	428	3	\$312,000	\$7,023,832	1,316	16	\$123,137,632	\$138,561,724
Frio County		1	\$1,958,960	579								1	\$1,958,960	\$1,958,960
Grimes County		1	\$6,250,000	711				1	\$235,000	\$4,765,000	401	2	\$6,485,000	\$6,485,000
Hall County								1	\$291,000	\$4,733,000	421	1	\$291,000	\$291,000
Harris County					1	\$10,936,094	1,583	1	\$986,000	\$8,536,172	567	2	\$11,922,094	\$11,922,094
Hidalgo County	12	29	\$150,039,653	73,939	1	\$5,139,000	1,109	2	\$3,754,000	\$141,835,641	9,616	44	\$158,932,653	\$206,425,579
Hudspeth County		2	\$5,258,999	2,330								2	\$5,258,999	\$5,258,999
Kerr County	1		\$51,750					1	\$242,500	\$15,661,309	2,115	2	\$294,250	\$2,154,250
Kinney County		1	\$417,079	66								1	\$417,079	\$417,079
La Salle County	1		\$25,686									1	\$25,686	\$25,686
Lynn County								1	\$239,000	\$1,878,500	3,096	1	\$239,000	\$239,000
Marion County	2		\$87,375									2	\$87,375	\$87,375
Maverick County	1	2	\$57,409,285	21,113				1	\$485,000	\$19,753,690		4	\$57,894,285	\$109,044,285
McCulloch County		1	\$4,699,000	1,150								1	\$4,699,000	\$4,699,000
Menard County								1	\$92,570	\$5,507,430	1,680	1	\$92,570	\$92,570
Newton County	1	1	\$15,240,978	3,795								2	\$15,240,978	\$22,285,978
Polk County								1	\$145,000	\$832,000	117	1	\$145,000	\$145,000
Real County								1	\$3,736,250		847	1	\$3,736,250	\$13,697,710
Reeves County		1	\$369,339	67								1	\$369,339	\$369,339
Sabine County	2	2	\$3,093,281	924								4	\$3,093,281	\$5,388,281
San Patricio County	1	5	\$15,896,278	4,387	1	\$2,493,000	336					7	\$18,389,278	\$23,566,278
Schleicher County	1		\$90,000									1	\$90,000	\$90,000
Somervell County								1	\$740,000	\$8,900,000	2,444	1	\$740,000	\$740,000
Starr County	2	4	\$41,541,469	28,414								6	\$41,541,469	\$51,281,469
Terrell County		1	\$4,256,175	1,128								1	\$4,256,175	\$4,256,175
Trinity County								1	\$250,500	\$2,168,000	1,057	1	\$250,500	\$250,500
Uvalde County	1	1	\$2,731,556	1,264								2	\$2,731,556	\$2,731,556
Val Verde County	1	2	\$15,862,173	4,159				1	\$460,000	\$8,865,286	251	4	\$16,322,173	\$16,322,173
Van Zandt County								1	\$61,200	\$1,043,000	361	1	\$61,200	\$61,200
Webb County	1	3	\$56,694,697	14,442								4	\$56,694,697	\$59,754,697
Willacy County	1	2	\$4,713,630	3,165								3	\$4,713,630	\$4,713,630
Zapata County		1	\$814,377	2,025								1	\$814,377	\$814,377
Zavala County	2	3	\$12,942,266	3,804	1	\$1,427,000	2,158					6	\$14,369,266	\$14,369,266
<b>Subtotal</b>	<b>40</b>	<b>90</b>	<b>\$616,802,381</b>	<b>291,338</b>	<b>7</b>	<b>\$49,974,894</b>	<b>9,502</b>	<b>21</b>	<b>\$14,202,770</b>	<b>\$243,820,110</b>	<b>32,894</b>	<b>158</b>	<b>\$680,980,045</b>	<b>\$837,173,363</b>
<b>STATE WATER PLAN EDAP:</b>														
Concho County					1	\$4,675,000	1,200					1	\$4,675,000	\$4,675,000
Palo Pinto County								1	\$4,800,000		14,644	1	\$4,800,000	\$8,000,000
Somervell County					1	\$13,574,000	2,444					1	\$13,574,000	\$32,435,000
Webb County		1	\$15,000,000	237,396								1	\$15,000,000	\$15,000,000
<b>Subtotal</b>		<b>1</b>	<b>\$15,000,000</b>	<b>237,396</b>	<b>2</b>	<b>\$18,249,000</b>	<b>3,644</b>	<b>1</b>	<b>\$4,800,000</b>		<b>14,644</b>	<b>4</b>	<b>\$38,049,000</b>	<b>\$60,110,000</b>
<b>TOTAL with SWP EDAP</b>			<b>\$631,802,381</b>			<b>\$68,223,894</b>			<b>\$19,002,770</b>			<b>162</b>	<b>\$719,029,045</b>	<b>\$897,283,363</b>

1. "Facility Plans & Design" Includes Facility Planning Grants and other projects that completed planning or design but that did not complete construction.
2. The above figures reflect initial commitment amounts and have not been adjusted for actual funds expended. EDAP Funding amounts include EDAP's related programs: EDAP, Colonia Wastewater Treatment Assistance Program, Colonia Self Help, Community Self Help, EDAP Research and Planning, and one EDAP project funded through the Water Loan Assistance Fund.
3. "Estimated residents with service available" avoids double counting population when served by subsequent projects. I.e. Residents served by a water project and counted once, are not counted a second time when served by a later wastewater project. This in some ways undercounts project impact/benefit but avoids double counting population.

Index to Projects by County

MF RCVD Thu 5/30/2013 11:09 AM-LC

<b>BEE COUNTY</b>	Lower Valley WD (Las Azaleas Planning)	Weslaco (Southwest Wastewater)	Somervell County WD
Bee County	Vinton	Weslaco (Sun Country Estates)	
Skidmore WSC	<b>FRIO COUNTY</b>	<b>HUDSPETH COUNTY</b>	<b>STARR COUNTY</b>
Tynan WSC	Moore WSC	Fort Hancock WCID	La Grulla
<b>BREWSTER COUNTY</b>	<b>GRIMES COUNTY</b>	Hudspeth County WCID #1 (Sierra Blanca)	Rio Grande City (Las Lomas)
Alpine	Bedias	<b>KERR COUNTY</b>	Rio WSC
<b>BRISCOE COUNTY</b>	Iola	Kerr County	Roma (Water & Wastewater)
Silverton	<b>HARRIS COUNTY</b>	Upper Guadalupe River Authority	Roma (Water System Upgrades)
<b>BURLESON COUNTY</b>	Airline ID	<b>KINNEY COUNTY</b>	Roma (SB 1421 Wastewater)
Beaver Creek WCID 1	East Aldine MD	Spofford	<b>TERRELL COUNTY</b>
<b>CAMERON COUNTY</b>	<b>HALL COUNTY</b>	<b>LA SALLE COUNTY</b>	Terrell County WCID #1 (Sanderson)
Brownsville (Cameron Park)	Turkey	Encinal	<b>TRINITY COUNTY</b>
Brownsville (Hacienda Gardens)	<b>HIDALGO COUNTY</b>	<b>LYNN</b>	Groveton
Brownsville (Valle Hermosa & Valle Escondido)	Agua SUD (East)	Tahoka	<b>UVALDE COUNTY</b>
Brownsville (FM 511-802)	Agua SUD (West)	<b>MARION COUNTY</b>	Uvalde County Planning
Brownsville (Villa Nueva)	Alamo (South Tower Estates)	Jefferson	Windmill WSC
Cameron County Urban Regional Planning	Alamo (New Wastewater Service)	Marion County	<b>VAL VERDE COUNTY</b>
Cameron County Rural Planning	Alton	<b>MAVERICK COUNTY</b>	Del Rio (Cienegas Terrace)
Combes	Alton (Phase II)	Eagle Pass (Eidson Road)	Del Rio (Val Verde Park Estates)
Harlingen (Arroyo Colorado & Colonia Bishop)	Border WaterWorks (Mile 17 1/2)	Eagle Pass (Regional Water)	Val Verde County Planning
La Feria	Border WaterWorks (Wisconsin Road)	Eagle Pass (Regional Wastewater)	Val Verde County (Lakeview Estates)
Los Fresnos	Donna	Eagle Pass (Regional Systems – Phase II)	<b>VAN ZANDT COUNTY</b>
Olmito WSC (Water & Wastewater)	Donna (Western Colonias)	Maverick County (Quemado planning)	Edom WSC (Water System Improvements)
Olmito WSC (Collection System Expansion)	Edinburg (Faysville)	<b>MCCULLOCH COUNTY</b>	<b>WEBB COUNTY</b>
Primera	Edinburg (Lull)	Richland SUD	Laredo (Mines Rd & S.H. 359)
Rio Hondo	Edinburg (Northwest)	<b>MENARD COUNTY</b>	Laredo (Municipal Water Rights)
San Benito	Elsa	Menard	Webb County (Larga Vista)
Santa Rosa (Water and Wastewater)	Hidalgo County (El Paraiso)	<b>NEWTON COUNTY</b>	Webb County (SW - El Cenizo & Rio Bravo)
<b>CONCHO COUNTY</b>	Hidalgo County (DeAnda & Saenz)	Newton County Planning	Webb County (SH 59 planning)
Eden	Hidalgo County (Sanchez Ranch)	South Newton WSC	<b>WILLACY COUNTY</b>
<b>CORYELL COUNTY</b>	Hidalgo County (Urban Regional)	<b>PALO PINTO COUNTY</b>	North Alamo WSC (La Sara)
Copperas Cove	La Joya WSC (East-Palmview area)	Palo Pinto Co. MWD 1	Sebastian MUD
Gatesville	La Joya WSC (West-Sullivan City area)	<b>POLK COUNTY</b>	Willacy County Planning
<b>DIMITT COUNTY</b>	McAllen	Polk County FWSD 2	<b>ZAPATA COUNTY</b>
Asherton	Mercedes	<b>REAL COUNTY</b>	Siesta Shores WCID
Carrizo Hill WSC	Mercedes (DeAnda & Saenz)	Nueces River Authority (Leakey)	<b>ZAVALA COUNTY</b>
Catarina WSC	Military Highway WSC (S. Tower Estates)	<b>REEVES COUNTY</b>	Batesville WSC
Dimmitt County Planning	Mission (Madero and Granjeno)	Pecos City	Crystal City
<b>DUVAL COUNTY</b>	Mission (Northwest Mission)	<b>SABINE COUNTY</b>	Zavala County WCID1 (La Pryor)
Duval County Planning	North Alamo WSC (Donna Colonias)	Brookeland FWSD (Water)	Zavala County WCID1 (Water Treatment)
<b>EL PASO COUNTY</b>	North Alamo WSC (Doolittle)	Brookeland FWSD (Wastewater)	Zavala County Planning (Batesville)
El Paso (Canutillo)	North Alamo WSC (San Carlos)	Pineland	Zavala County Planning (La Pryor)
El Paso (East Montana – Phase 0)	North Alamo WSC (San Juan)	Sabine County Planning	
El Paso (Westway Water)	Pharr (Las Milpas)	<b>SAN PATRICIO COUNTY</b>	
El Paso (Westway II)	San Juan	Ingleside	
El Paso (La Mesa, 7 <sup>th</sup> , & Vinton)	TRI (Lucky J)	Ingleside on the Bay	
El Paso (Norma & Georgia)	TRI (Vecinos Unidos)	Odem (Bethel Estates & SE Odem)	
El Paso (Turf Estates)	TRI (Bella Vista)	Portland	
El Paso County WID (Tornillo)	TRI (Botello)	Rincon WSC	
El Paso County WID (WW Collection Phase II)	TRI (Taylor Road)	St. Paul WSC	
El Paso County (East Montana – Ph. 2&3)	TRI (Mike Cruz Road)	San Patricio County Regional Planning	
Homestead MUD (East Montana – Ph. 1)	TRI (Big Five)	<b>SCHLEICHER COUNTY</b>	
Lower Valley WD (Phase I – Baumann)	TRI (Hargill-Wastewater)	Eldorado	
Lower Valley WD (Phase II - Socorro)	TRI (Hargill-Water)	<b>SOMERVELL COUNTY</b>	
Lower Valley WD (Phase III – San Elizario)	TRI (Tri City Acres)	Glen Rose (WWTP Expansion)	

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Bee County</b>								
<b>Bee County</b>								
	<u>10229 - Water &amp; Wastewater</u> Planning for water and wastewater facilities to provide new and improved service.	5/96	\$228,900			Completed Facility Plan		
<b>Skidmore WSC</b>								
	<u>10345 - New Water &amp; Wastewater Systems</u> Construct first-time water service and expanded wastewater service.	3/02		\$4,660,613	\$175,000	Completed Construction	8/07	905
<b>Tynan WSC</b>								
	<u>10346 - Water &amp; Wastewater System Improvements</u> Extend wastewater service to unserved areas. TDRA provide funding to improve wastewater treatment plant.	5/02		\$351,454	\$185,000	Completed Construction	8/06	114
<b>Brewster County</b>								
<b>Alpine</b>								
	<u>10372 - Southeast Interceptor</u> Planning for a wastewater interceptor project to relieve overloading of collection system.	2/09	\$290,000			Active Design	10/11	
<b>Briscoe County</b>								
<b>Silverton</b>								
	<u><i>*10417 - New Water Source</i></u> <i>Planning, acquisition, and design of a new water supply project to bring safe and reliable water to serve the City's needs.</i>	<i>8/11</i>	<i>\$1,825,000</i>			<i>Active PAD</i>		
<b>Burleson County</b>								
<b>Beaver Creek WCID 1</b>								
	<u>10418 - New Water System</u> Planning to develop a first-time public water system to provide safe drinking water.	1/11	\$57,750			Active Planning		
<b>Cameron County</b>								
<b>Brownsville</b>								
	<u>10014 - Cameron Park</u> Improve water service and provide first-time wastewater service.	11/91	\$49,000	\$6,516,251		Completed Construction	5/96	5,282
	<u>10015 - Hacienda Gardens</u> Construct wastewater collection facilities for first-time service. TDHCA funded the water distribution system.	8/92	\$18,375	\$367,728		Completed Construction	8/94	308
	<u>10063 - Valle Hermosa &amp; Valle Escondido</u> Construct a wastewater collection system for first-time service. Additional project funding provided by TDRA and the City.	2/02	\$144,750	\$5,442,637		Completed Construction	2/10	1,460
	<u>10344 - FM 511-802 Project</u> Construct a wastewater collection system to provide first-time service to 21 subdivisions in an unincorporated area northeast of the City.	4/08	\$1,710,800	\$25,345,000		Active Construction	2/12	

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10378 - Villa Nueva Colonia</u> Construct a wastewater collection system for first-time service. Additional funding provided by U.S. Army Corps of Engineers, CDBG, and BECC.	5/08	\$273,000	\$2,000,000		Active Construction	5/12	
<b>Cameron County</b>								
	<u>10067 - Cameron Urban Regional Planning</u> Planning for Combes-Primera, Arroyo Colorado, Laureles, and FM 802-511 water and wastewater projects.	8/93	\$456,684			Completed Facility Plan		
	<u>10073 - Cameron County Rural Planning</u> Planning for rural areas in Cameron County. Construction funding provided by USDA.	4/94	\$600,000			Completed Facility Plan		
<b>Combes</b>								
	<u>10246 - New Wastewater System</u> Upgrade and extend water service and construct first-time wastewater collection system. Additional project funding for connections provided by NADB.	6/96		\$12,839,775	\$146,999	Completed Construction	4/05	2,753
<b>Harlingen</b>								
	<u>10283 - Arroyo Colorado &amp; Colonia Bishop</u> Construct a wastewater collection system, and acquisition of Arroyo Colorado Estates WSC wastewater collection system.	12/97		\$1,370,459		Completed Construction	6/00	977
<b>La Feria</b>								
	<u>10231 - Water &amp; Wastewater System Expansion</u> Upgrade water lines, expand water plant capacity, construct elevated storage tower, expand the WWTP, and provide first-time service to subdivisions outside the City. Additional funding provided by the NADB, BECC, TDRA, and TWDB (CWSRF).	12/02	\$43,311	\$11,454,359	\$385,000	Completed Construction	3/10	8,739
<b>Los Fresnos</b>								
	<u>10322 - Wastewater System Expansion</u> Expand wastewater collection facilities and existing WWTP to provide service to an area outside the city.	9/99	\$22,500	\$17,240,761	\$360,000	Completed Construction	9/11	3,300
<b>Olmito WSC</b>								
	<u>10017 - Olmito Water &amp; Wastewater Systems</u> Improve water service and provide first-time wastewater service. Includes construction of a new WWTP. USDA provided additional funding.	5/95	\$45,250	\$7,078,922		Completed Construction	11/99	4,044
	<u>10377 - Collection System Expansion</u> Expand wastewater collection system to serve first-time customers. Additional design funding provided by BECC.	4/08	\$300,000	\$2,601,000		Completed Construction	8/12	440
<b>Primera</b>								
	<u>10250 - New Wastewater Collection System</u> Construct first-time wastewater collection system. Additional funding provided by the City, the Town of Combes, and the TWDB (CPLP).	8/96		\$9,875,149	\$55,841	Completed Construction	6/06	4,051

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rio Hondo</b>								
	<u>10160 - Colonia Water &amp; Wastewater Service</u> Provide first-time wastewater service to four subdivisions and extended a water line into one subdivision.	6/97	\$36,000	\$478,916		Completed Construction	3/01	328
<b>San Benito</b>								
	<u>10018 - Colonia Water &amp; Wastewater Service</u> Expand water and wastewater utilities to provide first-time service and purchase the Military Highway WSC system.	1/98	\$49,813	\$2,178,583		Completed Construction	7/02	794
<b>Santa Rosa</b>								
	<u>10016 - Water Treatment Plant and Wastewater System Improvements</u> Originally funded by DWSRF, CWSRF and EDAP, this project would have provided first-time water service to five areas and improved water service to others. The project downsized and only an expansion of the surface water treatment facility was completed using DWSRF funding. The EDAP part of this project expired and was not completed. Additional funding was provided by the NADB. Wastewater Improvements Planning included design costs to extend first-time wastewater service to economically distressed areas in the vicinity of the City that did not lead to construction.	9/02	\$846,084		\$1,475,000	Completed Planning		
<b>Concho</b>								
<b>Eden</b>								
	<u>10416 - New Water Well &amp; Radionuclide Treatment System</u> State Water Plan EDAP Project to construct an additional groundwater well and install a treatment system to allow the city to meet drinking water quality standards for radium 226/228 and gross alpha particles.	1/11		\$4,675,000		Under Construction		
<b>Coryell</b>								
<b>Copperas Cove</b>								
	<u>10072 - Wastewater Collection</u> Planning to extend wastewater service to unserved areas.	4/94	\$37,500			Completed Facility Plan		
<b>Gatesville</b>								
	<u>10092 - Water &amp; Wastewater Extensions</u> Improve water service and extend wastewater system to provide first-time service.	9/96	\$52,188	\$2,894,377	\$205,000	Completed Construction	11/00	790
<b>Dimmit</b>								
<b>Asherton</b>								
	<u>10248 - Water &amp; Wastewater Improvements</u> Water system upgrades to bring the system into compliance. Construct wastewater collection lines to provide first-time service.	8/02		\$2,157,594		Completed Construction	3/06	1,719
<b>Carrizo Hill WSC</b>								
	<u>10278 - Water &amp; Wastewater Systems</u> Construct water and wastewater systems to provide first-time service.	4/97		\$2,428,076		Completed Construction	8/01	872

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Catarina WSC</b>								
	<u>10247 - Water and Wastewater Improvements</u> Upgrade to water system and installation of new septic systems with drain fields.	7/96		\$1,114,185		Completed Construction	7/98	239
<b>Dimmit County</b>								
	<u>10046 - Asherton, Carrizo Hills &amp; Catarina</u> Planning to provide improved water service and first-time wastewater service for Asherton, Carrizo Hills, and Catarina.	2/93	\$24,750			Completed Facility Plan		
<b>Duval</b>								
<b>Duval County</b>								
	<u>10237 - Water &amp; Wastewater</u> Planning to provide for water and wastewater facilities to serve areas in and near San Diego, Freer, Benavides, Realitos, Concepcion, and San Jose. The contract was terminated 10/15/99.	10/96	\$177,800			Completed Facility Plan		
<b>El Paso</b>								
<b>El Paso</b>								
	<u>10058 - Westway Water Supply</u> Provide new groundwater well and transmission line for El Paso Co WCID Westway.	2/92		\$1,437,541		Completed Construction	4/96	9,052
	<u>10060 - East Montana Water System (Phase 0)</u> Planning to provide first-time or improved water service. The resulting construction project consisted of four phases. Additional funding for construction of transmission facilities provided by the City.	8/93	\$441,942			Completed Facility Plan		
	<u>10062 - Canutillo Project</u> Improve and expand water service, and provide first-time wastewater service, connecting to the existing El Paso PSB systems.	9/98	\$245,859	\$11,062,750		Completed Construction	4/02	2,846
	<u>10195 - Westway II</u> Construct water and wastewater system improvements. Wastewater improvements repaired and expanded collection facilities, abandoned the WCID's WWTP, and diverted flows to El Paso PSB's WWTP. The District was dissolved and annexed into the City of El Paso.	7/95		\$5,647,941	\$102,500	Completed Construction	5/00	8,187
	<u>10411 - Canutillo Water - La Mesa, 7th, and Vinton Streets</u> Planning, acquisition, and design to provide first time water service in the Canutillo area.	9/11	\$82,000			Active PAD		
	<u>10428 - Canutillo Water - Norma &amp; Georgia Streets</u> Planning to provide first time water service in the Canutillo area.	9/11	\$90,000			Active PAD		
	<u>10410 - Turf Estates</u> Water system improvements to replace inadequate water main, resolve compliance issues, and permanently connect to El Paso Water Utilities' water system.	11/10	\$81,000	\$570,000		Active Construction	6/12	
<b>El Paso Co Tornillo WID</b>								
	<u>10059 - Tornillo Wastewater System</u> Provide first-time wastewater service. Additional funding provided by the NADB and BECC.	9/02	\$59,093	\$13,688,497		Completed Construction	11/10	2,368



County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10414 - Wastewater Collection Phase II</u> Planning and design funding of a wastewater collection system to serve four colonia areas in the District's service area.	6/12	\$140,000			Active PAD		
<b>El Paso County</b>								
	<u>10228 - East Montana Water (Phases 2 &amp; 3)</u> Includes the purchase of nine existing water systems, wholesale water supply from El Paso, improvements to the acquired systems, and first-time water service. Additional funding provided by USDA.	9/96		\$13,581,408	\$438,184	Completed Construction	7/03	7,929
<b>Homestead MUD</b>								
	<u>10158 - East Montana Water System (Phase 1)</u> Rebuilt, expanded, and improved Homestead's internal water supply system. Funding included a loan to refinance MUD's debt, and the pro rata share of a transmission system for El Paso to provide wholesale service.	1/95		\$7,544,300	\$1,700,000	Completed Construction	7/98	16,750
<b>Lower Valley WD</b>								
	<u>10055 - LVWD Phase I - Bauman Water Project</u> A project to provide first-time water service within the town of Socorro. Included the subdivisions of Bauman Estates, Rio Rancho, San Augustine, Belen Plaza, San Isidro, Roseville and Aljo and some dwellings outside the San Isidro subdivision.	10/91		\$1,800,608		Completed Construction	8/94	3,927
	<u>10056 - LVWD Phase II - Socorro</u> Provide improved water service and first-time wastewater service to the District's service area in the vicinity of Socorro. Includes additional funding for Cultural Resource Management (10315).	5/93	\$592,080	\$17,825,753	\$4,938,408	Completed Construction	4/03	9,299
	<u>10057 - LVWD Phase III - San Elizario</u> Provide improved water service and first-time wastewater service to the District's service area in San Elizario.	1/94	\$251,275	\$47,906,485	\$8,245,000	Completed Construction	5/03	26,403
	<u>10061 - Las Azaleas</u> Planning to provide for first-time wastewater service. The proposed system included gravity sewers, an aerated lagoon system, and constructed wetland cells.	1/94	\$50,000			Completed Facility Plan		
<b>Vinton</b>								
	<u>10162 - Water Improvements &amp; Wastewater System</u> Planning for a new wastewater system and water service improvements. Contract terminated December 2000.	10/96	\$39,100			Completed Facility Plan		
<b>Frio</b>								
<b>Moore WSC</b>								
	<u>10238 - New Wastewater System</u> Provide first-time wastewater service. Additional funding provide by USDA to construct the WWTP and provide residential connections.	10/98	\$48,960	\$1,910,000		Completed Construction	3/09	579
<b>Grimes</b>								
<b>Bedias</b>								
	<u>10383 - New Wastewater System</u> Construct a wastewater collection and treatment system to replace septic systems and other forms of wastewater disposal. Additional funding for design provided by the City through the CDBG.	10/08	\$845,000	\$5,405,000		Completed Construction	10/12	711

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Iola</b>								
	<u>10422 - New Wastewater System</u> Planning for a new wastewater collection and treatment system to provide first time service for the community.	8/11	\$235,000			Active Planning		
<b>Hall</b>								
<b>Turkey</b>								
	<u>10433 - Water</u> Planning to evaluate the development of an additional water source.	10/12	\$291,000			Active Planning		
<b>Harris</b>								
<b>Airline ID</b>								
	<b><i>*10398 - Service Zone 1 Water &amp; Sewer</i></b> <i>Planning and design for water distribution and wastewater collection facilities. On completion the facilities will be owned and operated by the City of Houston.</i>	<b><i>2/10</i></b>	<b><i>\$986,000</i></b>			<b><i>Completed PAD</i></b>	<b><i>11/12</i></b>	
<b>East Aldine MD</b>								
	<u>10384 - Sherwood &amp; Benton Place Water &amp; Wastewater</u> Construct first-time water distribution and wastewater collection system. The City of Houston will provide potable water and wastewater treatment services and will assume ownership of facilities when completed.	3/09	\$450,000	\$10,486,094		Active Construction	6/12	
<b>Hidalgo</b>								
<b>Agua SUD</b>								
	<u>10365 - Eastern Wastewater System</u> Planning and design developed in 2001. The plan will lead to construction of a wastewater collection system and WWTP to provide wastewater service for the SUD's eastern water system.	12/11	\$2,600,000			Active PAD		
	<u>10370 - Western Wastewater System</u> Construction of a wastewater collection system and WWTP to provide wastewater service to the SUD's western water system.	4/10	\$818,000	\$24,797,000	\$1,990,000	Completed Construction	10/12	7,000
<b>Alamo</b>								
	<u>10030 - South Tower Estates</u> Project for first-time wastewater service with treatment provided by the City of Alamo. The service area was adopted by Military Highway WSC.	10/92	\$24,000			Completed Facility Plan		
	<u>10406 - New Wastewater Service</u> Extend first-time wastewater service from City of Alamo to Colonias Guadalupe, Campo Alto, Salazar, Rancho Escondido, and Val-Bar Estates.	12/11	\$460,000	\$4,679,000		Under Construction		
<b>Alton</b>								
	<u>10025 - Alton I - New Wastewater System</u> Construct a wastewater collection system and expansion of City of McAllen's WWTP. Additional funding provided by USDA to connect residences to the system.	6/94	\$40,435	\$11,452,865		Completed Construction	7/99	7,949
	<u>10233 - Alton II - Wastewater System Expansion</u> Planning to expand the wastewater collection system to nearby subdivisions. The contract was terminated September 2002.	7/96	\$46,181			Completed Planning		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Border Water Works</b>								
	<u>10347 - Wisconsin Road Project - Self-Help</u> A CSHP project to provide first-time water service and replace existing on-site wastewater disposal practices with septic systems. Residents installed distribution lines and made cash deposits for water hook-ups. An engineering firm donated surveying and easement preparation services.	6/02		\$14,862		Completed Construction	7/02	38
	<u>10351 - Mile 17 1/2 Project - Self-Help</u> A CSHP project to provide first-time water service. Improvements included water lines with a connection to a North Alamo WSC line. Residents contributed labor and made cash contributions. Hidalgo County provided residential water meters.	6/02		\$18,918		Completed Construction	7/02	55
<b>Donna</b>								
	<u>10037 - Colonia Water &amp; Wastewater Service</u> Improved and first-time water service and expanded the SWTP and WWTP. Additional funding provided by NADB.	8/97	\$46,725	\$8,014,306	\$9,570,000	Completed Construction	12/05	5,652
	<u>10371 - Western Colonias Project</u> Provide first-time wastewater service to seven subdivisions. Additional funding provided by the BECC and the County for paving, drainage improvements and resident connections.	3/09	\$956,000	\$7,802,000	\$5,500,000	Completed Construction	2/11	1,505
<b>Edinburg</b>								
	<u>10024 - Lull Water &amp; Wastewater Systems</u> Improved water service and first-time wastewater service.	8/91	\$18,248	\$1,450,000	\$410,926	Completed Construction	6/93	1,296
	<u>10033 - Faysville Area Water &amp; Wastewater</u> Improved water service and first-time wastewater service.	6/94	\$36,000	\$10,643,616		Completed Construction	5/01	4,760
	<u>10091 - Northwest Water &amp; Wastewater Plans</u> Planning to provide wastewater service. The City also proposed to purchase, upgrade, and connect the water system owned by Sharyland WSC to the City's system.	6/94	\$46,286			Completed Facility Plan		
<b>Elsa</b>								
	<u>10036 - Water &amp; Wastewater Plans</u> Planning for water improvements and first-time wastewater service. The contract was terminated 9/29/2002.	9/93	\$37,500			Completed Facility Plan		
<b>Hidalgo County</b>								
	<u>10027 - El Paraiso Wastewater</u> Planning for an innovative/alternative wastewater system to provide first-time service.	7/91	\$179,631			Completed Facility Plan		
	<u>10038 - DeAnda and Saenz</u> Planning for an innovative/alternative wastewater system to provide for first-time wastewater service.	1/94	\$75,000			Completed Facility Plan		
	<u>10040 - Sanchez Ranch Plan</u> Planning for a project to provide first-time wastewater service. The contract was terminated.	3/94	\$32,690			Completed Facility Plan		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10068 - Urban Regional Planning</u></b> The county-wide study identified 5 study areas, for which facility plans were to be prepared. These projects and the parent project were terminated in 2002.	8/93	\$900,000			Completed Facility Plan		
<b>La Joya WSC</b>								
	<b><u>10031 - Eastern Project Area (Palmview)</u></b> Planning, design and construction of a new wastewater collection and treatment system to serve eastern portions of the service area. Construction never started and contract terminated in 2005.	12/01	\$5,912,565			Completed Design		
	<b><u>10034 - Western Service Area (Sullivan City)</u></b> Planning, design and construction of a wastewater system to provide first-time service to the western portion of the service area. Construction never started and contract terminated in 2005.	12/01	\$79,500			Completed Planning		
<b>McAllen</b>								
	<b><u>10039 - Colonia Water/Wastewater Service</u></b> Planning to improve water service and extend wastewater service. The contract was terminated.	2/94	\$46,125			Completed Facility Plan		
<b>Mercedes</b>								
	<b><u>10029 - Colonia Water &amp; Wastewater Service</u></b> First-time wastewater service and water system improvements. Additional funding provided by NADB.	7/96	\$45,750	\$8,803,566	\$440,000	Completed Construction	3/08	5,816
	<b><u>10198 - DeAnda and Saenz</u></b> Planning to provide first-time wastewater service using a small diameter gravity wastewater collection system to transport waste from the septic systems to a central constructed wetlands wastewater treatment facility. Contract terminated without construction.	1/96	\$602,400			Completed Planning		
<b>Military Highway WSC</b>								
	<b><u>10284 - South Tower Estates Collection System</u></b> Project to provide first-time wastewater service. The USDA provided funding for additional components of this project.	6/98		\$774,000		Completed Construction	8/01	2,644
<b>Mission</b>								
	<b><u>10023 - Madero and Granjeno</u></b> Construct water system improvements and first-time wastewater service.	1/95	\$26,100	\$2,745,833	\$2,032,000	Completed Construction	6/96	1,361
	<b><u>10200 - Northwest Mission Wastewater System</u></b> Expand the City's WWTP, rehabilitate and expand the interceptor sewer system, and extend collection facilities for first-time service.	5/02	\$48,750	\$19,025,341	\$14,645,000	Completed Construction	8/08	7,300
<b>North Alamo WSC</b>								
	<b><u>10251 - Doolittle Area Water Supply</u></b> Construct water distribution improvements.	8/96		\$2,004,302	\$380,000	Completed Construction	4/98	2,432
	<b><u>10274 - San Juan Area Water Supply</u></b> Construct water system improvements.	3/97		\$3,159,046	\$205,000	Completed Construction	7/03	3,969

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10343 - San Carlos West Wastewater System - Self-Help</u> A STEP project to install wastewater collection lines that will tie into a North Alamo WSC lift station. Additional funding and labor provided by Border WaterWorks and community residents.	11/01		\$757,011		Completed Construction	3/04	729
	<u>10430 - Northwest Donna Colonias Regional Wastewater System</u> Planning, acquisition, and design for a project to construct a wastewater collection and treatment system to provide first-time wastewater service to six unincorporated areas northwest of the City of Donna.	6/12	\$1,154,000			Active PAD		
<b>Pharr</b>								
	<u>10028 - Las Milpas</u> Provide new or improved water and wastewater systems, distribution line work, increased storage, WTP expansion, and WWTP expansion.	9/94	\$38,397	\$23,474,805	\$6,390,000	Completed Construction	6/04	10,477
<b>San Juan</b>								
	<u>10032 - Northside Wastewater System</u> Expanded the WWTP and collection system, upgraded treatment levels, improved the wastewater conveyance system with construction of lift stations and force main. Additional funding provided by the Economic Development Administration.	11/97	\$76,500	\$10,767,257		Completed Construction	11/05	4,939
<b>The Rensselaerville Institute</b>								
	<u>10349 - Lucky J Street Water Line - Self-Help</u> A CSHP project to extend water service. Sharyland WSC assumed the obligation of operating and maintaining the system.	6/02		\$15,759		Completed Construction	10/02	28
	<u>10353 - Proyecto Vecinos Unidos - Self-Help</u> A CSHP project to extend first-time wastewater service and upgrade its lift station. Project partners included the City of McAllen and residents of Amigo Parks Units I & II.	6/03		\$63,418		Completed Construction	5/03	157
	<u>10354 - Proyecto Bella Vista - Self-Help</u> A CSHP project to construct a wastewater collection system and lift station to connect to a City of Alton wastewater line.	6/03		\$33,525		Completed Construction	3/05	81
	<u>10357 - Proyecto Botello - Self-Help</u> A CSHP project to install a water line. Residents installed water lines and connected dwellings. Water will be provided by Sharyland WSC.	1/04		\$25,195		Completed Construction	5/05	49
	<u>10359 - Taylor Road Collection Lines - Self-Help</u> A CSHP project to extend wastewater service. Additional funding provided by the City of Mission (as a Supplemental Environmental Project) and other in-kind and donated services. Water service is supplied by McAllen and Mission.	2/04		\$25,277		Completed Construction	12/05	45
	<u>10360 - Mike Cruz Road Water Service - Self-Help</u> A CSHP project to provide public water service. The County assumes ownership of the road, and Sharyland WSC will install a water line and provide service. Additional funding and in-kind labor and services provided by the WSC, residents, and private firms.	2/04		\$16,840		Completed Construction	3/05	34

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10361 - Project Big 5 - Self-Help</u> A CSHP project to provide first-time water service. Service will be provided by Sharyland WSC.	11/06		\$35,021		Completed Construction	9/07	79
	<u>10382 - Unidos en Hargill - Wastewater - Self-Help</u> A CSHP project to build wastewater collection facilities and connect residences to the North Alamo WSC WWTP.	7/08		\$88,609		Completed Construction	6/09	(see project #10385)
	<u>10385 - Unidos en Hargill - Water - Self-Help</u> A CSHP project to connect residences to the North Alamo WSC water main.	7/08		\$111,446		Completed Construction	6/09	135
	<u>10395 - Tri-City Acres Wastewater - Self-Help</u> A CSHP project to extend a wastewater line to residences. Treatment will be provided by the City of Pharr.	8/09		\$44,000		Completed Construction	9/10	60
<b>Weslaco</b>								
	<u>10026 - Southwest Wastewater Treatment Plant</u> A project to build wastewater collection facilities for first-time wastewater service and build a new WWTP.	9/95	\$108,913	\$3,593,435	\$5,930,000	Completed Construction	1/02	5,001
	<u>10295 - Sun Country Estates - Self-Help</u> A community self-help project to install a wastewater collection system. Additional funding provided by Border Water Works, the Rensselaerville Institute, and the City of Weslaco.	12/97		\$40,704		Completed Construction	8/98	348
<b>Hudspeth</b>								
<b>Fort Hancock WCID</b>								
	<u>10397 - Water Supply Improvements</u> New groundwater well and treatment to provide adequate capacity and meet drinking water standards.	4/10		\$3,013,000		Completed Construction	1/12	1,230
<b>Hudspeth Co WCID # 1</b>								
	<u>10054 - Sierra Blanca Wastewater System</u> Construct a new WWTP and collection system. Additional funding provided by the TDHCA for collection lines and the WCID and the County to construct laterals and extend the system to EDAP-ineligible areas.	9/93	\$26,000	\$2,219,999		Completed Construction	7/00	1,100
<b>Kerr</b>								
<b>Kerr County</b>								
	<u>10366 - Center Point Wastewater System</u> Construct a new wastewater collection system for first-time service. Preliminary plans include a gravity interceptor to connect the system to the Kendall Co WCID # 1 wastewater treatment plant downstream in the town of Comfort.	10/08	\$242,500		\$1,860,000	Active Acquisition		
<b>Upper Guadalupe RA</b>								
	<u>10367 - Center Point Water System</u> Construct a surface water system in eastern Kerr County currently served by several privately-owned water systems.	10/08	\$51,750			Canceled Planning		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Kinney</b>								
<b>Spofford</b>								
	<u>10167 - Brackettville Transmission Line</u> Construct a permanent water supply line from the City of Brackettville. Additional funding provided by the TDHCA, a portion of which was used to install the temporary line.	5/96	\$13,000	\$404,079		Completed Construction	9/98	66
<b>La Salle</b>								
<b>La Salle County</b>								
	<u>10069 - Encinal Wastewater</u> Facilities planning for first-time wastewater service. Contract terminated.	4/94	\$25,686			Completed Facility Plan		
<b>Lynn</b>								
<b>Tahoka</b>								
	<u>10420 - Distribution System Rehabilitation</u> Plan and design improvements to the City's water distribution system.	8/11	\$239,000			Active PAD		
<b>Marion</b>								
<b>Jefferson</b>								
	<u>10070 - Water &amp; Wastewater Improvements</u> Provide for improvements and extensions to the water and wastewater systems. The contract was terminated in 1999.	4/94	\$42,375			Completed Planning		
<b>Marion County</b>								
	<u>10093 - Water &amp; Wastewater</u> Provide new wastewater service and improved water service. Contract terminated.	7/94	\$45,000			Completed Facility Plan		
<b>Maverick</b>								
<b>Eagle Pass</b>								
	<u>10049 - Eidson Road Collection System</u> Construct a new WWTP, interceptor diverting all flow to the new plant, and collection systems. Subdivisions included La Herradura, Eagle Heights, Las Brizas, Jardines Verdes, Green Acres, Loma Bonita, Lago Vista, Morales, and Los Quintas Fronterizas.	2/92	\$43,185	\$9,572,571	\$2,795,000	Completed Construction	5/96	8,387
	<u>10363 - Regional Systems Phase II</u> Planning to expand the WWTP, tie in interceptor lines, improve water and distribution systems, and replace meters.	2/09	\$485,000			Completed Planning		
	<u>60813 - Regional Water and Wastewater System</u> Construct facilities to regionalize water service. Construct a new membrane technology SWTP with storage tanks, pumping facilities, and transmission line. Acquire El Indio WSC water system. Regional wastewater project includes construction of a reclaimed water system, distribution line, reuse transfer pipe, a WWTP and collection system to provide first-time service to Rosita Valley and the Kickapoo Reservation.	9/01		\$47,765,404	\$48,355,000	Completed Construction	11/10	12,726
<b>Maverick County</b>								
	<u>10050 - Quemado</u> Planning for a treated water transmission system and a water distribution system.	1/92	\$28,125			Completed Facility Plan		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>McCulloch</b>								
	<b>Richland SUD</b>							
	<u>10386 - McCulloch County Transmission Line</u> Construct a 24 mile transmission main from the SUD's well site to the water system in order to blend water to meet public drinking water standards.	1/10	\$604,000	\$4,095,000		Completed Construction	12/10	1,150
<b>Menard</b>								
	<b>Menard</b>							
	<u>10421 - Water Treatment Improvements</u> Planning for water treatment improvements required due to "groundwater under the influence of surface water" designation.	5/11	\$92,570			Active Planning		
<b>Newton</b>								
	<b>Newton County</b>							
	<u>10164 - Water &amp; Wastewater Systems</u> Planning for improved water and wastewater service for Deweyville, Old Salem, Trout Creek, Bleakwood, Bon Weir and Toledo Village.	4/95	\$376,125			Completed Facility Plan		
	<b>South Newton WSC</b>							
	<u>10307 - Community Water &amp; Wastewater Systems</u> Water system improvements, including supply, treatment and connections, and wastewater improvements provided first-time service in Newton and Orange Counties.	8/00		\$14,864,853	\$7,045,000	Completed Construction	6/10	3,795
<b>Palo Pinto</b>								
	<b>Palo Pinto Co MWD # 1</b>							
	<u>21636 - Turkey Peak Reservoir</u> Acquire land for the construction of the Turkey Peak Reservoir, a recommended water management strategy in the 2007 State Water Plan. The project proposes a new dam below Lake Palo Pinto on Palo Pinto Creek.	1/09	\$4,800,000		\$3,200,000	Active PAD		
<b>Polk</b>								
	<b>Polk FWSD 2</b>							
	<u>10380 - Wastewater Improvements</u> Extend wastewater service to areas with failing onsite septic tanks and correct one deficient wastewater collection line.	12/10	\$145,000			Active PAD		
<b>Real</b>								
	<b>Nueces River Authority</b>							
	<u>72045 - Leakey Wastewater System</u> Planning, acquisition, and design for a centralized wastewater system for first time service to the City of Leakey and surrounding areas. A 10/11 CWSRF commitment will be used to construct the first phase - a treatment plant and collection for the City and nine surrounding subdivisions. A future second phase would expand the plant and provide collection for two subdivisions.	10/11	\$3,736,250		\$9,961,460	Active PAD		



County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Reeves</b>								
<b>Pecos City</b>								
	<u>10241 - Collection System Extensions</u> Extend the City's wastewater collection system and replace on-site sewage systems. Additional funding provided by the City.	1/02	\$63,600	\$305,739		Completed Construction	12/05	67
<b>Sabine</b>								
<b>Brookeland FWSD</b>								
	<u>10333 - New Wastewater Systems</u> Planning to provide for first-time wastewater systems. The contract was terminated May 2002.	11/99	\$382,322			Completed Planning		
	<u>10337 - Purchase &amp; Improve Water Systems</u> A project to acquire seven private water systems and one wastewater system and constructed regional transmission lines, storage facilities, and water wells. The project also corrected water system inadequacies.	10/98		\$1,040,000	\$2,295,000	Completed Construction	8/07	758
<b>Pineland</b>								
	<u>10163 - Delta Heights &amp; Highway 96</u> Extend Pineland's water system and expand the wastewater system to two areas.	9/96	\$41,100	\$1,317,384		Completed Construction	11/99	166
<b>Sabine County</b>								
	<u>10165 - Bronson, Brookeland, Toledo Bend</u> Planning for new or improved water service and wastewater collection and treatment facilities. The contract was terminated July 2002.	4/95	\$312,475			Completed Planning		
<b>San Patricio</b>								
<b>Ingleside</b>								
	<u>10170 - Water &amp; Wastewater System Expansion</u> Expansion of City water and wastewater facilities to provide first-time service to residents in seven areas. CWSRF funds also installed new collection lines, rehabilitate lift stations, and make improvements at the WWTP.	6/00	\$43,094	\$4,597,390	\$2,915,000	Completed Construction	8/07	1,704
<b>Ingleside On The Bay</b>								
	<u>10168 - New Wastewater System</u> Construction of a centralized wastewater collection system. Treatment is provided by the City of Ingleside.	8/99	\$30,563	\$2,558,631		Completed Construction	7/03	773
<b>Odem</b>								
	<u>10306 - Bethel Estates &amp; SE Odem Projects</u> Construction of a wastewater system for the Bethel Estates subdivision and new water service for residences southeast of Odem. Facility planning was performed by San Patricio County. Additional funding from TWDB (CWSRF), USDA and TDRA.	7/01		\$4,718,616	\$1,940,000	Completed Construction	2/10	670
<b>Portland</b>								
	<u>10373 - Doyle Wastewater Collection System</u> Extend the wastewater collection system and replace individual septic tanks.	9/11	\$333,000	\$2,493,000	\$322,000	Under Construction		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rincon WSC</b>								
	<u>10275 - East Side Rural Water System</u> First-time public water service for a rural area. Additional funding provided by residents.	3/97		\$1,789,911		Completed Construction	12/99	748
<b>Saint Paul WSC</b>								
	<u>10296 - New Wastewater System</u> A wastewater treatment and collection system to provide first-time service. Additional funding provided by San Patricio County to repave streets.	9/98		\$1,435,323		Completed Construction	11/01	492
<b>San Patricio County</b>								
	<u>10189 - San Patricio County Regional Plan</u> Planning to provide for a new wastewater systems and improved water service. At least three TWDB funded construction projects have resulted.	9/95	\$389,750			Completed Facility Plan		
<b>Schleicher</b>								
<b>Eldorado</b>								
	<u>10394 - Water &amp; Wastewater Extension</u> Planning for the extension of water and wastewater lines to several subdivisions.	2/09	\$90,000			Completed Planning	5/11	
<b>Somervell</b>								
<b>Glen Rose</b>								
	<u>10434 - Wastewater Treatment Plant Expansion</u> Planning and design of wastewater system improvements, including expansion to the capacity and modification to the treatment process of the City's wastewater treatment plant. The project will allow the City to expand its direct non-potable reuse program.	8/12	\$740,000			Active PAD		
<b>Somervell County WD</b>								
	<u>21634 - Wheeler Branch Reservoir WTP</u> A project to design and construct a membrane filtration/softening water treatment plant at the Wheeler Branch Reservoir and the first six phases of a treated water transmission system.	11/08		\$13,574,000	\$18,861,000	Under Construction		
<b>Starr</b>								
<b>La Grulla</b>								
	<u>10368 - Regional Wastewater System</u> Acquisition and design to provide a regional wastewater system. Additional design funding provided by the BECC. The grant will fund design and easement acquisition. The project will replace the lagoon WWTP with a mechanical treatment plant. The commitment was terminated.	10/08	\$1,842,300			Canceled PAD		
<b>Río Grande City</b>								
	<u>10044 - Las Lomas Colonia</u> A project to improve water service and provide first-time wastewater service. Additional funding provided by the USDA.	10/95	\$15,000	\$1,159,047		Completed Construction	5/02	2,478

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rio WSC</b>								
	<u>10242 - Hernandez Road Pump Station</u> Improvements and upgrades to the booster pumping station and water lines leading to and away from the station.	4/97	\$52,131			Completed Facility Plan		
<b>Roma</b>								
	<u>10043 - Wastewater System Expansion and Water System Improvements</u> Expand the City's wastewater infrastructure including a WWTP and collection facilities. Additional funding provided by USDA, TDHRCA and the NADB (transitional assistance, service connections, and a SCADA system). Water system improvements included upgrades to the raw water intake, purchase additional municipal water rights, expansion of the SWTP, upgrade transmission lines, add a pumping station, elevated storage, and distribution main. Additional funding provided by the NADB (transitional funding assistance and a SCADA control system).	8/97	\$22,500	\$27,577,375	\$9,740,000	Completed Construction	12/07	23,301
	<u>10350 - Water System Upgrades</u> Upgrade the water distribution system, increase water pressure, and provide capacity for projected population growth.	12/03		\$5,386,000		Completed Construction	12/07	2,635
	<u>10364 - SB 1421 Wastewater Improvements</u> Construct wastewater facilities for approximately 10 areas not previously eligible for EDAP.	5/08	\$573,300	\$4,913,816		Completed Construction	8/10	(see project #10043)
<b>Terrell</b>								
<b>Terrell Co WCID # 1</b>								
	<u>10053 - Sanderson Wastewater System</u> Construct a new wastewater collection and treatment system. Additional funding provided by the NADB.	6/97	\$51,675	\$4,204,500		Completed Construction	6/03	1,128
<b>Trinity</b>								
<b>Groveton</b>								
	<u>61314 - Water System Improvements</u> Planning, acquisition, and design to develop a new water source and make improvements to the system. Will also replace older lines, install isolation valves, and purchase an emergency	2/08	\$250,500			Active PAD		
<b>Uvalde</b>								
<b>Uvalde County</b>								
	<u>10169 - Water &amp; Wastewater Improvements</u> Planning to provide water and wastewater services for approximately nine areas. Contract was terminated on January 18, 2000.	7/95	\$198,939			Completed Facility Plan		
<b>Windmill WSC</b>								
	<u>10308 - Uvalde Estates Water Improvements</u> Purchase the existing privately-owned Uvalde Estates Water System. Replace the distribution system and add storage facilities.	8/98		\$2,532,617		Completed Construction	5/01	1,264

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Val Verde</b>								
<b>Del Rio</b>								
	<u>10051 - Cienegas Terrace</u> Improve water service and first-time wastewater service .	7/93	\$23,606	\$3,508,710		Completed Construction	10/96	1,412
	<u>10052 - Val Verde Park Estates</u> Improve water service and first time wastewater service.	1/96	\$36,000	\$12,010,573		Completed Construction	8/04	2,747
<b>Val Verde County</b>								
	<u>10244 - Water &amp; Wastewater</u> Planning to provide water and wastewater services. Contract was terminated in January 2000.	5/96	\$283,284			Completed Facility Plan		
	<u>10369 - Lakeview Estates Water &amp; Wastewater</u> Planning to identify water and wastewater system needs to serve unincorporated areas. Currently, water service consists of private water wells and wastewater service consists entirely of septic tanks.	5/09	\$460,000			Completed Planning	8/12	
<b>Van Zandt</b>								
<b>Edom WSC</b>								
	<u>*10436 - Water System Improvements</u> <i>Research and planning funding to conduct facility planning studies to evaluate improvements to the water distribution system.</i>	1/13	\$61,200			<i>Active PAD</i>		
<b>Webb</b>								
<b>Laredo</b>								
	<u>10045 - Mines Road &amp; State Highway 359</u> Construct first-time water facilities in five unincorporated subdivisions in the Mines Road area north of Laredo, first-time water and wastewater facilities in ten unincorporated subdivisions along State Highway 359 east of the City, and install on-site septic systems in the Los Corralitos subdivision on Mines Road. A related project funded by the North American Development Bank provided wastewater collection facilities along Mines Road and expanded the City's Columbia Bridge WWTP.	8/00	\$197,202	\$26,853,202		Completed Construction	2/12	4,222
	<u>10409 - Municipal Water Rights</u> Fund the purchase of irrigation water rights from public and private owners and convert them to municipal water rights. This is a recommended water management strategy in the 2007 State Water Plan.	9/09		\$15,000,000		Completed	10/11	
<b>Webb County</b>								
	<u>10199 - Larga Vista Collection System</u> A wastewater collection system for first-time service. Additional funding provided by Webb County.	1/96		\$1,570,120		Completed Construction	3/99	544
	<u>10201 - Southwest Webb County - Rio Bravo/El Cenizo</u> Provide improved water and wastewater service, including looping water lines and expanded water line replacement work. Additional funding provided by Webb County and TDRA.	7/99	\$75,000	\$27,927,923	\$3,060,000	Completed Construction	3/10	9,676

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10342 - SH 59 Water &amp; Wastewater</u> Planning to provide first-time water and wastewater service. Additional funding and in-kind services provided by Webb County and the BECC.	8/01	\$71,250			Completed PAD		
<b>Willacy</b>								
<b>North Alamo WSC</b>								
	<u>10042 - La Sara Wastewater System</u> Construct a new wastewater collection and treatment system. Additional funding provided by TDHCA (residential service connections).	11/93		\$1,685,186		Completed Construction	5/00	1,261
<b>Sebastian MUD</b>								
	<u>10041 - Wastewater Service</u> Provide first-time wastewater service. Additional funding provided by TDHCA (install service lines and pay tap fees) and the USDA.	2/92		\$2,972,194		Completed Construction	3/96	1,904
<b>Willacy County</b>								
	<u>10090 - Water Supply &amp; Wastewater</u> Regional water supply and wastewater planning for first-time wastewater service.	1/91	\$56,250			Completed Facility Plan		
<b>Zapata</b>								
<b>Siesta Shores WCID</b>								
	<u>10156 - Water System Improvements</u> Purchase of privately-owned water system, construction of a new water treatment plant, transmission line, a new standpipe storage tank, and the purchase of water rights. Additional funding provided by USDA (replace the SWTP and install transmission main).	11/96		\$814,377		Completed Construction	3/99	2,025
<b>Zavala</b>								
<b>Batesville WSC</b>								
	<u>10341 - Water Supply &amp; Wastewater Improvements</u> Construct water system improvements and a new wastewater system.	5/01		\$4,360,738		Completed Construction	8/07	1,383
<b>Crystal City</b>								
	<u>10253 - Colonia Wastewater Service</u> Construction of a wastewater collection system to serve four areas.	5/99	\$19,126	\$646,184		Completed Construction	10/01	263
<b>Zavala Co WCID # 1</b>								
	<u>10340 - La Pryor Water &amp; Wastewater Systems</u> Construct water system improvements and first-time wastewater service, including two new wells, storage tank, transmission and distribution line, a gravity collection system and a treatment facility with land application disposal.	3/01		\$7,870,105		Completed Construction	1/12	2,158
	<u>10402 - La Pryor Water Treatment Plant</u> Construct a water treatment facility.	8/11	\$101,000	\$1,326,000		Under Construction		

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
Zavala County								
	<u>10047 - Batesville</u> Planning for improved water service and first-time wastewater service.	7/92	\$23,625			Completed Facility Plan		
	<u>10048 - La Pryor Wastewater</u> Planning to provide first-time wastewater service.	3/93	\$22,488			Completed Facility Plan		
	<b>TOTAL</b>		<b>\$44,531,305</b>	<b>\$674,497,740</b>	<b>\$178,254,318</b>			<b>291,338</b>
	<b>TOTAL EDAP FUNDING</b>		<b>\$719,029,045</b>					
	<b>TOTAL TWDB FUNDING TO THESE PROJECTS</b>			<b>\$897,283,363</b>				

June 18



MULTIFAMILY FINANCE PRODUCTION DIVISION  
Housing Tax Credit Program - 2013 Application Round  
Scoring Notice - Competitive Housing Tax Credit Application

Melissa Adami  
Phone #: (972) 701-5558  
Email: [Madami@orhlp.com](mailto:Madami@orhlp.com)  
Second Email: [Dstevens@orhlp.com](mailto:Dstevens@orhlp.com)

Date: June 11, 2013

**THIS NOTICE WILL ONLY BE  
TRANSMITTED VIA EMAIL**

**RE: 2013 Competitive Housing Tax Credit (HTC) Application for Mayorca Villas, TDHCA Number: 13068**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2013 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that four scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the four scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(1) Quantifiable Community Participation, §11.9(d)(2) Community Input other than Quantifiable Community Participation, §11.9(d)(4) Community Support from State Representative or Senator, and §11.9(e)(2) Cost of Development per Square Foot.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(3) "Commitment of Development Funding by Unit of General Local Government" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice, and all commitments of funds must include a statement from the provider that the funds were not first received by the applicant or related party. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(3)(B). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2013 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**

**Page 2 of Final Scoring Notice: 13068, Mayorca Villas**

**Section 1:**

Score Requested by Applicant (Does not include points for §§11.9(d)(1), (2), or (4) or 11.9(e)(2) of the 2013 QAP):	112
Score Awarded by Department staff (Does not include points for §§11.9(d)(1), (2), or (4) or 11.9(e)(2) of the 2013 QAP):	109
Difference between Requested and Awarded:	3

**Section 2:**

Points Awarded for §11.9(d)(1) Quantifiable Community Participation:	10
Points Awarded for §11.9(d)(2) Community Input other than Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(4) Community Support from State Representative or Senator:	12
Points Awarded for §11.9(e)(2) Cost of Development per Square Foot:	10

**Section 3:**

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules:	1
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**Section 4:**

<b>Final Score Awarded to Application by Department staff:</b>	<b>144</b>
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**Section 5:**

**Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed §§11.9(d)(1),(2) and (4) and 11.9(e)(2):**

- §11.9(c)(6) Underserved Area. The Applicant did not submit a letter from the Texas Water Development Board indicating that the development site is located in an economically distressed area. (Requested 2, Awarded 0)
- §11.9(d)(5) Declared Disaster Area. The Development Site is not located in Tarrant, Dallas, or Kaufman county. (Requested 8, Awarded 7)
- §11.9(f)(1) Point Deductions. The Applicant did not submit sufficient documentation for staff to award points under §11.9(c)(6). (1 point deduction)

Restrictions and requirements relating to the filing of an appeal can be found in 10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Tuesday, June 18, 2013. 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 are heard at the 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 Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Jean Latsha at (512) 475-1676 or by email at [jean.latsha@tdhca.state.tx.us](mailto:jean.latsha@tdhca.state.tx.us).

Sincerely,

*Cameron Dorsey*  
 Cameron Dorsey  
 Director of Multifamily Finance





MULTIFAMILY FINANCE PRODUCTION DIVISION  
Housing Tax Credit Program - 2013 Application Round  
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 13068, Mayorca Villas

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2013 scoring notice and am filing a formal appeal to the Executive Director on or before Tuesday, June 18, 2013.

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 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized. *- only if the ED cannot lift the penalty point*
- I do not wish to appeal to the Board of Directors.

Signed Mellen  
Title GP  
Date 06-18-13

Please fax or email to the attention of Jean Latsha:  
Fax: (512) 475-0764 or (512) 475-1895  
Email: <mailto:jean.latsha@tdhca.state.tx.us>

**TX Cameron Apartments, L.P.**  
**Attn: Dewey Steven or Melissa Adami**  
**5420 LBJ Freeway, Suite 1355**  
**Dallas, TX 75240**

Mr. Tim Irvine  
Executive Director  
TDHCA  
211 E. 11 Street  
Austin, TX 77011

June 17, 2013

RE: Scoring notice appeal for the Economically Distressed Area (EDA) points and any penalties associated with this point category; Mayorca Villas; TDHCA #13068

Dear Mr. Irvine:

We believe that a complete review of the application, material submitted during the administrative deficiency process and the material provided with this appeal request, support our self-score awarding two points for having a development located in an EDA. We hope you will agree we complied with the requirements of the QAP and the applicable Statute (Section 2306.127) sufficient to award the two points for being in an area that is an economically distressed area. We rely on our compliance with the rules noting the following submissions:

1. TWDB correspondence confirming reliance on the EDA Status report they file quarterly showing we are in whole or in part in an EDA eligible area. The report provided to TDHCA was the most recent publication, as of this writing, dated February 28, 2013 and certified by signature of the TWDB Executive Administrator. It allows the information to be used in any administrative proceeding or as evidence in a court room. We are the only applicant I am aware of with correspondence from the TWDB related to the support documentation we provided to TDHCA in the application and administrative deficiency processes.
2. Texas Water Development Board reports dated November 30, 2012 and February 28, 2013
3. Letter from the Brownsville Public Utility Board confirming our site is whole or in part in an EDA eligible area. BPUB is the award winning applicant for the projects actively under construction in Brownsville and Cameron County. (see both reports referenced in 2 above)
4. Supplement evidence from BPUB that our specific neighborhood is receiving funding from the Economically Disadvantage Federal Program via the TWDB for our specific site. Our neighborhood, BCC, the Brownsville Country Club neighborhood is receiving funds for sewer work. A neighborhood system to which we tie. This work is being done now out of the \$46 million awarded to BPUB by TWDB.
5. Letter and certification from the civil engineer confirming our site ties to the system funded by the TWDB, in 4 above.

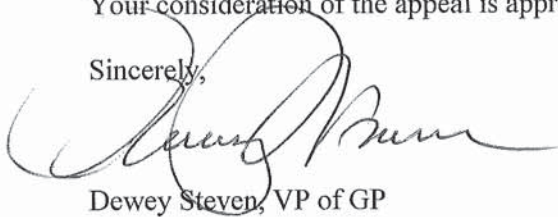
Page Two  
TDHCA Scoring Appeal  
Mayorca Villas, #13-068

We hope that this evidence is sufficient for good faith compliance with the QAP, the Rules and the Statute for staff to award Mayorca Villas the two points. We checked this box because we believed our site met the requirements and intent of the Statute. We worked hard to comply with the TDHCA submission requirements for claiming these two points. In addition to us making calls to the TWDB, Ms. Adami went to the TWDB office and met with the Executive Administrator. In addition, we had our State Senator called Ms. Callahan, Executive Administrator of TWDB, to ask TWDB to help us support our claim with correspondence TDHCA could rely upon to award the points. It is why we have the letter we have from TWDB confirming reliance on the status report submission.

In the event that you do not agree that our submission is sufficient to award the two points, we use that same submission information to support our good faith basis for claiming the two points for EDA. We ask that you waive the one point penalty assessed by the Department in the scoring notice noting our good faith attempt to support our claim to the EDA points. We represent and affirm that we acted in good faith, with a clear belief that we were eligible to claim the EDA points for our site in this area of Brownsville and Cameron County.

Your consideration of the appeal is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Dewey Steven", written over a circular stamp or seal.

Dewey Steven, VP of GP

# Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.  
Austin, TX 78711-3231, www.twdb.texas.gov  
Phone (512) 463-7847, Fax (512) 475-2053

THE STATE OF TEXAS    §  
COUNTY OF TRAVIS     §

As the Executive Administrator of the Texas Water Development Board, I hereby certify that attached is a copy of the following, as contained in the records of the Texas Water Development Board:

Economically Distressed Areas Program Status Report dated February 28, 2013.

Under Texas Water Code §6.153(a), a certified copy with the seal of the Texas Water Development Board and the signature of the Executive Administrator is admissible as evidence in any court or administrative proceeding.

WITNESS MY HAND, and the Seal of the Texas Water Development Board, this the 28<sup>th</sup> day of May, 2013.

Texas Water Development Board



(Seal)

*Melanie Callahan*

Melanie Callahan  
Executive Administrator

**Our Mission** : **Board Members**

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

Billy R. Bradford Jr., Chairman  
Joe M. Crutcher, Vice Chairman  
Melanie Callahan, Executive Administrator

Lewis H. McMahan, Member  
Edward G. Vaughan, Member

Monte Cluck, Member  
F.A. "Rick" Rylander, Member

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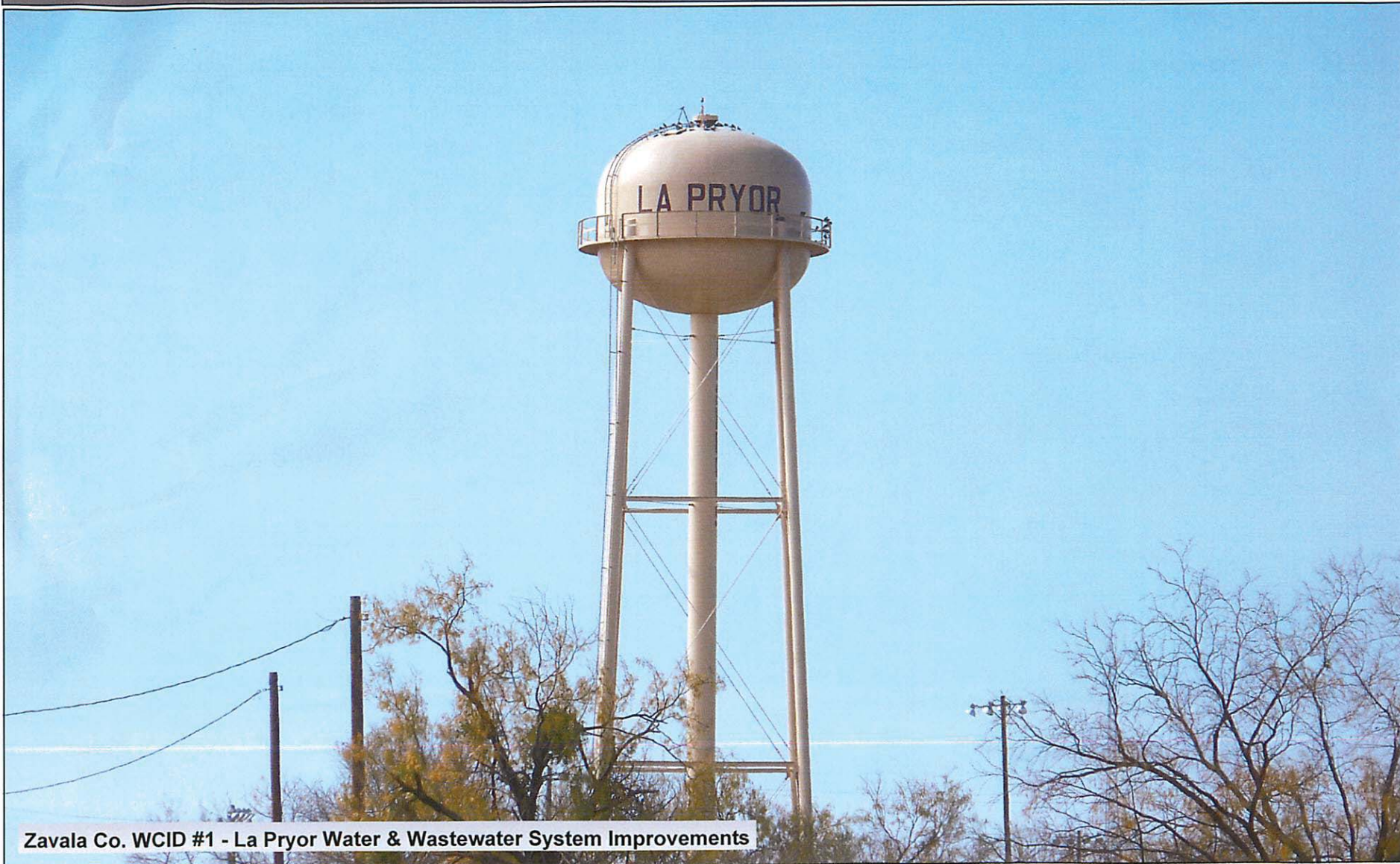
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# Economically Distressed Areas Program

Status Report - February 28, 2013

**Texas Water**   
**Development Board**

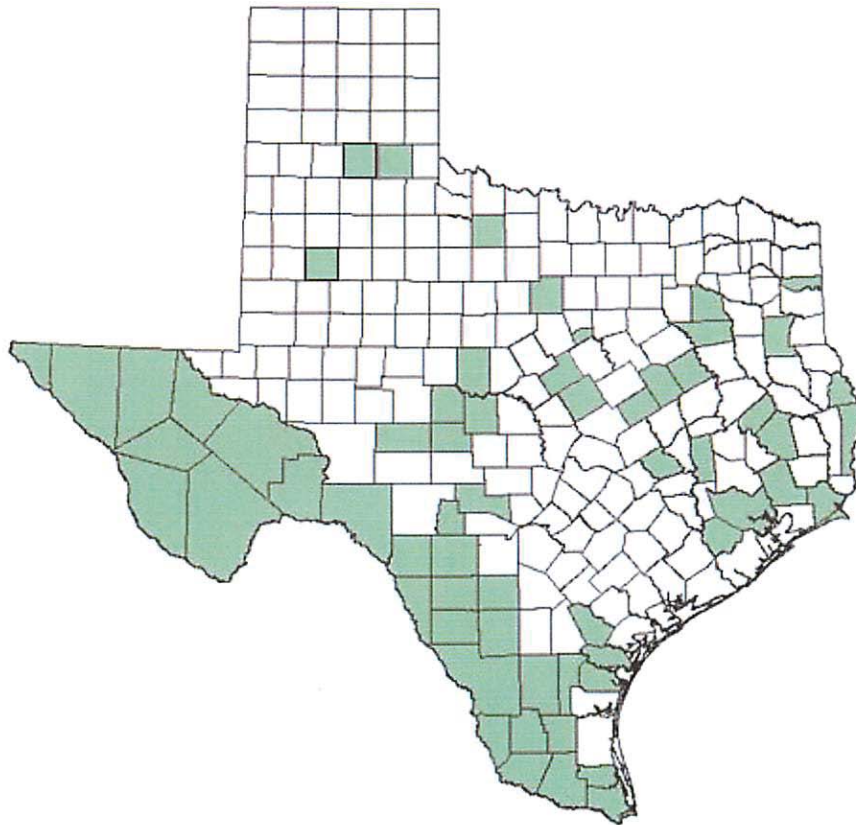


Zavala Co. WCID #1 - La Pryor Water & Wastewater System Improvements

# Economically Distressed Areas Program

Counties meeting Model Subdivision Rule requirements  
for EDAP eligibility as of February 28, 2013

## STATUS REPORT

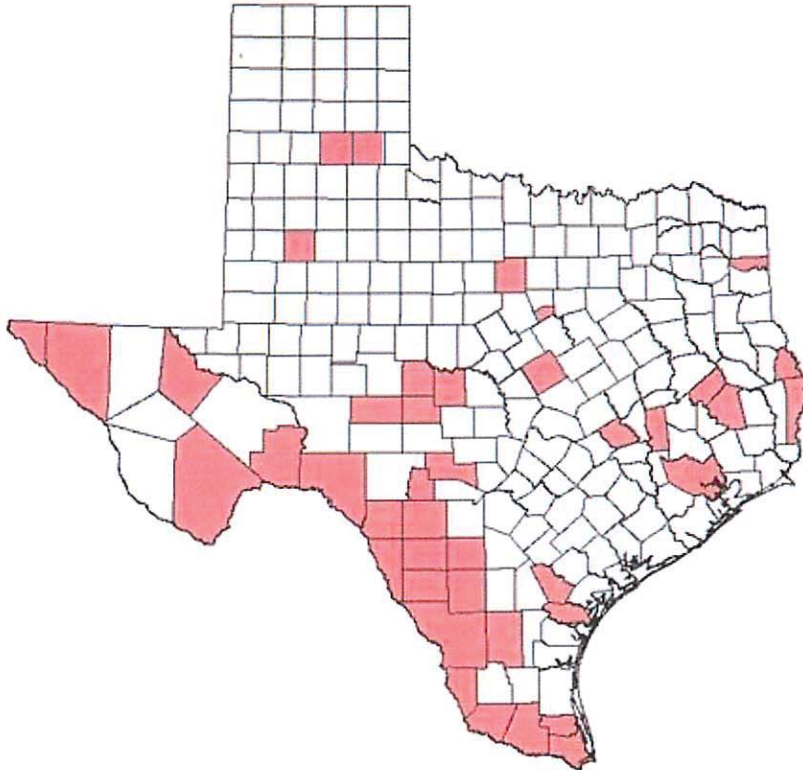


### Table of Contents

Background	2
Summary of EDAP Funding	3
Index by County	4
Projects Listed by County	5-22

During this quarter (December 1, 2012 – February 28, 2013), no additional counties adopted Model Subdivision Rule requirements.

## Counties with Communities that have received EDAP funding as of February 28, 2013



Since December 1, 2012, the TWDB approved planning and design funding for two projects. Additionally, one project completed planning, acquisition, and design phase activities.

## Background

The Texas Water Development Board (TWDB), state leaders, legislators and the citizens of Texas have been active in providing water and wastewater services to economically distressed areas of the state for over 20 years. The Economically Distressed Areas Program (EDAP), including its related programs, has provided over \$719 million in grants and loans to fund the planning, acquisition, design, and construction of much-needed basic water and wastewater infrastructure. The EDAP can also be used to pay for first-time service connections for homes in an area to be served by an EDAP project that meets additional federal low-income criteria.

In 1989 the 71<sup>st</sup> Legislature passed comprehensive legislation that established EDAP to be administered by the TWDB and established the Model Subdivision Rules (MSR) for the regulation of future residential subdivisions. These laws focused on two major goals: delivering water and wastewater services to meet the immediate health and safety concerns, and stopping the proliferation of sub-standard subdivisions through tougher enforcement of development standards.

The EDAP program provides financial assistance in the form of a grant, or a combination grant/loan to disadvantaged political subdivisions, including cities, counties, water districts and non-profit water supply corporations. EDAP projects provide adequate water and wastewater to Texas residents without service and to those with existing systems that do not meet minimum state standards. Throughout its history, the EDAP has involved collaborative funding with state and federal agencies, such as the Environmental Protection Agency, the United States Department of Agriculture-Rural Development, the Texas Department of Agriculture, North American Development Bank, the Border Environmental Cooperation Commission, local governments including counties, cities, water and wastewater utilities, and non-profit groups.



## Economically Distressed Areas Program Status Report - February 28, 2013

County	COMPLETED PROJECTS				UNDER CONSTRUCTION			PLANNING, ACQUISITION & DESIGN				TOTAL		
	Facility Plans & Design	Construction	EDAP Funding	Estimated Residents with Service Available	Under Construction	EDAP Funding	Estimated Population to benefit	PAD In Progress	EDAP Funding	Estimated Construction & Future Costs	Estimated Population to benefit	Total Projects	Total EDAP Funding	Total TWDB Assistance to these Projects
Bee County	1	2	\$5,240,967	1,019								3	\$5,240,967	\$5,600,967
Brewster County								1	\$290,000	\$1,210,000	6,053	1	\$290,000	\$290,000
Briscoe County								1	\$1,825,000	\$4,265,000	1,680	1	\$1,825,000	\$1,825,000
Burleson County								1	\$67,750	\$6,842,250	872	1	\$67,750	\$67,750
Cameron County	3	12	\$80,056,307	32,476	2	\$29,328,800	3,888					17	\$109,385,107	\$111,807,947
Coryell County	1	1	\$2,984,065	790								2	\$2,984,065	\$3,189,065
Dimmit County	1	3	\$5,724,605	2,830								4	\$5,724,605	\$5,724,605
Duval County	1		\$177,800									1	\$177,800	\$177,800
El Paso County	3	9	\$122,174,632	86,761	1	\$651,000	428	3	\$312,000	\$7,023,832	1,316	16	\$123,137,632	\$138,561,724
Frio County		1	\$1,958,960	579								1	\$1,958,960	\$1,958,960
Grimes County		1	\$6,250,000	711				1	\$235,000	\$4,765,000	401	2	\$6,485,000	\$6,485,000
Hall County								1	\$291,000	\$4,733,000	421	1	\$291,000	\$291,000
Harris County					1	\$10,936,094	1,583	1	\$986,000	\$8,536,172	567	2	\$11,922,094	\$11,922,094
Hidalgo County	12	29	\$150,039,653	73,939	1	\$5,139,000	1,109	2	\$3,754,000	\$141,835,641	9,616	44	\$158,932,653	\$206,425,579
Hudspeth County		2	\$5,258,999	2,330								2	\$5,258,999	\$5,258,999
Kerr County	1		\$51,750					1	\$242,500	\$15,661,309	2,115	2	\$294,250	\$2,154,250
Kinney County		1	\$417,079	66								1	\$417,079	\$417,079
La Salle County	1		\$25,686									1	\$25,686	\$25,686
Lynn County								1	\$239,000	\$1,878,500	3,096	1	\$239,000	\$239,000
Marion County	2		\$87,375									2	\$87,375	\$87,375
Maverick County	1	2	\$57,409,285	21,113				1	\$485,000	\$19,753,690		4	\$57,894,285	\$109,044,285
McCulloch County		1	\$4,699,000	1,150								1	\$4,699,000	\$4,699,000
Menard County								1	\$92,570	\$5,507,430	1,680	1	\$92,570	\$92,570
Newton County	1	1	\$15,240,978	3,795								2	\$15,240,978	\$22,285,978
Polk County								1	\$145,000	\$832,000	117	1	\$145,000	\$145,000
Real County								1	\$3,736,250		847	1	\$3,736,250	\$13,697,710
Reeves County		1	\$369,339	67								1	\$369,339	\$369,339
Sabine County	2	2	\$3,093,281	924								4	\$3,093,281	\$5,388,281
San Patricio County	1	5	\$15,896,278	4,387	1	\$2,493,000	336					7	\$18,389,278	\$23,566,278
Schleicher County	1		\$90,000									1	\$90,000	\$90,000
Somervell County								1	\$740,000	\$8,900,000	2,444	1	\$740,000	\$740,000
Starr County	2	4	\$41,541,469	28,414								6	\$41,541,469	\$51,281,469
Terrell County		1	\$4,256,175	1,128								1	\$4,256,175	\$4,256,175
Trinity County								1	\$250,500	\$2,168,000	1,057	1	\$250,500	\$250,500
Uvalde County	1	1	\$2,731,556	1,264								2	\$2,731,556	\$2,731,556
Val Verde County	1	2	\$15,862,173	4,159				1	\$460,000	\$8,865,286	251	4	\$16,322,173	\$16,322,173
Van Zandt County								1	\$61,200	\$1,043,000	361	1	\$61,200	\$61,200
Webb County	1	3	\$56,694,697	14,442								4	\$56,694,697	\$59,754,697
Willacy County	1	2	\$4,713,630	3,165								3	\$4,713,630	\$4,713,630
Zapata County		1	\$814,377	2,025								1	\$814,377	\$814,377
Zavala County	2	3	\$12,942,266	3,804	1	\$1,427,000	2,158					6	\$14,369,266	\$14,369,266
<b>Subtotal</b>	<b>40</b>	<b>90</b>	<b>\$616,802,381</b>	<b>291,338</b>	<b>7</b>	<b>\$49,974,894</b>	<b>9,502</b>	<b>21</b>	<b>\$14,202,770</b>	<b>\$243,820,110</b>	<b>32,894</b>	<b>158</b>	<b>\$680,980,045</b>	<b>\$837,173,363</b>
<b>STATE WATER PLAN EDAP:</b>														
Concho County					1	\$4,675,000	1,200					1	\$4,675,000	\$4,675,000
Palo Pinto County								1	\$4,800,000		14,644	1	\$4,800,000	\$8,000,000
Somervell County					1	\$13,574,000	2,444					1	\$13,574,000	\$32,435,000
Webb County		1	\$15,000,000	237,396								1	\$15,000,000	\$15,000,000
<b>Subtotal</b>		<b>1</b>	<b>\$15,000,000</b>	<b>237,396</b>	<b>2</b>	<b>\$18,249,000</b>	<b>3,644</b>	<b>1</b>	<b>\$4,800,000</b>		<b>14,644</b>	<b>4</b>	<b>\$38,049,000</b>	<b>\$60,110,000</b>
<b>TOTAL with SWP EDAP</b>			<b>\$631,802,381</b>			<b>\$68,223,894</b>			<b>\$19,002,770</b>			<b>162</b>	<b>\$719,029,045</b>	<b>\$897,283,363</b>

1. "Facility Plans & Design" Includes Facility Planning Grants and other projects that completed planning or design but that did not complete construction.

2. The above figures reflect initial commitment amounts and have not been adjusted for actual funds expended. EDAP Funding amounts include EDAP's related programs: EDAP, Colonia Wastewater Treatment Assistance Program, Colonia Self Help, Community Self Help, EDAP Research and Planning, and one EDAP project funded through the Water Loan Assistance Fund.

3. "Estimated residents with service available" avoids double counting population when served by subsequent projects. I.e. Residents served by a water project and counted once, are not counted a second time when served by a later wastewater project. This in some ways undercounts project impact/benefit but avoids double counting population.

## Index to Projects by County

<b>BEE COUNTY</b>	Lower Valley WD (Las Azaleas Planning)	Weslaco (Southwest Wastewater)	Somervell County WD
Bee County	Vinton	Weslaco (Sun Country Estates)	
Skidmore WSC	<b>FRIO COUNTY</b>	<b>HUDSPETH COUNTY</b>	<b>STARR COUNTY</b>
Tynan WSC	Moore WSC	Fort Hancock WCID	La Grulla
<b>BREWSTER COUNTY</b>	<b>GRIMES COUNTY</b>	Hudspeth County WCID #1 (Sierra Blanca)	Rio Grande City (Las Lomas)
Alpine	Bedias	<b>KERR COUNTY</b>	Rio WSC
<b>BRISCOE COUNTY</b>	Iola	Kerr County	Roma (Water & Wastewater)
Silverton	<b>HARRIS COUNTY</b>	Upper Guadalupe River Authority	Roma (Water System Upgrades)
<b>BURLESON COUNTY</b>	Airline ID	<b>KINNEY COUNTY</b>	Roma (SB 1421 Wastewater)
Beaver Creek WCID 1	East Aldine MD	Spofford	<b>TERRELL COUNTY</b>
<b>CAMERON COUNTY</b>	<b>HALL COUNTY</b>	<b>LA SALLE COUNTY</b>	Terrell County WCID #1 (Sanderson)
Brownsville (Cameron Park)	Turkey	Encinal	<b>TRINITY COUNTY</b>
Brownsville (Hacienda Gardens)	<b>HIDALGO COUNTY</b>	<b>LYNN</b>	Groveton
Brownsville (Valle Hermosa & Valle Escondido)	Agua SUD (East)	Tahoka	<b>UVALDE COUNTY</b>
Brownsville (FM 511-802)	Agua SUD (West)	<b>MARION COUNTY</b>	Uvalde County Planning
Brownsville (Villa Nueva)	Alamo (South Tower Estates)	Jefferson	Windmill WSC
Cameron County Urban Regional Planning	Alamo (New Wastewater Service)	Marion County	<b>VAL VERDE COUNTY</b>
Cameron County Rural Planning	Alton	<b>MAVERICK COUNTY</b>	Del Rio (Cienegas Terrace)
Combes	Alton (Phase II)	Eagle Pass (Eidson Road)	Del Rio (Val Verde Park Estates)
Harlingen (Arroyo Colorado & Colonia Bishop)	Border WaterWorks (Mile 17 1/2)	Eagle Pass (Regional Water)	Val Verde County Planning
La Feria	Border WaterWorks (Wisconsin Road)	Eagle Pass (Regional Wastewater)	Val Verde County (Lakeview Estates)
Los Fresnos	Donna	Eagle Pass (Regional Systems – Phase II)	<b>VAN ZANDT COUNTY</b>
Olmito WSC (Water & Wastewater)	Donna (Western Colonias)	Maverick County (Quemado planning)	Edom WSC (Water System Improvements)
Olmito WSC (Collection System Expansion)	Edinburg (Faysville)	<b>MCCULLOCH COUNTY</b>	<b>WEBB COUNTY</b>
Primera	Edinburg (Lull)	Richland SUD	Laredo (Mines Rd & S.H. 359)
Rio Hondo	Edinburg (Northwest)	<b>MENARD COUNTY</b>	Laredo (Municipal Water Rights)
San Benito	Elsa	Menard	Webb County (Larga Vista)
Santa Rosa (Water and Wastewater)	Hidalgo County (El Paraiso)	<b>NEWTON COUNTY</b>	Webb County (SW - El Cenizo & Rio Bravo)
<b>CONCHO COUNTY</b>	Hidalgo County (DeAnda & Saenz)	Newton County Planning	Webb County (SH 59 planning)
Eden	Hidalgo County (Sanchez Ranch)	South Newton WSC	<b>WILLACY COUNTY</b>
<b>CORYELL COUNTY</b>	Hidalgo County (Urban Regional)	<b>PALO PINTO COUNTY</b>	North Alamo WSC (La Sara)
Copperas Cove	La Joya WSC (East-Palmview area)	Palo Pinto Co. MWD 1	Sebastian MUD
Gatesville	La Joya WSC (West-Sullivan City area)	<b>POLK COUNTY</b>	Willacy County Planning
<b>DIMITT COUNTY</b>	McAllen	Polk County FWSD 2	<b>ZAPATA COUNTY</b>
Asherton	Mercedes	<b>REAL COUNTY</b>	Siesta Shores WCID
Carrizo Hill WSC	Mercedes (DeAnda & Saenz)	Nueces River Authority (Leakey)	<b>ZAVALA COUNTY</b>
Catarina WSC	Military Highway WSC (S. Tower Estates)	<b>REEVES COUNTY</b>	Batesville WSC
Dimmitt County Planning	Mission (Madero and Granjeno)	Pecos City	Crystal City
<b>DUVAL COUNTY</b>	Mission (Northwest Mission)	<b>SABINE COUNTY</b>	Zavala County WCID1 (La Pryor)
Duval County Planning	North Alamo WSC (Donna Colonias)	Brookeland FWSD (Water)	Zavala County WCID1 (Water Treatment)
<b>EL PASO COUNTY</b>	North Alamo WSC (Doolittle)	Brookeland FWSD (Wastewater)	Zavala County Planning (Batesville)
El Paso (Canutillo)	North Alamo WSC (San Carlos)	Pineland	Zavala County Planning (La Pryor)
El Paso (East Montana – Phase 0)	North Alamo WSC (San Juan)	Sabine County Planning	
El Paso (Westway Water)	Pharr (Las Milpas)	<b>SAN PATRICIO COUNTY</b>	
El Paso (Westway II)	San Juan	Ingleside	
El Paso (La Mesa, 7 <sup>th</sup> , & Vinton)	TRI (Lucky J)	Ingleside on the Bay	
El Paso (Norma & Georgia)	TRI (Vecinos Unidos)	Odem (Bethel Estates & SE Odem)	
El Paso (Turf Estates)	TRI (Bella Vista)	Portland	
El Paso County WID (Tornillo)	TRI (Botello)	Rincon WSC	
El Paso County WID (WW Collection Phase II)	TRI (Taylor Road)	St. Paul WSC	
El Paso County (East Montana – Ph. 2&3)	TRI (Mike Cruz Road)	San Patricio County Regional Planning	
Homestead MUD (East Montana – Ph. 1)	TRI (Big Five)	<b>SCHLEICHER COUNTY</b>	
Lower Valley WD (Phase I – Baumann)	TRI (Hargill-Wastewater)	Eldorado	
Lower Valley WD (Phase II - Socorro)	TRI (Hargill-Water)	<b>SOMERVELL COUNTY</b>	
Lower Valley WD (Phase III – San Elizario)	TRI (Tri City Acres)	Glen Rose (WWTP Expansion)	

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Bee County</b>								
Bee County								
	<u>10229 - Water &amp; Wastewater</u> Planning for water and wastewater facilities to provide new and improved service.	5/96	\$228,900			Completed Facility Plan		
Skidmore WSC								
	<u>10345 - New Water &amp; Wastewater Systems</u> Construct first-time water service and expanded wastewater service.	3/02		\$4,660,613	\$175,000	Completed Construction	8/07	905
Tynan WSC								
	<u>10346 - Water &amp; Wastewater System Improvements</u> Extend wastewater service to unserved areas. TDRA provide funding to improve wastewater treatment plant.	5/02		\$351,454	\$185,000	Completed Construction	8/06	114
<b>Brewster County</b>								
Alpine								
	<u>10372 - Southeast Interceptor</u> Planning for a wastewater interceptor project to relieve overloading of collection system.	2/09	\$290,000			Active Design	10/11	
<b>Briscoe County</b>								
Silverton								
	<u><i>*10417 - New Water Source</i></u> <i>Planning, acquisition, and design of a new water supply project to bring safe and reliable water to serve the City's needs.</i>	<i>8/11</i>	<i>\$1,825,000</i>			<i>Active PAD</i>		
<b>Burleson County</b>								
Beaver Creek WCID 1								
	<u>10418 - New Water System</u> Planning to develop a first-time public water system to provide safe drinking water.	1/11	\$57,750			Active Planning		
<b>Cameron County</b>								
Brownsville								
	<u>10014 - Cameron Park</u> Improve water service and provide first-time wastewater service.	11/91	\$49,000	\$6,516,251		Completed Construction	5/96	5,282
	<u>10015 - Hacienda Gardens</u> Construct wastewater collection facilities for first-time service. TDHCA funded the water distribution system.	8/92	\$18,375	\$367,728		Completed Construction	8/94	308
	<u>10063 - Valle Hermosa &amp; Valle Escondido</u> Construct a wastewater collection system for first-time service. Additional project funding provided by TDRA and the City.	2/02	\$144,750	\$5,442,637		Completed Construction	2/10	1,460
	<u>10344 - FM 511-802 Project</u> Construct a wastewater collection system to provide first-time service to 21 subdivisions in an unincorporated area northeast of the City.	4/08	\$1,710,800	\$25,345,000		Active Construction	2/12	

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10378 - Villa Nueva Colonia</u> Construct a wastewater collection system for first-time service. Additional funding provided by U.S. Army Corps of Engineers, CDBG, and BECC.	5/08	\$273,000	\$2,000,000		Active Construction	5/12	
<b>Cameron County</b>								
	<u>10067 - Cameron Urban Regional Planning</u> Planning for Combes-Primera, Arroyo Colorado, Laureles, and FM 802-511 water and wastewater projects.	8/93	\$456,684			Completed Facility Plan		
	<u>10073 - Cameron County Rural Planning</u> Planning for rural areas in Cameron County. Construction funding provided by USDA.	4/94	\$600,000			Completed Facility Plan		
<b>Combes</b>								
	<u>10246 - New Wastewater System</u> Upgrade and extend water service and construct first-time wastewater collection system. Additional project funding for connections provided by NADB.	6/96		\$12,839,775	\$146,999	Completed Construction	4/05	2,753
<b>Harlingen</b>								
	<u>10283 - Arroyo Colorado &amp; Colonia Bishop</u> Construct a wastewater collection system, and acquisition of Arroyo Colorado Estates WSC wastewater collection system.	12/97		\$1,370,459		Completed Construction	6/00	977
<b>La Feria</b>								
	<u>10231 - Water &amp; Wastewater System Expansion</u> Upgrade water lines, expand water plant capacity, construct elevated storage tower, expand the WWTP, and provide first-time service to subdivisions outside the City. Additional funding provided by the NADB, BECC, TDRA, and TWDB (CWSRF).	12/02	\$43,311	\$11,454,359	\$385,000	Completed Construction	3/10	8,739
<b>Los Fresnos</b>								
	<u>10322 - Wastewater System Expansion</u> Expand wastewater collection facilities and existing WWTP to provide service to an area outside the city.	9/99	\$22,500	\$17,240,761	\$360,000	Completed Construction	9/11	3,300
<b>Olmito WSC</b>								
	<u>10017 - Olmito Water &amp; Wastewater Systems</u> Improve water service and provide first-time wastewater service. Includes construction of a new WWTP. USDA provided additional funding.	5/95	\$45,250	\$7,078,922		Completed Construction	11/99	4,044
	<u>10377 - Collection System Expansion</u> Expand wastewater collection system to serve first-time customers. Additional design funding provided by BECC.	4/08	\$300,000	\$2,601,000		Completed Construction	8/12	440
<b>Primera</b>								
	<u>10250 - New Wastewater Collection System</u> Construct first-time wastewater collection system. Additional funding provided by the City, the Town of Combes, and the TWDB (CPLP).	8/96		\$9,875,149	\$55,841	Completed Construction	6/06	4,051

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rio Hondo</b>								
	<u>10160 - Colonia Water &amp; Wastewater Service</u> Provide first-time wastewater service to four subdivisions and extended a water line into one subdivision.	6/97	\$36,000	\$478,916		Completed Construction	3/01	328
<b>San Benito</b>								
	<u>10018 - Colonia Water &amp; Wastewater Service</u> Expand water and wastewater utilities to provide first-time service and purchase the Military Highway WSC system.	1/98	\$49,813	\$2,178,583		Completed Construction	7/02	794
<b>Santa Rosa</b>								
	<u>10016 - Water Treatment Plant and Wastewater System Improvements</u> Originally funded by DWSRF, CWSRF and EDAP, this project would have provided first-time water service to five areas and improved water service to others. The project downsized and only an expansion of the surface water treatment facility was completed using DWSRF funding. The EDAP part of this project expired and was not completed. Additional funding was provided by the NADB. Wastewater Improvements Planning included design costs to extend first-time wastewater service to economically distressed areas in the vicinity of the City that did not lead to construction.	9/02	\$846,084		\$1,475,000	Completed Planning		
<b>Concho</b>								
<b>Eden</b>								
	<u>10416 - New Water Well &amp; Radionuclide Treatment System</u> State Water Plan EDAP Project to construct an additional groundwater well and install a treatment system to allow the city to meet drinking water quality standards for radium 226/228 and gross alpha particles.	1/11		\$4,675,000		Under Construction		
<b>Coryell</b>								
<b>Copperas Cove</b>								
	<u>10072 - Wastewater Collection</u> Planning to extend wastewater service to unserved areas.	4/94	\$37,500			Completed Facility Plan		
<b>Gatesville</b>								
	<u>10092 - Water &amp; Wastewater Extensions</u> Improve water service and extend wastewater system to provide first-time service.	9/96	\$52,188	\$2,894,377	\$205,000	Completed Construction	11/00	790
<b>Dimmit</b>								
<b>Asherton</b>								
	<u>10248 - Water &amp; Wastewater Improvements</u> Water system upgrades to bring the system into compliance. Construct wastewater collection lines to provide first-time service.	8/02		\$2,157,594		Completed Construction	3/06	1,719
<b>Carrizo Hill WSC</b>								
	<u>10278 - Water &amp; Wastewater Systems</u> Construct water and wastewater systems to provide first-time service.	4/97		\$2,428,076		Completed Construction	8/01	872

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Catarina WSC</b>								
	<u>10247 - Water and Wastewater Improvements</u> Upgrade to water system and installation of new septic systems with drain fields.	7/96		\$1,114,185		Completed Construction	7/98	239
<b>Dimmit County</b>								
	<u>10046 - Asherton, Carrizo Hills &amp; Catarina</u> Planning to provide improved water service and first-time wastewater service for Asherton, Carrizo Hills, and Catarina.	2/93	\$24,750			Completed Facility Plan		
<b>Duval</b>								
<b>Duval County</b>								
	<u>10237 - Water &amp; Wastewater</u> Planning to provide for water and wastewater facilities to serve areas in and near San Diego, Freer, Benavides, Realitos, Concepcion, and San Jose. The contract was terminated 10/15/99.	10/96	\$177,800			Completed Facility Plan		
<b>El Paso</b>								
<b>El Paso</b>								
	<u>10058 - Westway Water Supply</u> Provide new groundwater well and transmission line for El Paso Co WCID Westway.	2/92		\$1,437,541		Completed Construction	4/96	9,052
	<u>10060 - East Montana Water System (Phase 0)</u> Planning to provide first-time or improved water service. The resulting construction project consisted of four phases. Additional funding for construction of transmission facilities provided by the City.	8/93	\$441,942			Completed Facility Plan		
	<u>10062 - Canutillo Project</u> Improve and expand water service, and provide first-time wastewater service, connecting to the existing El Paso PSB systems.	9/98	\$245,859	\$11,062,750		Completed Construction	4/02	2,846
	<u>10195 - Westway II</u> Construct water and wastewater system improvements. Wastewater improvements repaired and expanded collection facilities, abandoned the WCID's WWTP, and diverted flows to El Paso PSB's WWTP. The District was dissolved and annexed into the City of El Paso.	7/95		\$5,647,941	\$102,500	Completed Construction	5/00	8,187
	<u>10411 - Canutillo Water - La Mesa, 7th, and Vinton Streets</u> Planning, acquisition, and design to provide first time water service in the Canutillo area.	9/11	\$82,000			Active PAD		
	<u>10428 - Canutillo Water - Norma &amp; Georgia Streets</u> Planning to provide first time water service in the Canutillo area.	9/11	\$90,000			Active PAD		
	<u>10410 - Turf Estates</u> Water system improvements to replace inadequate water main, resolve compliance issues, and permanently connect to El Paso Water Utilities' water system.	11/10	\$81,000	\$570,000		Active Construction	6/12	
<b>El Paso Co Tornillo WID</b>								
	<u>10059 - Tornillo Wastewater System</u> Provide first-time wastewater service. Additional funding provided by the NADB and BECC.	9/02	\$59,093	\$13,688,497		Completed Construction	11/10	2,368

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10414 - Wastewater Collection Phase II</u> Planning and design funding of a wastewater collection system to serve four colonia areas in the District's service area.	6/12	\$140,000			Active PAD		
<b>El Paso County</b>								
	<u>10228 - East Montana Water (Phases 2 &amp; 3)</u> Includes the purchase of nine existing water systems, wholesale water supply from El Paso, improvements to the acquired systems, and first-time water service. Additional funding provided by USDA.	9/96		\$13,581,408	\$438,184	Completed Construction	7/03	7,929
<b>Homestead MUD</b>								
	<u>10158 - East Montana Water System (Phase 1)</u> Rebuilt, expanded, and improved Homestead's internal water supply system. Funding included a loan to refinance MUD's debt, and the pro rata share of a transmission system for El Paso to provide wholesale service.	1/95		\$7,544,300	\$1,700,000	Completed Construction	7/98	16,750
<b>Lower Valley WD</b>								
	<u>10055 - LVWD Phase I - Bauman Water Project</u> A project to provide first-time water service within the town of Socorro. Included the subdivisions of Bauman Estates, Rio Rancho, San Augustine, Belen Plaza, San Isidro, Roseville and Aljo and some dwellings outside the San Isidro subdivision.	10/91		\$1,800,608		Completed Construction	8/94	3,927
	<u>10056 - LVWD Phase II - Socorro</u> Provide improved water service and first-time wastewater service to the District's service area in the vicinity of Socorro. Includes additional funding for Cultural Resource Management (10315).	5/93	\$592,080	\$17,825,753	\$4,938,408	Completed Construction	4/03	9,299
	<u>10057 - LVWD Phase III - San Elizario</u> Provide improved water service and first-time wastewater service to the District's service area in San Elizario.	1/94	\$251,275	\$47,906,485	\$8,245,000	Completed Construction	5/03	26,403
	<u>10061 - Las Azaleas</u> Planning to provide for first-time wastewater service. The proposed system included gravity sewers, an aerated lagoon system, and constructed wetland cells.	1/94	\$50,000			Completed Facility Plan		
<b>Vinton</b>								
	<u>10162 - Water Improvements &amp; Wastewater System</u> Planning for a new wastewater system and water service improvements. Contract terminated December 2000.	10/96	\$39,100			Completed Facility Plan		
<b>Frio</b>								
<b>Moore WSC</b>								
	<u>10238 - New Wastewater System</u> Provide first-time wastewater service. Additional funding provide by USDA to construct the WWTP and provide residential connections.	10/98	\$48,960	\$1,910,000		Completed Construction	3/09	579
<b>Grimes</b>								
<b>Bedias</b>								
	<u>10383 - New Wastewater System</u> Construct a wastewater collection and treatment system to replace septic systems and other forms of wastewater disposal. Additional funding for design provided by the City through the CDBG.	10/08	\$845,000	\$5,405,000		Completed Construction	10/12	711

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Iola</b>								
	<u>10422 - New Wastewater System</u> Planning for a new wastewater collection and treatment system to provide first time service for the community.	8/11	\$235,000			Active Planning		
<b>Hall</b>								
<b>Turkey</b>								
	<u>10433 - Water</u> Planning to evaluate the development of an additional water source.	10/12	\$291,000			Active Planning		
<b>Harris</b>								
<b>Airline ID</b>								
	<b><u>*10398 - Service Zone 1 Water &amp; Sewer</u></b> <i>Planning and design for water distribution and wastewater collection facilities. On completion the facilities will be owned and operated by the City of Houston.</i>	<b>2/10</b>	<b>\$986,000</b>			<b>Completed PAD</b>	<b>11/12</b>	
<b>East Aldine MD</b>								
	<u>10384 - Sherwood &amp; Benton Place Water &amp; Wastewater</u> Construct first-time water distribution and wastewater collection system. The City of Houston will provide potable water and wastewater treatment services and will assume ownership of facilities when completed.	3/09	\$450,000	\$10,486,094		Active Construction	6/12	
<b>Hidalgo</b>								
<b>Agua SUD</b>								
	<u>10365 - Eastern Wastewater System</u> Planning and design developed in 2001. The plan will lead to construction of a wastewater collection system and WWTP to provide wastewater service for the SUD's eastern water system.	12/11	\$2,600,000			Active PAD		
	<u>10370 - Western Wastewater System</u> Construction of a wastewater collection system and WWTP to provide wastewater service to the SUD's western water system.	4/10	\$818,000	\$24,797,000	\$1,990,000	Completed Construction	10/12	7,000
<b>Alamo</b>								
	<u>10030 - South Tower Estates</u> Project for first-time wastewater service with treatment provided by the City of Alamo. The service area was adopted by Military Highway WSC.	10/92	\$24,000			Completed Facility Plan		
	<u>10406 - New Wastewater Service</u> Extend first-time wastewater service from City of Alamo to Colonias Guadalupe, Campo Alto, Salazar, Rancho Escondido, and Val-Bar Estates.	12/11	\$460,000	\$4,679,000		Under Construction		
<b>Alton</b>								
	<u>10025 - Alton I - New Wastewater System</u> Construct a wastewater collection system and expansion of City of McAllen's WWTP. Additional funding provided by USDA to connect residences to the system.	6/94	\$40,435	\$11,452,865		Completed Construction	7/99	7,949
	<u>10233 - Alton II - Wastewater System Expansion</u> Planning to expand the wastewater collection system to nearby subdivisions. The contract was terminated September 2002.	7/96	\$46,181			Completed Planning		



County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Border Water Works</b>								
	<u>10347 - Wisconsin Road Project - Self-Help</u> A CSHP project to provide first-time water service and replace existing on-site wastewater disposal practices with septic systems. Residents installed distribution lines and made cash deposits for water hook-ups. An engineering firm donated surveying and easement preparation services.	6/02		\$14,862		Completed Construction	7/02	38
	<u>10351 - Mile 17 1/2 Project - Self-Help</u> A CSHP project to provide first-time water service. Improvements included water lines with a connection to a North Alamo WSC line. Residents contributed labor and made cash contributions. Hidalgo County provided residential water meters.	6/02		\$18,918		Completed Construction	7/02	55
<b>Donna</b>								
	<u>10037 - Colonia Water &amp; Wastewater Service</u> Improved and first-time water service and expanded the SWTP and WWTP. Additional funding provided by NADB.	8/97	\$46,725	\$8,014,306	\$9,570,000	Completed Construction	12/05	5,652
	<u>10371 - Western Colonias Project</u> Provide first-time wastewater service to seven subdivisions. Additional funding provided by the BECC and the County for paving, drainage improvements and resident connections.	3/09	\$956,000	\$7,802,000	\$5,500,000	Completed Construction	2/11	1,505
<b>Edinburg</b>								
	<u>10024 - Lull Water &amp; Wastewater Systems</u> Improved water service and first-time wastewater service.	8/91	\$18,248	\$1,450,000	\$410,926	Completed Construction	6/93	1,296
	<u>10033 - Faysville Area Water &amp; Wastewater</u> Improved water service and first-time wastewater service.	6/94	\$36,000	\$10,643,616		Completed Construction	5/01	4,760
	<u>10091 - Northwest Water &amp; Wastewater Plans</u> Planning to provide wastewater service. The City also proposed to purchase, upgrade, and connect the water system owned by Sharyland WSC to the City's system.	6/94	\$46,286			Completed Facility Plan		
<b>Elsa</b>								
	<u>10036 - Water &amp; Wastewater Plans</u> Planning for water improvements and first-time wastewater service. The contract was terminated 9/29/2002.	9/93	\$37,500			Completed Facility Plan		
<b>Hidalgo County</b>								
	<u>10027 - El Paraiso Wastewater</u> Planning for an innovative/alternative wastewater system to provide first-time service.	7/91	\$179,631			Completed Facility Plan		
	<u>10038 - DeAnda and Saenz</u> Planning for an innovative/alternative wastewater system to provide for first-time wastewater service.	1/94	\$75,000			Completed Facility Plan		
	<u>10040 - Sanchez Ranch Plan</u> Planning for a project to provide first-time wastewater service. The contract was terminated.	3/94	\$32,690			Completed Facility Plan		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10068 - Urban Regional Planning</u></b> The county-wide study identified 5 study areas, for which facility plans were to be prepared. These projects and the parent project were terminated in 2002.	8/93	\$900,000			Completed Facility Plan		
<b>La Joya WSC</b>								
	<b><u>10031 - Eastern Project Area (Palmview)</u></b> Planning, design and construction of a new wastewater collection and treatment system to serve eastern portions of the service area. Construction never started and contract terminated in 2005.	12/01	\$5,912,565			Completed Design		
	<b><u>10034 - Western Service Area (Sullivan City)</u></b> Planning, design and construction of a wastewater system to provide first-time service to the western portion of the service area. Construction never started and contract terminated in 2005.	12/01	\$79,500			Completed Planning		
<b>McAllen</b>								
	<b><u>10039 - Colonia Water/Wastewater Service</u></b> Planning to improve water service and extend wastewater service. The contract was terminated.	2/94	\$46,125			Completed Facility Plan		
<b>Mercedes</b>								
	<b><u>10029 - Colonia Water &amp; Wastewater Service</u></b> First-time wastewater service and water system improvements. Additional funding provided by NADB.	7/96	\$45,750	\$8,803,566	\$440,000	Completed Construction	3/08	5,816
	<b><u>10198 - DeAnda and Saenz</u></b> Planning to provide first-time wastewater service using a small diameter gravity wastewater collection system to transport waste from the septic systems to a central constructed wetlands wastewater treatment facility. Contract terminated without construction.	1/96	\$602,400			Completed Planning		
<b>Military Highway WSC</b>								
	<b><u>10284 - South Tower Estates Collection System</u></b> Project to provide first-time wastewater service. The USDA provided funding for additional components of this project.	6/98		\$774,000		Completed Construction	8/01	2,644
<b>Mission</b>								
	<b><u>10023 - Madero and Granjeno</u></b> Construct water system improvements and first-time wastewater service.	1/95	\$26,100	\$2,745,833	\$2,032,000	Completed Construction	6/96	1,361
	<b><u>10200 - Northwest Mission Wastewater System</u></b> Expand the City's WWTP, rehabilitate and expand the interceptor sewer system, and extend collection facilities for first-time service.	5/02	\$48,750	\$19,025,341	\$14,645,000	Completed Construction	8/08	7,300
<b>North Alamo WSC</b>								
	<b><u>10251 - Doolittle Area Water Supply</u></b> Construct water distribution improvements.	8/96		\$2,004,302	\$380,000	Completed Construction	4/98	2,432
	<b><u>10274 - San Juan Area Water Supply</u></b> Construct water system improvements.	3/97		\$3,159,046	\$205,000	Completed Construction	7/03	3,969

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10343 - San Carlos West Wastewater System - Self-Help</u></b> A STEP project to install wastewater collection lines that will tie into a North Alamo WSC lift station. Additional funding and labor provided by Border WaterWorks and community residents.	11/01		\$757,011		Completed Construction	3/04	729
	<b><u>10430 - Northwest Donna Colonias Regional Wastewater System</u></b> Planning, acquisition, and design for a project to construct a wastewater collection and treatment system to provide first-time wastewater service to six unincorporated areas northwest of the City of Donna.	6/12	\$1,154,000			Active PAD		
<b>Pharr</b>								
	<b><u>10028 - Las Milpas</u></b> Provide new or improved water and wastewater systems, distribution line work, increased storage, WTP expansion, and WWTP expansion.	9/94	\$38,397	\$23,474,805	\$6,390,000	Completed Construction	6/04	10,477
<b>San Juan</b>								
	<b><u>10032 - Northside Wastewater System</u></b> Expanded the WWTP and collection system, upgraded treatment levels, improved the wastewater conveyance system with construction of lift stations and force main. Additional funding provided by the Economic Development Administration.	11/97	\$76,500	\$10,767,257		Completed Construction	11/05	4,939
<b>The Rensselaerville Institute</b>								
	<b><u>10349 - Lucky J Street Water Line - Self-Help</u></b> A CSHP project to extend water service. Sharyland WSC assumed the obligation of operating and maintaining the system.	6/02		\$15,759		Completed Construction	10/02	28
	<b><u>10353 - Proyecto Vecinos Unidos - Self-Help</u></b> A CSHP project to extend first-time wastewater service and upgrade its lift station. Project partners included the City of McAllen and residents of Amigo Parks Units I & II.	6/03		\$63,418		Completed Construction	5/03	157
	<b><u>10354 - Proyecto Bella Vista - Self-Help</u></b> A CSHP project to construct a wastewater collection system and lift station to connect to a City of Alton wastewater line.	6/03		\$33,525		Completed Construction	3/05	81
	<b><u>10357 - Proyecto Botello - Self-Help</u></b> A CSHP project to install a water line. Residents installed water lines and connected dwellings. Water will be provided by Sharyland WSC.	1/04		\$25,195		Completed Construction	5/05	49
	<b><u>10359 - Taylor Road Collection Lines - Self-Help</u></b> A CSHP project to extend wastewater service. Additional funding provided by the City of Mission (as a Supplemental Environmental Project) and other in-kind and donated services. Water service is supplied by McAllen and Mission.	2/04		\$25,277		Completed Construction	12/05	45
	<b><u>10360 - Mike Cruz Road Water Service - Self-Help</u></b> A CSHP project to provide public water service. The County assumes ownership of the road, and Sharyland WSC will install a water line and provide service. Additional funding and in-kind labor and services provided by the WSC, residents, and private firms.	2/04		\$16,840		Completed Construction	3/05	34

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10361 - Project Big 5 - Self-Help</u> A CSHP project to provide first-time water service. Service will be provided by Sharyland WSC.	11/06		\$35,021		Completed Construction	9/07	79
	<u>10382 - Unidos en Hargill - Wastewater - Self-Help</u> A CSHP project to build wastewater collection facilities and connect residences to the North Alamo WSC WWTP.	7/08		\$88,609		Completed Construction	6/09	(see project #10385)
	<u>10385 - Unidos en Hargill - Water - Self-Help</u> A CSHP project to connect residences to the North Alamo WSC water main.	7/08		\$111,446		Completed Construction	6/09	135
	<u>10395 - Tri-City Acres Wastewater - Self-Help</u> A CSHP project to extend a wastewater line to residences. Treatment will be provided by the City of Pharr.	8/09		\$44,000		Completed Construction	9/10	60
<b>Weslaco</b>								
	<u>10026 - Southwest Wastewater Treatment Plant</u> A project to build wastewater collection facilities for first-time wastewater service and build a new WWTP.	9/95	\$108,913	\$3,593,435	\$5,930,000	Completed Construction	1/02	5,001
	<u>10295 - Sun Country Estates - Self-Help</u> A community self-help project to install a wastewater collection system. Additional funding provided by Border Water Works, the Rensselaerville Institute, and the City of Weslaco.	12/97		\$40,704		Completed Construction	8/98	348
<b>Hudspeth</b>								
<b>Fort Hancock WCID</b>								
	<u>10397 - Water Supply Improvements</u> New groundwater well and treatment to provide adequate capacity and meet drinking water standards.	4/10		\$3,013,000		Completed Construction	1/12	1,230
<b>Hudspeth Co WCID # 1</b>								
	<u>10054 - Sierra Blanca Wastewater System</u> Construct a new WWTP and collection system. Additional funding provided by the TDHCA for collection lines and the WCID and the County to construct laterals and extend the system to EDAP-ineligible areas.	9/93	\$26,000	\$2,219,999		Completed Construction	7/00	1,100
<b>Kerr</b>								
<b>Kerr County</b>								
	<u>10366 - Center Point Wastewater System</u> Construct a new wastewater collection system for first-time service. Preliminary plans include a gravity interceptor to connect the system to the Kendall Co WCID # 1 wastewater treatment plant downstream in the town of Comfort.	10/08	\$242,500		\$1,860,000	Active Acquisition		
<b>Upper Guadalupe RA</b>								
	<u>10367 - Center Point Water System</u> Construct a surface water system in eastern Kerr County currently served by several privately-owned water systems.	10/08	\$51,750			Canceled Planning		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Kinney</b>								
<b>Spofford</b>								
	<b><u>10167 - Brackettville Transmission Line</u></b> Construct a permanent water supply line from the City of Brackettville. Additional funding provided by the TDHCA, a portion of which was used to install the temporary line.	5/96	\$13,000	\$404,079		Completed Construction	9/98	66
<b>La Salle</b>								
<b>La Salle County</b>								
	<b><u>10069 - Encinal Wastewater</u></b> Facilities planning for first-time wastewater service. Contract terminated.	4/94	\$25,686			Completed Facility Plan		
<b>Lynn</b>								
<b>Tahoka</b>								
	<b><u>10420 - Distribution System Rehabilitation</u></b> Plan and design improvements to the City's water distribution system.	8/11	\$239,000			Active PAD		
<b>Marion</b>								
<b>Jefferson</b>								
	<b><u>10070 - Water &amp; Wastewater Improvements</u></b> Provide for improvements and extensions to the water and wastewater systems. The contract was terminated in 1999.	4/94	\$42,375			Completed Planning		
<b>Marion County</b>								
	<b><u>10093 - Water &amp; Wastewater</u></b> Provide new wastewater service and improved water service. Contract terminated.	7/94	\$45,000			Completed Facility Plan		
<b>Maverick</b>								
<b>Eagle Pass</b>								
	<b><u>10049 - Eidson Road Collection System</u></b> Construct a new WWTP, interceptor diverting all flow to the new plant, and collection systems. Subdivisions included La Herradura, Eagle Heights, Las Brizas, Jardines Verdes, Green Acres, Loma Bonita, Lago Vista, Morales, and Los Quintas Fronterizas.	2/92	\$43,185	\$9,572,571	\$2,795,000	Completed Construction	5/96	8,387
	<b><u>10363 - Regional Systems Phase II</u></b> Planning to expand the WWTP, tie in interceptor lines, improve water and distribution systems, and replace meters.	2/09	\$485,000			Completed Planning		
	<b><u>60813 - Regional Water and Wastewater System</u></b> Construct facilities to regionalize water service. Construct a new membrane technology SWTP with storage tanks, pumping facilities, and transmission line. Acquire El Indio WSC water system. Regional wastewater project includes construction of a reclaimed water system, distribution line, reuse transfer pipe, a WWTP and collection system to provide first-time service to Rosita Valley and the Kickapoo Reservation.	9/01		\$47,765,404	\$48,355,000	Completed Construction	11/10	12,726
<b>Maverick County</b>								
	<b><u>10050 - Quemado</u></b> Planning for a treated water transmission system and a water distribution system.	1/92	\$28,125			Completed Facility Plan		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>McCulloch</b>								
	<b>Richland SUD</b>							
	<u>10386 - McCulloch County Transmission Line</u> Construct a 24 mile transmission main from the SUD's well site to the water system in order to blend water to meet public drinking water standards.	1/10	\$604,000	\$4,095,000		Completed Construction	12/10	1,150
<b>Menard</b>								
	<b>Menard</b>							
	<u>10421 - Water Treatment Improvements</u> Planning for water treatment improvements required due to "groundwater under the influence of surface water" designation.	5/11	\$92,570			Active Planning		
<b>Newton</b>								
	<b>Newton County</b>							
	<u>10164 - Water &amp; Wastewater Systems</u> Planning for improved water and wastewater service for Deweyville, Old Salem, Trout Creek, Bleakwood, Bon Weir and Toledo Village.	4/95	\$376,125			Completed Facility Plan		
	<b>South Newton WSC</b>							
	<u>10307 - Community Water &amp; Wastewater Systems</u> Water system improvements, including supply, treatment and connections, and wastewater improvements provided first-time service in Newton and Orange Counties.	8/00		\$14,864,853	\$7,045,000	Completed Construction	6/10	3,795
<b>Palo Pinto</b>								
	<b>Palo Pinto Co MWD # 1</b>							
	<u>21636 - Turkey Peak Reservoir</u> Acquire land for the construction of the Turkey Peak Reservoir, a recommended water management strategy in the 2007 State Water Plan. The project proposes a new dam below Lake Palo Pinto on Palo Pinto Creek.	1/09	\$4,800,000		\$3,200,000	Active PAD		
<b>Polk</b>								
	<b>Polk FWSD 2</b>							
	<u>10380 - Wastewater Improvements</u> Extend wastewater service to areas with failing onsite septic tanks and correct one deficient wastewater collection line.	12/10	\$145,000			Active PAD		
<b>Real</b>								
	<b>Nueces River Authority</b>							
	<u>72045 - Leakey Wastewater System</u> Planning, acquisition, and design for a centralized wastewater system for first time service to the City of Leakey and surrounding areas. A 10/11 CWSRF commitment will be used to construct the first phase - a treatment plant and collection for the City and nine surrounding subdivisions. A future second phase would expand the plant and provide collection for two subdivisions.	10/11	\$3,736,250		\$9,961,460	Active PAD		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Reeves</b>								
<b>Pecos City</b>								
	<u>10241 - Collection System Extensions</u> Extend the City's wastewater collection system and replace on-site sewage systems. Additional funding provided by the City.	1/02	\$63,600	\$305,739		Completed Construction	12/05	67
<b>Sabine</b>								
<b>Brookeland FWSD</b>								
	<u>10333 - New Wastewater Systems</u> Planning to provide for first-time wastewater systems. The contract was terminated May 2002.	11/99	\$382,322			Completed Planning		
	<u>10337 - Purchase &amp; Improve Water Systems</u> A project to acquire seven private water systems and one wastewater system and constructed regional transmission lines, storage facilities, and water wells. The project also corrected water system inadequacies.	10/98		\$1,040,000	\$2,295,000	Completed Construction	8/07	758
<b>Pineland</b>								
	<u>10163 - Delta Heights &amp; Highway 96</u> Extend Pineland's water system and expand the wastewater system to two areas.	9/96	\$41,100	\$1,317,384		Completed Construction	11/99	166
<b>Sabine County</b>								
	<u>10165 - Bronson, Brookeland, Toledo Bend</u> Planning for new or improved water service and wastewater collection and treatment facilities. The contract was terminated July 2002.	4/95	\$312,475			Completed Planning		
<b>San Patricio</b>								
<b>Ingleside</b>								
	<u>10170 - Water &amp; Wastewater System Expansion</u> Expansion of City water and wastewater facilities to provide first-time service to residents in seven areas. CWSRF funds also installed new collection lines, rehabilitate lift stations, and make improvements at the WWTP.	6/00	\$43,094	\$4,597,390	\$2,915,000	Completed Construction	8/07	1,704
<b>Ingleside On The Bay</b>								
	<u>10168 - New Wastewater System</u> Construction of a centralized wastewater collection system. Treatment is provided by the City of Ingleside.	8/99	\$30,563	\$2,558,631		Completed Construction	7/03	773
<b>Odem</b>								
	<u>10306 - Bethel Estates &amp; SE Odem Projects</u> Construction of a wastewater system for the Bethel Estates subdivision and new water service for residences southeast of Odem. Facility planning was performed by San Patricio County. Additional funding from TWDB (CWSRF), USDA and TDRA.	7/01		\$4,718,616	\$1,940,000	Completed Construction	2/10	670
<b>Portland</b>								
	<u>10373 - Doyle Wastewater Collection System</u> Extend the wastewater collection system and replace individual septic tanks.	9/11	\$333,000	\$2,493,000	\$322,000	Under Construction		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rincon WSC</b>								
	<u>10275 - East Side Rural Water System</u> First-time public water service for a rural area. Additional funding provided by residents.	3/97		\$1,789,911		Completed Construction	12/99	748
<b>Saint Paul WSC</b>								
	<u>10296 - New Wastewater System</u> A wastewater treatment and collection system to provide first-time service. Additional funding provided by San Patricio County to repave streets.	9/98		\$1,435,323		Completed Construction	11/01	492
<b>San Patricio County</b>								
	<u>10189 - San Patricio County Regional Plan</u> Planning to provide for a new wastewater systems and improved water service. At least three TWDB funded construction projects have resulted.	9/95	\$389,750			Completed Facility Plan		
<b>Schleicher</b>								
<b>Eldorado</b>								
	<u>10394 - Water &amp; Wastewater Extension</u> Planning for the extension of water and wastewater lines to several subdivisions.	2/09	\$90,000			Completed Planning	5/11	
<b>Somervell</b>								
<b>Glen Rose</b>								
	<u>10434 - Wastewater Treatment Plant Expansion</u> Planning and design of wastewater system improvements, including expansion to the capacity and modification to the treatment process of the City's wastewater treatment plant. The project will allow the City to expand its direct non-potable reuse program.	8/12	\$740,000			Active PAD		
<b>Somervell County WD</b>								
	<u>21634 - Wheeler Branch Reservoir WTP</u> A project to design and construct a membrane filtration/softening water treatment plant at the Wheeler Branch Reservoir and the first six phases of a treated water transmission system.	11/08		\$13,574,000	\$18,861,000	Under Construction		
<b>Starr</b>								
<b>La Grulla</b>								
	<u>10368 - Regional Wastewater System</u> Acquisition and design to provide a regional wastewater system. Additional design funding provided by the BECC. The grant will fund design and easement acquisition. The project will replace the lagoon WWTP with a mechanical treatment plant. The commitment was terminated.	10/08	\$1,842,300			Canceled PAD		
<b>Río Grande City</b>								
	<u>10044 - Las Lomas Colonia</u> A project to improve water service and provide first-time wastewater service. Additional funding provided by the USDA.	10/95	\$15,000	\$1,159,047		Completed Construction	5/02	2,478



County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rio WSC</b>								
	<u>10242 - Hernandez Road Pump Station</u> Improvements and upgrades to the booster pumping station and water lines leading to and away from the station.	4/97	\$52,131			Completed Facility Plan		
<b>Roma</b>								
	<u>10043 - Wastewater System Expansion and Water System Improvements</u> Expand the City's wastewater infrastructure including a WWTP and collection facilities. Additional funding provided by USDA, TDHRCA and the NADB (transitional assistance, service connections, and a SCADA system). Water system improvements included upgrades to the raw water intake, purchase additional municipal water rights, expansion of the SWTP, upgrade transmission lines, add a pumping station, elevated storage, and distribution main. Additional funding provided by the NADB (transitional funding assistance and a SCADA control system).	8/97	\$22,500	\$27,577,375	\$9,740,000	Completed Construction	12/07	23,301
	<u>10350 - Water System Upgrades</u> Upgrade the water distribution system, increase water pressure, and provide capacity for projected population growth.	12/03		\$5,386,000		Completed Construction	12/07	2,635
	<u>10364 - SB 1421 Wastewater Improvements</u> Construct wastewater facilities for approximately 10 areas not previously eligible for EDAP.	5/08	\$573,300	\$4,913,816		Completed Construction	8/10	(see project #10043)
<b>Terrell</b>								
<b>Terrell Co WCID # 1</b>								
	<u>10053 - Sanderson Wastewater System</u> Construct a new wastewater collection and treatment system. Additional funding provided by the NADB.	6/97	\$51,675	\$4,204,500		Completed Construction	6/03	1,128
<b>Trinity</b>								
<b>Groveton</b>								
	<u>61314 - Water System Improvements</u> Planning, acquisition, and design to develop a new water source and make improvements to the system. Will also replace older lines, install isolation valves, and purchase an emergency	2/08	\$250,500			Active PAD		
<b>Uvalde</b>								
<b>Uvalde County</b>								
	<u>10169 - Water &amp; Wastewater Improvements</u> Planning to provide water and wastewater services for approximately nine areas. Contract was terminated on January 18, 2000.	7/95	\$198,939			Completed Facility Plan		
<b>Windmill WSC</b>								
	<u>10308 - Uvalde Estates Water Improvements</u> Purchase the existing privately-owned Uvalde Estates Water System. Replace the distribution system and add storage facilities.	8/98		\$2,532,617		Completed Construction	5/01	1,264

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Val Verde</b>								
<b>Del Rio</b>								
	<u>10051 - Cienegas Terrace</u> Improve water service and first-time wastewater service .	7/93	\$23,606	\$3,508,710		Completed Construction	10/96	1,412
	<u>10052 - Val Verde Park Estates</u> Improve water service and first time wastewater service.	1/96	\$36,000	\$12,010,573		Completed Construction	8/04	2,747
<b>Val Verde County</b>								
	<u>10244 - Water &amp; Wastewater</u> Planning to provide water and wastewater services. Contract was terminated in January 2000.	5/96	\$283,284			Completed Facility Plan		
	<u>10369 - Lakeview Estates Water &amp; Wastewater</u> Planning to identify water and wastewater system needs to serve unincorporated areas. Currently, water service consists of private water wells and wastewater service consists entirely of septic tanks.	5/09	\$460,000			Completed Planning	8/12	
<b>Van Zandt</b>								
<b>Edom WSC</b>								
	<u><i>*10436 - Water System Improvements</i></u> <i>Research and planning funding to conduct facility planning studies to evaluate improvements to the water distribution system.</i>	<i>1/13</i>	<i>\$61,200</i>			<i>Active PAD</i>		
<b>Webb</b>								
<b>Laredo</b>								
	<u>10045 - Mines Road &amp; State Highway 359</u> Construct first-time water facilities in five unincorporated subdivisions in the Mines Road area north of Laredo, first-time water and wastewater facilities in ten unincorporated subdivisions along State Highway 359 east of the City, and install on-site septic systems in the Los Corralitos subdivision on Mines Road. A related project funded by the North American Development Bank provided wastewater collection facilities along Mines Road and expanded the City's Columbia Bridge WWTP.	8/00	\$197,202	\$26,853,202		Completed Construction	2/12	4,222
	<u>10409 - Municipal Water Rights</u> Fund the purchase of irrigation water rights from public and private owners and convert them to municipal water rights. This is a recommended water management strategy in the 2007 State Water Plan.	9/09		\$15,000,000		Completed	10/11	
<b>Webb County</b>								
	<u>10199 - Larga Vista Collection System</u> A wastewater collection system for first-time service. Additional funding provided by Webb County.	1/96		\$1,570,120		Completed Construction	3/99	544
	<u>10201 - Southwest Webb County - Rio Bravo/El Cenizo</u> Provide improved water and wastewater service, including looping water lines and expanded water line replacement work. Additional funding provided by Webb County and TDRA.	7/99	\$75,000	\$27,927,923	\$3,060,000	Completed Construction	3/10	9,676

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10342 - SH 59 Water &amp; Wastewater</u> Planning to provide first-time water and wastewater service. Additional funding and in-kind services provided by Webb County and the BECC.	8/01	\$71,250			Completed PAD		
<b>Willacy</b>								
	<b>North Alamo WSC</b>							
	<u>10042 - La Sara Wastewater System</u> Construct a new wastewater collection and treatment system. Additional funding provided by TDHCA (residential service connections).	11/93		\$1,685,186		Completed Construction	5/00	1,261
	<b>Sebastian MUD</b>							
	<u>10041 - Wastewater Service</u> Provide first-time wastewater service. Additional funding provided by TDHCA (install service lines and pay tap fees) and the USDA.	2/92		\$2,972,194		Completed Construction	3/96	1,904
	<b>Willacy County</b>							
	<u>10090 - Water Supply &amp; Wastewater</u> Regional water supply and wastewater planning for first-time wastewater service.	1/91	\$56,250			Completed Facility Plan		
<b>Zapata</b>								
	<b>Siesta Shores WCID</b>							
	<u>10156 - Water System Improvements</u> Purchase of privately-owned water system, construction of a new water treatment plant, transmission line, a new standpipe storage tank, and the purchase of water rights. Additional funding provided by USDA (replace the SWTP and install transmission main).	11/96		\$814,377		Completed Construction	3/99	2,025
<b>Zavala</b>								
	<b>Batesville WSC</b>							
	<u>10341 - Water Supply &amp; Wastewater Improvements</u> Construct water system improvements and a new wastewater system.	5/01		\$4,360,738		Completed Construction	8/07	1,383
	<b>Crystal City</b>							
	<u>10253 - Colonia Wastewater Service</u> Construction of a wastewater collection system to serve four areas.	5/99	\$19,126	\$646,184		Completed Construction	10/01	263
	<b>Zavala Co WCID # 1</b>							
	<u>10340 - La Pryor Water &amp; Wastewater Systems</u> Construct water system improvements and first-time wastewater service, including two new wells, storage tank, transmission and distribution line, a gravity collection system and a treatment facility with land application disposal.	3/01		\$7,870,105		Completed Construction	1/12	2,158
	<u>10402 - La Pryor Water Treatment Plant</u> Construct a water treatment facility.	8/11	\$101,000	\$1,326,000		Under Construction		

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
Zavala County								
	<u>10047 - Batesville</u> Planning for improved water service and first-time wastewater service.	7/92	\$23,625			Completed Facility Plan		
	<u>10048 - La Pryor Wastewater</u> Planning to provide first-time wastewater service.	3/93	\$22,488			Completed Facility Plan		

<b>TOTAL</b>	\$44,531,305	\$674,497,740	\$178,254,318	291,338
<b>TOTAL EDAP FUNDING</b>	\$719,029,045			
<b>TOTAL TWDB FUNDING TO THESE PROJECTS</b>	\$897,283,363			

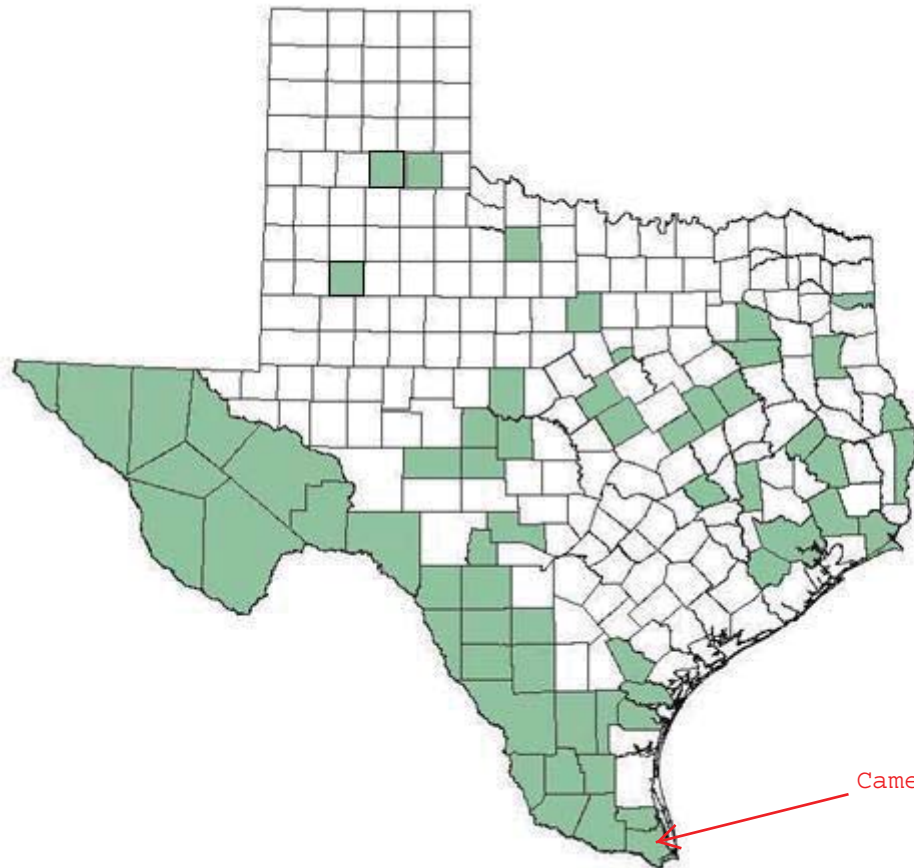
# Economically Distressed Areas Program

Counties meeting Model Subdivision Rule requirements  
for EDAP eligibility as of November 30, 2012

## STATUS REPORT

### Table of Contents

Background	2
Summary of EDAP Funding	3
Index by County	4
Projects Listed by County	5-22



During this quarter (September 1, 2012 – November 30, 2012), no additional counties adopted Model Subdivision Rule requirements.



June 06, 2013

Ms. Melissa Adami, CPA  
TX Cameron Apartments, L.P.  
5420 LBJ Freeway, Suite 1355  
Dallas, TX 75240

RE: Brownsville Public Utilities Board is eligible for funding under the Economically Distressed Areas Program and currently receives funding from the TWDB for projects in its service area

Dear Ms. Adami:

In follow up to your request under the Texas Open Records Act, I hereby confirm the following:

1. BPUB and its service area are eligible for funding under the Economically Distressed Areas Program (EDAP) of the Texas Water Development Board (TWDB).
2. BPUB is currently receiving funding from the TWDB for projects in its service area.
3. Your location at W. San Marcelo, by the Brownsville Country Club, is in the BPUB service area.

Brownsville Public Utilities Board and the City of Brownsville meet the requirements of being an Economically Distressed Area as determined by the TWDB, where the TWDB is providing funding to the City of Brownsville and the BPUB through the EDAP funding source.

If you need any further information, please contact me at (956)983-6228.

Sincerely,

A handwritten signature in black ink, appearing to read "David R. Abrego, Jr.", written in a cursive style.

David R. Abrego, Jr.  
Senior Coordinator  
W/WW Engineering Department  
Brownsville Public Utilities Board



## PRESS RELEASE

**FOR IMMEDIATE RELEASE**

October 15, 2009

**Contact:** Lucila Hernandez

Director of Communications & Adm. Services

(956) 983-6280, [lhernandez@brownsville-pub.com](mailto:lhernandez@brownsville-pub.com)

### **BPUB Receives \$46 Million for Wastewater System Improvements**

(Brownsville, TX) – The Brownsville Public Utilities Board announced the receipt of a grant in the amount of \$46 million dollars. The monies are part of the American Recovery and Reinvestment Act (ARRA) of 2009 through the Clean Water State Revolving Fund-Disadvantaged Community Program administered by the Texas Water Development Board. The funds will be used to fund wastewater system improvements. Funding was awarded on a competitive basis, and Brownsville PUB successfully ranked first in its population category for Sanitary Sewer Overflow Projects.

“This grant will allow BPUB to address infiltration and inflow issues within the City’s aged sanitary sewer collection system,” BPUB General Manager and CEO, John S. Bruciak said, “and to address improvements to sanitary sewer lift stations.” He also stated that this effort will help to reduce sanitary sewer overflows.

The total amount of the grant is \$46,140,492 and the proposed project consists of fifteen (15) separate construction contracts throughout the older sections of the City of Brownsville. Thirty-one (31) miles of six-inch to thirty-inch diameter sanitary sewer pipeline and thirty-eight (38) lift stations will be improved. Construction on the projects will start February 2010 and are expected to be completed in three (3) years.

The State ranked potential ARRA projects based on 3 main criteria: 1) Construction Start Date, 2) Disadvantaged Communities, and 3) Green Components. Brownsville PUB committed itself to an aggressive start date, and Brownsville is an eligible disadvantaged community. The project includes green components such as reducing inflow and infiltration and energy efficiency improvements.

“It is expected that these construction projects will generate jobs locally and will definitely be a boost to the local economy” Bruciak said.

Brownsville PUB provides water service to approximately 40,068 customers and 39,784 wastewater customers.

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*The Brownsville Public Utilities Board is a full-service, locally owned and operated utility providing electric, water, and wastewater service. It has over 480 dedicated and responsive employees that provide reliable utility service for the City of Brownsville.*



October 15, 2009

## **BPUB Projects Summary: American Recovery and Reinvestment Act (ARRA) of 2009**

1. **Downtown Lift Station and Force Main Project** (E. Jackson St from E. 6th St. to International) – project includes replacing Sewer Lift Station No. 20 located near E. Harrison and E. 6<sup>th</sup> Street and installing a Sewer Force Main from on 6<sup>th</sup> Street from Harrison to Jackson and along Jackson from 6<sup>th</sup> Street to International
2. **Lincoln and Grant St. Wastewater Collection System Improvements** – project includes replacement of old clay pipes with pvc pipes (E. 13<sup>th</sup> Street to International)
3. **Sewer Lift Station No. 48 Rehabilitation (Kings Hwy & Robinhood Intersection)** - project includes replacing old piping and pumps
4. **24" Resaca Blvd Force Main (Flow Transfer)** – project includes upgrading the Sewer Force Main from Sewer Lift Station No. 27 (located at the corner of Coria and Boca Chica Blvd) to Resaca Blvd. to Sewer Lift Station No. 20 (located at the corner of E. Harrison and 6<sup>th</sup> Street)
5. **E. 7<sup>th</sup> St, C St, & Los Ebanos Subdivision Gravity Sewer (Ebony Ave)** – project includes replacing old clay pipes from Sewer Lift Station No. 20 to C St and within the Los Ebanos Subdivision
6. **West Brownsville Sewer Rehabilitation** - project includes rehabilitation of Sewer Lift Station No. 22 (located near W. 6<sup>th</sup> Street and Resaca Blvd. ), replacing sewer pipes located in the alleys from W. Washington Street to West Fronton and W. 2<sup>nd</sup> Street to W. 18<sup>th</sup> Street, and decommissioning Sewer Lift Station No. 71 (located between W 3<sup>rd</sup> Street and W 4<sup>th</sup>)
7. **Ramireno Sewer Replacement** - project includes replacing clay pipes with pvc pipes from Riverside to W. 5<sup>th</sup> Street and adding new Sewer Lift Station
8. **Boca Chica Blvd. and Central Blvd. Sewer Replacement** – project includes replacing the Gravity Sewer Line on Boca Chica Blvd. from Central Blvd. to Jenkins Blvd. and replacing the sewer line on Central Blvd. from Lakeside to the Ebony Lake Nursing Home.
9. **Regional Sewer Lift Station No. 64 (located near Old Movies 10) and FM 802 Gravity Sewer Upgrades** – project includes replacing the Sewer Lift Station and upgrade the gravity sewer system along FM 802
10. **Sewer Lift Station No. 8 and Wastewater Collection System (Southmost) Rehabilitation**– project includes replacing the Sewer Lift Station and replacing old clay pipe with pvc pipes.
11. **Coffee Port and Old Port Isabel Road Sewer Replacement** – project includes building a new regional Sewer Lift Station, decommissioning Sewer Lift Stations No. 94, 138 and 46 (Hackberry), replacing sewer pipes, and correcting slopes of the pipes
12. **Various Sewer Lift Station Improvements (17 sites)** - project includes replacing dilapidated structures including piping and pumps to handle existing flows.
13. **State Highway 48 Gravity Sewer Line Improvement** – project includes replacing the gravity sewer line from Resaca de la Guerra to Robindale Road.
14. **Brownsville Country Club - N. San Marcelo Gravity Sewer Replacement** – project includes replacing the sewer gravity line on N. San Marcelo from Sagua la Grande Ave. to the drainage ditch





BROWNSVILLE  
PUBLIC UTILITIES BOARD

## PRESS RELEASE

**FOR IMMEDIATE RELEASE**  
June 7, 2013

**Contact:** Ryan Greenfeld, Comm. & PR Coordinator  
(956) 983-6271; [rgreenfeld@brownsville-pub.com](mailto:rgreenfeld@brownsville-pub.com)

### **Construction to Force Closure of Section of Country Club Road**

BROWNSVILLE, TEXAS – Brownsville Public Utilities Board (BPUB) contractors have announced a temporary closure for a section of Country Club Road beginning Monday, June 10, 2013, at approximately 8 a.m. for approximately two weeks. Pederson Construction of Los Fresnos will close Country Club Road from Ruben Torres Boulevard to Waterfront Drive to accommodate the installation of a new wastewater pipeline.

The new wastewater pipeline will be replacing and upgrading an old PVC pipeline. This new section will run approximately 3,700 linear feet along Ruben Torres Boulevard from Central Boulevard to the railroad tracks. This closure is part of an ongoing effort by BPUB to upgrade the sewer infrastructure in the area by installing larger pipelines that can accommodate greater demands and provide better sewer service.

Once construction begins, the duration of the closure will be approximately two weeks with an estimated end date of June 24. All construction dates are approximate and the end date may vary due to the nature of weather, soil conditions and job provisions.



BPUB, Pederson Construction, Texas Department of Transportation, Texas Gas Company and City of Brownsville departments have coordinated on this effort to make it a safe and efficient operation. BPUB apologizes for any inconveniences the closures may cause.

To learn more about road closures, please visit [www.brownsville-pub.com](http://www.brownsville-pub.com). If customers have any questions or concerns, they should call (956) 983-6100.

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## American Recovery and Reinvestment Act of 2009 BPUB Projects Timeline

- **January 29, 2009** – BPUB submits Water and Wastewater Project information to the Texas Water Development Board (TWDB) for inclusion in the Annual Clean Water State Revolving Fund. Projects total over \$500 Million.
- **February 17, 2009** – President Obama signs the American Recovery and Reinvestment Act (ARRA) of 2009.
- **June 18, 2009** – Texas Water Development Board approves BPUB's Water and Wastewater Project and BPUB's Sanitary Sewer Overflow Projects qualify and are ranked first in their population category. 
- **June 19, 2009** – BPUB is officially notified of eligibility to apply for ARRA funds totaling \$46,140,492 for the Sanitary Sewer Overflow Projects and has 30 days to complete plans and specifications.
- **June 19, 2009** – BPUB Board interviews and selects engineering firms to complete final plans and specifications for the projects during Special Board Meeting
- **June 20, 2009** – BPUB negotiates contracts with four engineering firms for project design.
- **July 22, 2009** – BPUB submits the Financial Grant Application that include completed project plans and specifications to the Texas Water Development Board (TWDB)
- **August 11, 2009** – BPUB is notified by the TWDB that the Financial Grant Application is administratively complete and the TWDB proceeds with the Technical Review of the plan documents
- **October 15, 2009** – TWDB approves BPUB ARRA Grant for \$46 Million 
- **February 17, 2010** – Deadline to begin construction

**AGH**

# Engineering & Surveying

P.O. BOX 4180 Brownsville, Texas 78523-4180 6305 Paredes Line Road 78526  
Tel. (956) 574-8300 TBPE Firm No. 5197 TBPLS #100840-00 Fax. (956) 574-8305

June 17, 2013

TX Cameron Apartments, LP  
Mr. Bill Fisher  
5430 LBJ Freeway, Suite 1200  
Dallas, Texas 75240

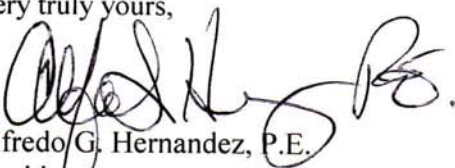
**Re: Mayorca Villas  
AGH No. 2013-0004**

Dear Mr. Fisher:

I have reviewed the existing sewer maps for the Brownsville Country Club (BCC) area and determined that the entire sewer infrastructure is part of one system all of which flows generally north where it is ultimately pumped to the Robindale Waste Water Treatment Plant via a lift station located on North San Marcelo Boulevard. I have also confirmed the flow routing with the Brownsville Public Utilities Board.

Please contact me if you have any questions or comments or if I may assist you further.

Very truly yours,

  
Alfredo G. Hernandez, P.E.  
President

XC: File



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Also Admitted in Florida,  
Georgia and Tennessee  
Direct 214.780.1414  
jshack@shacklaw.net

July 1, 2013

**Via Email**

Board Members  
c/o Tim Irvine, Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

RE: Appeal Letter; Majorca Villas (the "Project")  
TDHCA No. 13068; Our File No. 51033.3

Dear Members of the Board:

This law firm represents TX Cameron Apartments, LP ("Applicant"), and I have been requested by Dewey Stevens to write a letter supporting Applicants appeal regarding (A) staff's recommendation to deny two (2) points under §11.9(c)(6)(B) of the 2013 Qualified Action Plan ("QAP") for the Project being located in an Economically Distressed Area ("EDA") and (B) whether a penalty point should be assessed against Applicant pursuant to §11.9(f)(1) of the QAP.

At the June Board meeting, the Board heard from two other applicants facing the same two issues addressed above. The Board determined that in those circumstances, a one point penalty should not be assessed against those applicants. I request that the same standard be applied to Applicant. The Board did not approve the two EDA points to those applicants, however, for reasons set forth below that distinguishes Applicant to those previous projects, I submit that Applicant is eligible for the two points and request the Board to reinstate the two points to this Project.

**A. EDA points**

1. Applicant's Compliance with Rule. The multifamily rules define an EDA as, "An area that has been identified by the Texas Water Development Board ("TWDB") as meeting the criteria for an economically distressed area under Texas Water Code, §17.921." As you are aware, the 2013 Multifamily Programs Procedure Manual requires an Applicant to provide (i) a letter from the TWDB evidencing that the project is located within the boundaries of an EDA and (ii) a map indicating the location of the Project within the identified area. It is my opinion that Applicant has provided documentation that satisfies this rule. Applicant submitted a certification dated May 28, 2013 (the "TWDB Certification") executed by the TWDB that attaches the EDA Program Status Report dated February 28, 2013 ("February Status Report"), attached hereto at Exhibit "A". The February Status Report provides a map and clearly shows

that the Project is located in an area that has been identified by the TWDB as meeting the criteria for an EDA under Texas Water Code, §17.921. The TWDB Certification specifically states that the same is admissible as evidence in any court or administrative proceeding. I submit that the TWDB Certification satisfies the requirement of providing a letter from the TWDB confirming that the Project is located within the boundaries of an EDA.

2. Alternative Basis for Points. Assuming, in arguendo, you do not find the first argument persuasive, then request that the Board award two EDA points based on the following:

A. Statutory Adherence. “A rule may not impose additional burdens, conditions, or restrictions that are inconsistent with the statutory provisions.” *Cities of Allen*, 309 S.W.3d at 576; *Hollywood Calling v. Public Util. Comm'n*, 805 S.W.2d 618, 620 (Tex. App.—Austin 1991, no writ). It is my opinion that a rule created by TDHCA is required to give legal effect to the legislative intent and relevant statute, in this case, Section 2306.127 of the Texas Government Code (TGC”).

Section 2306.127 of the TGC requires TDHCA to give priority, through its scoring criteria, to projects that are located wholly or in part in an EDA. Staff drafted the rule requiring a letter from the TWDB in good faith, but the result is that it makes it completely impossible for a developer to satisfy and therefore impossible to get the two points for a project located within an EDA. At best, implementation of the rule requiring the TWDB letter obviates the TGC, and at worst, violates the statute by nullifying the priority that is statutorily required to be given to projects in an EDA. Accordingly, I submit that it is incumbent upon the Board to interpret the rule in the Procedures Manual in a manner that renders the statute meaningful rather than meaningless by broadening the context in which the word "letter" is currently being construed by the Department. The word "letter" should be broadened whereby what Applicant has provided constitutes satisfying the intent of the rule and therefore satisfying the legislative intent for Section 2306.127 of the TGC.

B. Alternative Documentation. To the extent that the Board does not accept the TWDB Certification as sufficient documentation to meet the rule, as previously noted by Mr. Dorsey, staff has “indicated that [it] would be willing to look at some alternative forms of documentation to see if it met the requirements.” Although staff has not indicated what these alternative forms of documentation can be, it is my opinion that the following documentation provided by Applicant is such alternative documentation and satisfies the rule: (i) the TWDB Certificate, (ii) TWDB report dated November 30, 2012, attached hereto at Exhibit “B”; (iii) a letter dated June 6, 2013 from Brownsville Public Utilities Board confirming that the Project is within an EDA eligible area, attached hereto at Exhibit “C”, and (iv) the Press Release and supplemental documentation from the PUB, attached hereto at Exhibit “D” (collectively, the “EDA Documentation”).

Applicant requested the two points because it believed, in good faith, that it was within an EDA as determined by the TWDB and that it could provide supporting evidence of same. Applicant did in fact obtain and provide documentation from TWDB that shows the Project is located within an EDA. Although the Board has previously denied awarding two EDA points to other applicants with similar circumstances, to my knowledge, no other applicant has provided

the TWDB Certification that, in my opinion and as stated above, constitutes a letter from the TWDB.

C. *Historical Interpretation.* Points for being located within an EDA have been part of the QAP for several years. As noted in a prior Board meeting by Mr. Dorsey, in previous years staff have interpreted and administered the statute on this point by looking at entire counties as qualifying if one EDA project had occurred within the entire county. Staff is now trying to ensure a strict, narrow interpretation of the statute by requiring that you must be within an EDA in accordance with the Texas Water Code and to do so, are requiring that an applicant provide documentation to specifically support that rather than the previous more “expansive” interpretation. I respectfully request that the Board take notice of the content in which developers of projects in EDA’s have traditionally and successfully obtained these points. There has been a major change by the Department in the interpretation of an area within an EDA. Applicant has done everything possible to comply with this change and the new requirements.

D. *Reasonableness Standards of Section 11.1(b).* Section 11.1(b) of the QAP addresses due diligence and states that “Notwithstanding the fact that these rules along with other Department resources may not contemplate unforeseen situations that may arise, the Department will apply a reasonableness standard to the evaluation of Applicants for HTC”. I request that the Board apply this reasonableness standard in Applicant’s situation. In light of the fact that (i) the rule written by staff did not contemplate TWDB being unwilling to provide the required letter; (ii) Applicant, in good faith, provided what it thought to be satisfactory comparable evidence from TWDB that shows it is located within an EDA, and (iii) Applicant, being very experienced with tax credit applications and working with staff for several years, anticipated staff finding an alternative solution to give legal effect to Section 2306.127 of the TGC, the Board has the discretion to award the two EDA points to Applicant by virtue of Section 11.1(b).

**B. Point penalty**

Generally, an applicant that claims points for a particular scoring item but is unable to provide supporting documentation is subject to a one (1) point penalty under §11.9(f)(1) of the QAP. This is to discourage applicants from self-electing points for which it had no good faith belief it is entitled too. By virtue of the facts above, this is not the case in Applicant’s situation and I submit that assessing a one point penalty under these facts is problematic and not sound policy.

By analogy, albeit it’s not a perfect analogy, in contract law, if a party’s performance is impossible to perform because of the acts and/or actions of the other party, then the party’s performance obligation is excused and the other party cannot exercise any remedies for breach of contract. In the context of the current facts, it is impossible for developers to do that which the Department required, and therefore the assessment of a penalty is similar to the contract analogy where one party seeks to enforce punitive damages upon the non-performing party.

The specific standard by which a penalty is to be assessed is a good faith standard. In this instance, the Board is the trier of fact and must determine if there is, or is not, evidence of good faith. Good Faith is defined as:

“[a] state of mind of mind consisting in (1) *honesty of belief or purpose*, (2) *faithfulness to one’s duty or obligation*, (3) observance of reasonable commercial standards or fair dealing in a given trade or business, or (4) *absence of intent to defraud or to seek unconscionable advantage*.” Black’s Law Dictionary 713 (8<sup>th</sup> ed.2004) (emphasis added).

To make this determination, I request that the Board also recall the point made by Mr. Dorsey at the last Board Meeting. Mr. Dorsey stated that “...it would be hard for me to say that they acted in any other fashion other than in good faith, given that the negotiations on what could meet this requirement went up until literally hours before the deadline for submission...the day before the deadline we were on the phone with the Texas Water Development Board trying to come up with a solution. So it would be really hard for me to say that.”

As noted above, the TCG requires priority to projects located in EDA’s in the scoring criteria. With this in mind, developers who claimed these two points could easily have done so in “good faith” with the assumption that an alternative resolution would need to be applied to enable the Department to comply with the clear statutory requirement of Section 2306.127 of TGC and the reasonableness standards set forth Section 11.1(b) of the QAP.

In my opinion, Applicant has provided evidence that clearly shows the Project is located within an EDA. On behalf of Applicant, I therefore request the Department award to the Project two points under the EDA point scoring criteria and not to assess a penalty point against Applicant.

Thank you for your consideration.

Very truly yours,



John C. Shackelford

cc: Cameron Dorsey (Via E-Mail)  
Jean Latsha (Via E-Mail)  
Dewey Stevens (Via E-mail)  
Melissa Adami (Via E-mail)  
Bill Fisher (Via E-mail)

EXHIBIT "A"



# Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.  
Austin, TX 78711-3231, www.twdb.texas.gov  
Phone (512) 463-7847, Fax (512) 475-2053

THE STATE OF TEXAS     §  
COUNTY OF TRAVIS     §

As the Executive Administrator of the Texas Water Development Board, I hereby certify that attached is a copy of the following, as contained in the records of the Texas Water Development Board:

Economically Distressed Areas Program Status Report dated February 28, 2013.

Under Texas Water Code §6.153(a), a certified copy with the seal of the Texas Water Development Board and the signature of the Executive Administrator is admissible as evidence in any court or administrative proceeding.

WITNESS MY HAND, and the Seal of the Texas Water Development Board, this the 28<sup>th</sup> day of May, 2013.

Texas Water Development Board



Melanie Callahan  
Executive Administrator

(Seal)

Our Mission	:	Board Members		
To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas	:	Billy R. Bradford Jr., Chairman	Lewis H. McMahan, Member	Monte Cluck, Member
	:	Joe M. Crutcher, Vice Chairman	Edward G. Vaughan, Member	F.A. "Rick" Rylander, Member
	:	Melanie Callahan, Executive Administrator		

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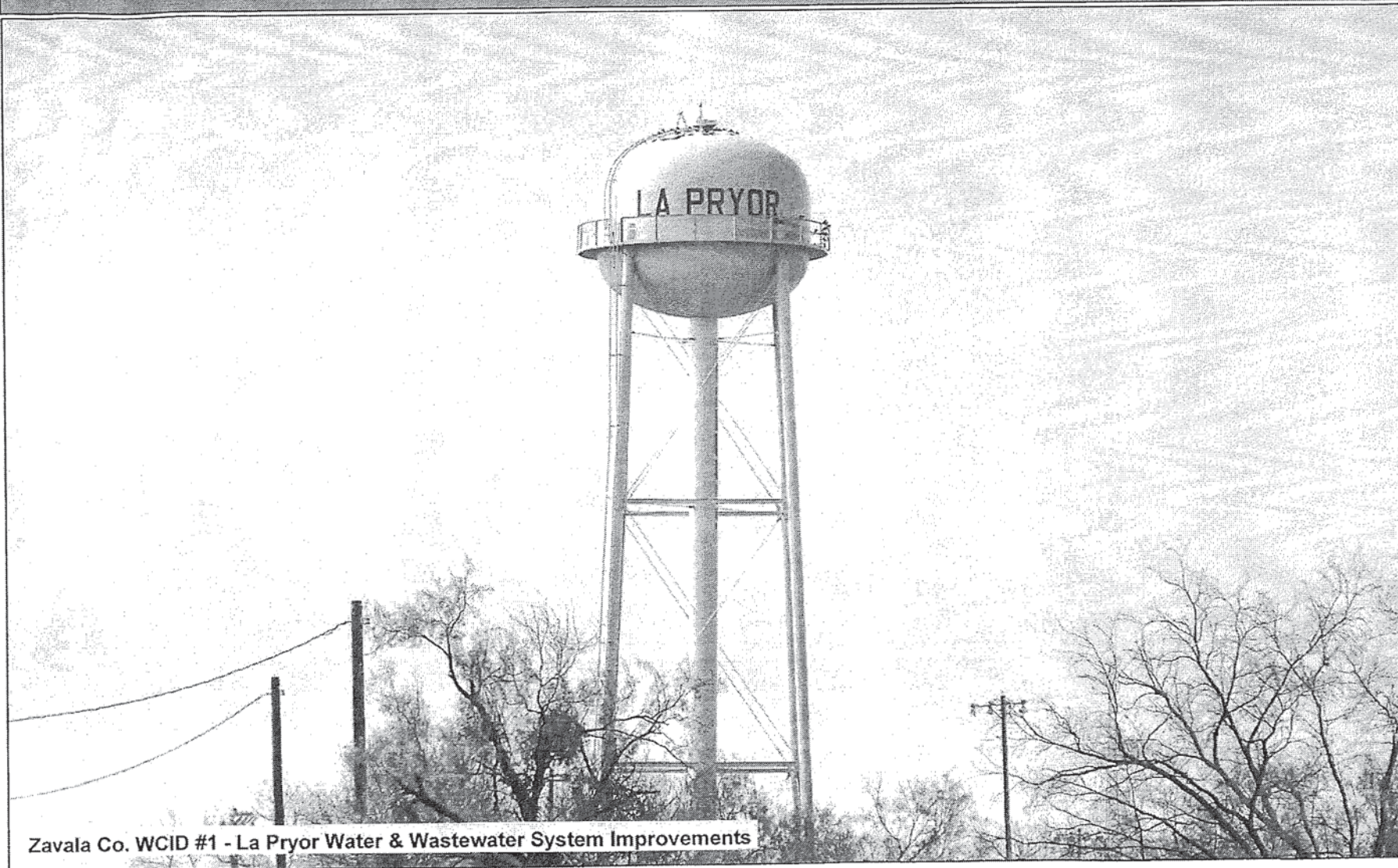


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# Economically Distressed Areas Program

Status Report - February 28, 2013

**Texas Water  
Development Board** 

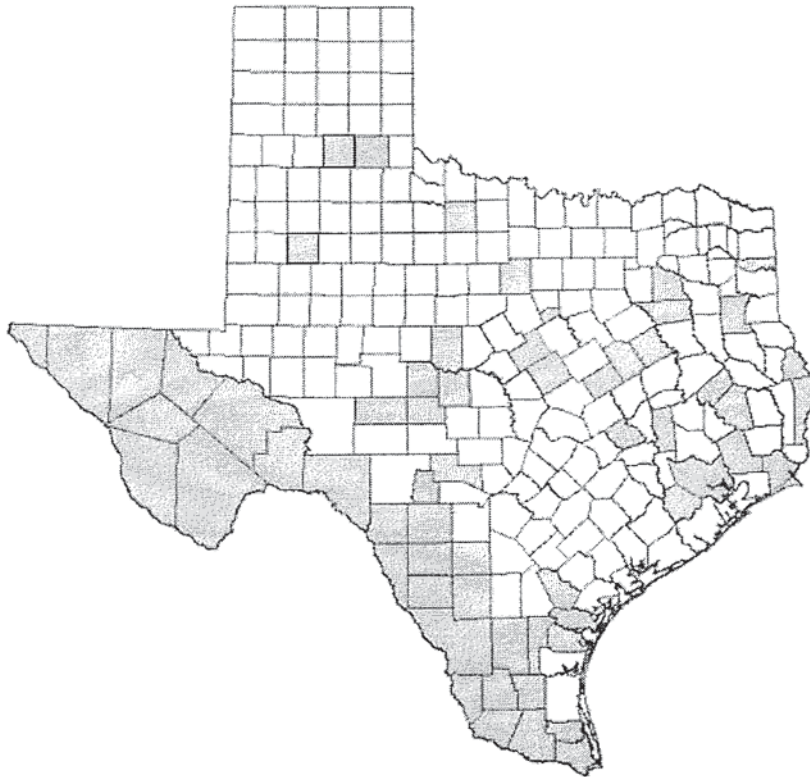


Zavala Co. WCID #1 - La Pryor Water & Wastewater System Improvements

# Economically Distressed Areas Program

Counties meeting Model Subdivision Rule requirements  
for EDAP eligibility as of February 28, 2013

## STATUS REPORT

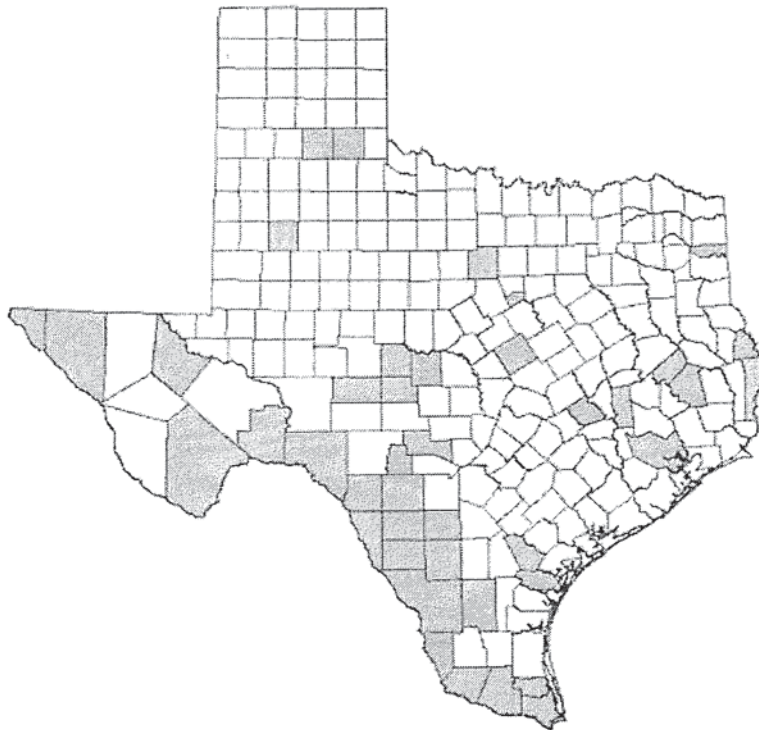


### Table of Contents

Background	2
Summary of EDAP Funding	3
Index by County	4
Projects Listed by County	5-22

During this quarter (December 1, 2012 – February 28, 2013), no additional counties adopted Model Subdivision Rule requirements.

## Counties with Communities that have received EDAP funding as of February 28, 2013



Since December 1, 2012, the TWDB approved planning and design funding for two projects. Additionally, one project completed planning, acquisition, and design phase activities.

## Background

The Texas Water Development Board (TWDB), state leaders, legislators and the citizens of Texas have been active in providing water and wastewater services to economically distressed areas of the state for over 20 years. The Economically Distressed Areas Program (EDAP), including its related programs, has provided over \$719 million in grants and loans to fund the planning, acquisition, design, and construction of much-needed basic water and wastewater infrastructure. The EDAP can also be used to pay for first-time service connections for homes in an area to be served by an EDAP project that meets additional federal low-income criteria.

In 1989 the 71<sup>st</sup> Legislature passed comprehensive legislation that established EDAP to be administered by the TWDB and established the Model Subdivision Rules (MSR) for the regulation of future residential subdivisions. These laws focused on two major goals: delivering water and wastewater services to meet the immediate health and safety concerns, and stopping the proliferation of sub-standard subdivisions through tougher enforcement of development standards.

The EDAP program provides financial assistance in the form of a grant, or a combination grant/loan to disadvantaged political subdivisions, including cities, counties, water districts and non-profit water supply corporations. EDAP projects provide adequate water and wastewater to Texas residents without service and to those with existing systems that do not meet minimum state standards. Throughout its history, the EDAP has involved collaborative funding with state and federal agencies, such as the Environmental Protection Agency, the United States Department of Agriculture-Rural Development, the Texas Department of Agriculture, North American Development Bank, the Border Environmental Cooperation Commission, local governments including counties, cities, water and wastewater utilities, and non-profit groups.

**Economically Distressed Areas Program  
Status Report - February 28, 2013**

County	COMPLETED PROJECTS				UNDER CONSTRUCTION			PLANNING, ACQUISITION & DESIGN				TOTAL		
	Facility Plans & Design	Construction	EDAP Funding	Estimated Residents with Service Available	Under Construction	EDAP Funding	Estimated Population to benefit	PAD in Progress	EDAP Funding	Estimated Construction & Future Costs	Estimated Population to benefit	Total Projects	Total EDAP Funding	Total TWDB Assistance to these Projects
Bee County	1	2	\$5,240,967	1,019								3	\$5,240,967	\$5,600,967
Brewster County								1	\$290,000	\$1,210,000	6,053	1	\$290,000	\$290,000
Briscoe County								1	\$1,825,000	\$4,265,000	1,680	1	\$1,825,000	\$1,825,000
Burleson County								1	\$57,750	\$6,842,350	872	1	\$57,750	\$57,750
Cameron County	3	12	\$80,056,307	32,476	2	\$29,328,800	3,888					17	\$109,385,107	\$111,807,947
Coryell County	1	1	\$2,984,065	790								2	\$2,984,065	\$3,189,065
Dimmit County	1	3	\$5,724,605	2,830								4	\$5,724,605	\$5,724,605
Duval County	1		\$177,800									1	\$177,800	\$177,800
El Paso County	3	9	\$122,174,632	86,761	1	\$651,000	428	3	\$312,000	\$7,023,832	1,316	16	\$123,137,632	\$138,561,724
Frio County		1	\$1,958,960	579								1	\$1,958,960	\$1,958,960
Grimes County		1	\$6,250,000	711				1	\$235,000	\$4,765,000	401	2	\$6,485,000	\$6,485,000
Hall County								1	\$291,000	\$4,733,000	421	1	\$291,000	\$291,000
Harris County					1	\$10,936,094	1,583	1	\$986,000	\$8,536,172	567	2	\$11,922,094	\$11,922,094
Hidalgo County	12	29	\$150,039,653	73,939	1	\$5,139,000	1,109	2	\$3,754,000	\$141,835,641	9,616	44	\$158,932,653	\$206,425,579
Hudspeth County		2	\$5,258,999	2,330								2	\$5,258,999	\$5,258,999
Kerr County	1		\$51,750					1	\$242,500	\$15,661,309	2,115	2	\$294,250	\$2,154,250
Kinney County		1	\$417,079	66								1	\$417,079	\$417,079
La Salle County	1		\$25,686									1	\$25,686	\$25,686
Lynn County								1	\$239,000	\$1,878,500	3,096	1	\$239,000	\$239,000
Marion County	2		\$87,375									2	\$87,375	\$87,375
Maverick County	1	2	\$57,409,285	21,113				1	\$485,000	\$19,753,690		4	\$57,894,285	\$109,044,285
McCulloch County		1	\$4,699,000	1,150								1	\$4,699,000	\$4,699,000
Menard County								1	\$92,570	\$5,507,430	1,680	1	\$92,570	\$92,570
Newton County	1	1	\$15,240,978	3,795								2	\$15,240,978	\$22,285,978
Poik County								1	\$145,000	\$832,000	117	1	\$145,000	\$145,000
Real County								1	\$3,736,250		847	1	\$3,736,250	\$13,697,710
Reeves County		1	\$369,339	67								1	\$369,339	\$369,339
Sabine County	2	2	\$3,093,281	924								4	\$3,093,281	\$5,388,281
San Patricio County	1	5	\$15,896,278	4,387	1	\$2,493,000	336					7	\$18,389,278	\$23,566,278
Schleicher County	1		\$90,000									1	\$90,000	\$90,000
Somervell County								1	\$740,000	\$8,900,000	2,444	1	\$740,000	\$740,000
Starr County	2	4	\$41,541,469	28,414								6	\$41,541,469	\$51,281,469
Terrell County		1	\$4,256,175	1,128								1	\$4,256,175	\$4,256,175
Trinity County								1	\$250,500	\$2,168,000	1,057	1	\$250,500	\$250,500
Uvalde County	1	1	\$2,731,556	1,264								2	\$2,731,556	\$2,731,556
Val Verde County	1	2	\$15,862,173	4,159				1	\$460,000	\$8,865,286	251	4	\$16,322,173	\$16,322,173
Van Zandt County								1	\$61,200	\$1,043,000	361	1	\$61,200	\$61,200
Webb County	1	3	\$56,694,697	14,442								4	\$56,694,697	\$59,754,697
Willacy County	1	2	\$4,713,630	3,165								3	\$4,713,630	\$4,713,630
Zapata County		1	\$814,377	2,025								1	\$814,377	\$814,377
Zavala County	2	3	\$12,942,266	3,804								6	\$14,369,266	\$14,369,266
<b>Subtotal</b>	<b>40</b>	<b>90</b>	<b>\$616,802,381</b>	<b>291,338</b>	<b>7</b>	<b>\$49,974,894</b>	<b>9,502</b>	<b>21</b>	<b>\$14,202,770</b>	<b>\$243,820,110</b>	<b>32,894</b>	<b>158</b>	<b>\$680,980,045</b>	<b>\$837,173,363</b>
<b>STATE WATER PLAN EDAP:</b>														
Concho County					1	\$4,675,000	1,200					1	\$4,675,000	\$4,675,000
Palo Pinto County								1	\$4,800,000		14,644	1	\$4,800,000	\$8,000,000
Somervell County					1	\$13,574,000	2,444					1	\$13,574,000	\$32,435,000
Webb County		1	\$15,000,000	237,396								1	\$15,000,000	\$15,000,000
<b>Subtotal</b>		<b>1</b>	<b>\$15,000,000</b>	<b>237,396</b>	<b>2</b>	<b>\$18,249,000</b>	<b>3,644</b>	<b>1</b>	<b>\$4,800,000</b>		<b>14,644</b>	<b>4</b>	<b>\$38,049,000</b>	<b>\$60,110,000</b>
<b>TOTAL with SWP EDAP</b>			<b>\$631,802,381</b>			<b>\$68,223,894</b>			<b>\$19,002,770</b>			<b>162</b>	<b>\$719,029,045</b>	<b>\$897,283,363</b>

1. "Facility Plans & Design" includes Facility Planning Grants and other projects that completed planning or design but that did not complete construction.
2. The above figures reflect initial commitment amounts and have not been adjusted for actual funds expended. EDAP Funding amounts include EDAP's related programs: EDAP, Colonia Wastewater Treatment Assistance Program, Colonia Self Help, Community Self Help, EDAP Research and Planning, and one EDAP project funded through the Water Loan Assistance Fund.
3. "Estimated residents with service available" avoids double counting population when served by subsequent projects. I.e. Residents served by a water project and counted once, are not counted a second time when served by a later wastewater project. This in some ways undercounts project impact/benefit but avoids double counting population.

Index to Projects by County

<b>BEE COUNTY</b>	Lower Valley WD (Las Azaleas Planning)	Weslaco (Southwest Wastewater)	Somervell County WD
Bee County	Vinton	Weslaco (Sun Country Estates)	
Skidmore WSC	<b>FRIO COUNTY</b>	<b>HUDESPEETH COUNTY</b>	<b>STARR COUNTY</b>
Tynan WSC	Moore WSC	Fort Hancock WCID	La Grulla
<b>BREWSTER COUNTY</b>	<b>GRIMES COUNTY</b>	Hudspeth County WCID #1 (Sierra Blanca)	Rio Grande City (Las Lomas)
Alpine	Bedias	<b>KERR COUNTY</b>	Rio WSC
<b>BRISCOE COUNTY</b>	Iola	Kerr County	Roma (Water & Wastewater)
Silverton	<b>HARRIS COUNTY</b>	Upper Guadalupe River Authority	Roma (Water System Upgrades)
<b>BURLESON COUNTY</b>	Airline ID	<b>KINNEY COUNTY</b>	Roma (SB 1421 Wastewater)
Beaver Creek WCID 1	East Aldine MD	Spofford	<b>TERRELL COUNTY</b>
<b>CAMERON COUNTY</b>	<b>HALL COUNTY</b>	<b>LA SALLE COUNTY</b>	Terrell County WCID #1 (Sanderson)
Brownsville (Cameron Park)	Turkey	Encinal	<b>TRINITY COUNTY</b>
Brownsville (Hacienda Gardens)	<b>HIDALGO COUNTY</b>	<b>LYNN</b>	Groveton
Brownsville (Valle Hermosa & Valle Escondido)	Agua SUD (East)	Tahoka	<b>UVALDE COUNTY</b>
Brownsville (FM 511-802)	Agua SUD (West)	<b>MARION COUNTY</b>	Uvalde County Planning
Brownsville (Villa Nueva)	Alamo (South Tower Estates)	Jefferson	Windmill WSC
Cameron County Urban Regional Planning	Alamo (New Wastewater Service)	Marion County	<b>VAL VERDE COUNTY</b>
Cameron County Rural Planning	Alton	<b>MAVERICK COUNTY</b>	Del Rio (Cienegas Terrace)
Combes	Alton (Phase II)	Eagle Pass (Eldson Road)	Del Rio (Val Verde Park Estates)
Harlingen (Arroyo Colorado & Colonia Bishop)	Border WaterWorks (Mile 17 1/2)	Eagle Pass (Regional Water)	Val Verde County Planning
La Feria	Border WaterWorks (Wisconsin Road)	Eagle Pass (Regional Wastewater)	Val Verde County (Lakeview Estates)
Los Fresnos	Donna	Eagle Pass (Regional Systems – Phase II)	<b>VAN ZANDT COUNTY</b>
Olmito WSC (Water & Wastewater)	Donna (Western Colonias)	Maverick County (Quemado planning)	Edom WSC (Water System Improvements)
Olmito WSC (Collection System Expansion)	Edinburg (Faysville)	<b>MCCULLOCH COUNTY</b>	<b>WEBB COUNTY</b>
Primera	Edinburg (Lull)	Richland SUD	Laredo (Mines Rd & S.H. 359)
Rio Hondo	Edinburg (Northwest)	<b>MENARD COUNTY</b>	Laredo (Municipal Water Rights)
San Benito	Elsa	Menard	Webb County (Larga Vista)
Santa Rosa (Water and Wastewater)	Hidalgo County (El Paraiso)	<b>NEWTON COUNTY</b>	Webb County (SW - El Cenizo & Rio Bravo)
<b>CONCHO COUNTY</b>	Hidalgo County (DeAnda & Saenz)	Newton County Planning	Webb County (SH 59 planning)
Eden	Hidalgo County (Sanchez Ranch)	South Newton WSC	<b>WILLACY COUNTY</b>
<b>CORYELL COUNTY</b>	Hidalgo County (Urban Regional)	<b>PALO PINTO COUNTY</b>	North Alamo WSC (La Sara)
Copperas Cove	La Joya WSC (East-Palmview area)	Palo Pinto Co. MWD 1	Sebastian MUD
Gatesville	La Joya WSC (West-Sullivan City area)	<b>POLK COUNTY</b>	Willacy County Planning
<b>DIMITT COUNTY</b>	McAllen	Polk County FWSD 2	<b>ZAPATA COUNTY</b>
Asherton	Mercedes	<b>REAL COUNTY</b>	Siesta Shores WCID
Carrizo Hill WSC	Mercedes (DeAnda & Saenz)	Nueces River Authority (Leakey)	<b>ZAVALA COUNTY</b>
Catarina WSC	Military Highway WSC (S. Tower Estates)	<b>REEVES COUNTY</b>	Batesville WSC
Dimmitt County Planning	Mission (Madero and Granjeno)	Pecos City	Crystal City
<b>DUVAL COUNTY</b>	Mission (Northwest Mission)	<b>SABINE COUNTY</b>	Zavala County WCID1 (La Pryor)
Duval County Planning	North Alamo WSC (Donna Colonias)	Brookeland FWSD (Water)	Zavala County WCID1 (Water Treatment)
<b>EL PASO COUNTY</b>	North Alamo WSC (Doolittle)	Brookeland FWSD (Wastewater)	Zavala County Planning (Batesville)
El Paso (Canutillo)	North Alamo WSC (San Carlos)	Pineland	Zavala County Planning (La Pryor)
El Paso (East Montana – Phase 0)	North Alamo WSC (San Juan)	Sabine County Planning	
El Paso (Westway Water)	Pharr (Las Milpas)	<b>SAN PATRICIO COUNTY</b>	
El Paso (Westway II)	San Juan	Ingleside	
El Paso (La Mesa, 7 <sup>th</sup> , & Vinton)	TRI (Lucky J)	Ingleside on the Bay	
El Paso (Norma & Georgia)	TRI (Vecinos Unidos)	Odem (Bethel Estates & SE Odem)	
El Paso (Turf Estates)	TRI (Bella Vista)	Portland	
El Paso County WID (Tornillo)	TRI (Botello)	Rincon WSC	
El Paso County WID (WW Collection Phase II)	TRI (Taylor Road)	St. Paul WSC	
El Paso County (East Montana – Ph. 2&3)	TRI (Mike Cruz Road)	San Patricio County Regional Planning	
Homestead MUD (East Montana – Ph. 1)	TRI (Big Five)	<b>SCHLEICHER COUNTY</b>	
Lower Valley WD (Phase I – Baumann)	TRI (Hargill-Wastewater)	Eldorado	
Lower Valley WD (Phase II – Socorro)	TRI (Hargill-Water)	<b>SOMERVELL COUNTY</b>	
Lower Valley WD (Phase III – San Elizario)	TRI (Tri City Acres)	Glen Rose (WWTP Expansion)	

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Bee County</b>								
Bee County								
	<u>10229 - Water &amp; Wastewater</u> Planning for water and wastewater facilities to provide new and improved service.	5/96	\$228,900			Completed Facility Plan		
Skidmore WSC								
	<u>10345 - New Water &amp; Wastewater Systems</u> Construct first-time water service and expanded wastewater service.	3/02		\$4,660,613	\$175,000	Completed Construction	8/07	905
Tynan WSC								
	<u>10346 - Water &amp; Wastewater System Improvements</u> Extend wastewater service to unserved areas. TDRA provide funding to improve wastewater treatment plant.	5/02		\$351,454	\$185,000	Completed Construction	8/06	114
<b>Brewster County</b>								
Alpine								
	<u>10372 - Southeast Interceptor</u> Planning for a wastewater interceptor project to relieve overloading of collection system.	2/09	\$290,000			Active Design	10/11	
<b>Briscoe County</b>								
Silverton								
	<u>*10417 - New Water Source</u> Planning, acquisition, and design of a new water supply project to bring safe and reliable water to serve the City's needs.	8/11	\$1,825,000			Active PAD		
<b>Burleson County</b>								
Beaver Creek WCID 1								
	<u>10418 - New Water System</u> Planning to develop a first-time public water system to provide safe drinking water.	1/11	\$57,750			Active Planning		
<b>Cameron County</b>								
Brownsville								
	<u>10014 - Cameron Park</u> Improve water service and provide first-time wastewater service.	11/91	\$49,000	\$6,516,251		Completed Construction	5/96	5,282
	<u>10015 - Hacienda Gardens</u> Construct wastewater collection facilities for first-time service. TDHCA funded the water distribution system.	8/92	\$18,375	\$367,728		Completed Construction	8/94	308
	<u>10063 - Valle Hermosa &amp; Valle Escondido</u> Construct a wastewater collection system for first-time service. Additional project funding provided by TDRA and the City.	2/02	\$144,750	\$5,442,637		Completed Construction	2/10	1,460
	<u>10344 - FM 511-802 Project</u> Construct a wastewater collection system to provide first-time service to 21 subdivisions in an unincorporated area northeast of the City.	4/08	\$1,710,800	\$25,345,000		Active Construction	2/12	



County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10378 - Villa Nueva Colonia</u></b> Construct a wastewater collection system for first-time service. Additional funding provided by U.S. Army Corps of Engineers, CDBG, and BECC.	5/08	\$273,000	\$2,000,000		Active Construction	5/12	
<b>Cameron County</b>								
	<b><u>10067 - Cameron Urban Regional Planning</u></b> Planning for Combes-Primera, Arroyo Colorado, Laureles, and FM 802-511 water and wastewater projects.	8/93	\$456,684			Completed Facility Plan		
	<b><u>10073 - Cameron County Rural Planning</u></b> Planning for rural areas in Cameron County. Construction funding provided by USDA.	4/94	\$600,000			Completed Facility Plan		
<b>Combes</b>								
	<b><u>10246 - New Wastewater System</u></b> Upgrade and extend water service and construct first-time wastewater collection system. Additional project funding for connections provided by NADB.	6/96		\$12,839,775	\$146,999	Completed Construction	4/05	2,753
<b>Harlingen</b>								
	<b><u>10283 - Arroyo Colorado &amp; Colonia Bishop</u></b> Construct a wastewater collection system, and acquisition of Arroyo Colorado Estates WSC wastewater collection system.	12/97		\$1,370,459		Completed Construction	6/00	977
<b>La Feria</b>								
	<b><u>10231 - Water &amp; Wastewater System Expansion</u></b> Upgrade water lines, expand water plant capacity, construct elevated storage tower, expand the WWTP, and provide first-time service to subdivisions outside the City. Additional funding provided by the NADB, BECC, TDRA, and TWDB (CWSRF).	12/02	\$43,311	\$11,454,359	\$385,000	Completed Construction	3/10	8,739
<b>Los Fresnos</b>								
	<b><u>10322 - Wastewater System Expansion</u></b> Expand wastewater collection facilities and existing WWTP to provide service to an area outside the city.	9/99	\$22,500	\$17,240,761	\$360,000	Completed Construction	9/11	3,300
<b>Olmito WSC</b>								
	<b><u>10017 - Olmito Water &amp; Wastewater Systems</u></b> Improve water service and provide first-time wastewater service. Includes construction of a new WWTP. USDA provided additional funding.	5/95	\$45,250	\$7,078,922		Completed Construction	11/99	4,044
	<b><u>10377 - Collection System Expansion</u></b> Expand wastewater collection system to serve first-time customers. Additional design funding provided by BECC.	4/08	\$300,000	\$2,601,000		Completed Construction	8/12	440
<b>Primera</b>								
	<b><u>10250 - New Wastewater Collection System</u></b> Construct first-time wastewater collection system. Additional funding provided by the City, the Town of Combes, and the TWDB (CPLP).	8/96		\$9,875,149	\$55,841	Completed Construction	6/06	4,051

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rio Hondo</b>								
	<b><u>10160 - Colonia Water &amp; Wastewater Service</u></b> Provide first-time wastewater service to four subdivisions and extended a water line into one subdivision.	6/97	\$36,000	\$478,916		Completed Construction	3/01	328
<b>San Benito</b>								
	<b><u>10018 - Colonia Water &amp; Wastewater Service</u></b> Expand water and wastewater utilities to provide first-time service and purchase the Military Highway WSC system.	1/98	\$49,813	\$2,178,583		Completed Construction	7/02	794
<b>Santa Rosa</b>								
	<b><u>10016 - Water Treatment Plant and Wastewater System Improvements</u></b> Originally funded by DWSRF, CWSRF and EDAP, this project would have provided first-time water service to five areas and improved water service to others. The project downsized and only an expansion of the surface water treatment facility was completed using DWSRF funding. The EDAP part of this project expired and was not completed. Additional funding was provided by the NADB. Wastewater Improvements Planning included design costs to extend first-time wastewater service to economically distressed areas in the vicinity of the City that did not lead to construction.	9/02	\$846,084		\$1,475,000	Completed Planning		
<b>Concho</b>								
<b>Eden</b>								
	<b><u>10416 - New Water Well &amp; Radionuclide Treatment System</u></b> State Water Plan EDAP Project to construct an additional groundwater well and install a treatment system to allow the city to meet drinking water quality standards for radium 226/228 and gross alpha particles.	1/11		\$4,675,000		Under Construction		
<b>Coryell</b>								
<b>Copperas Cove</b>								
	<b><u>10072 - Wastewater Collection</u></b> Planning to extend wastewater service to unserved areas.	4/94	\$37,500			Completed Facility Plan		
<b>Gatesville</b>								
	<b><u>10092 - Water &amp; Wastewater Extensions</u></b> Improve water service and extend wastewater system to provide first-time service.	9/96	\$52,188	\$2,894,377	\$205,000	Completed Construction	11/00	790
<b>Dimmit</b>								
<b>Asherton</b>								
	<b><u>10248 - Water &amp; Wastewater Improvements</u></b> Water system upgrades to bring the system into compliance. Construct wastewater collection lines to provide first-time service.	8/02		\$2,157,594		Completed Construction	3/06	1,719
<b>Carrizo Hill WSC</b>								
	<b><u>10278 - Water &amp; Wastewater Systems</u></b> Construct water and wastewater systems to provide first-time service.	4/97		\$2,428,076		Completed Construction	8/01	872

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Catarina WSC</b>								
	<b><u>10247 - Water and Wastewater Improvements</u></b> Upgrade to water system and installation of new septic systems with drain fields.	7/96		\$1,114,185		Completed Construction	7/98	239
<b>Dimmit County</b>								
	<b><u>10046 - Asherton, Carrizo Hills &amp; Catarina</u></b> Planning to provide improved water service and first-time wastewater service for Asherton, Carrizo Hills, and Catarina.	2/93	\$24,750			Completed Facility Plan		
<b>Duval</b>								
<b>Duval County</b>								
	<b><u>10237 - Water &amp; Wastewater</u></b> Planning to provide for water and wastewater facilities to serve areas in and near San Diego, Freer, Benavides, Realitos, Concepcion, and San Jose. The contract was terminated 10/15/99.	10/96	\$177,800			Completed Facility Plan		
<b>El Paso</b>								
<b>El Paso</b>								
	<b><u>10058 - Westway Water Supply</u></b> Provide new groundwater well and transmission line for El Paso Co WCID Westway.	2/92		\$1,437,541		Completed Construction	4/96	9,052
	<b><u>10060 - East Montana Water System (Phase 0)</u></b> Planning to provide first-time or improved water service. The resulting construction project consisted of four phases. Additional funding for construction of transmission facilities provided by the City.	8/93	\$441,942			Completed Facility Plan		
	<b><u>10062 - Canutillo Project</u></b> Improve and expand water service, and provide first-time wastewater service, connecting to the existing El Paso PSB systems.	9/98	\$245,859	\$11,062,750		Completed Construction	4/02	2,846
	<b><u>10195 - Westway II</u></b> Construct water and wastewater system improvements. Wastewater improvements repaired and expanded collection facilities, abandoned the WCID's WWTP, and diverted flows to El Paso PSB's WWTP. The District was dissolved and annexed into the City of El Paso.	7/95		\$5,647,941	\$102,500	Completed Construction	5/00	8,187
	<b><u>10411 - Canutillo Water - La Mesa, 7th, and Vinton Streets</u></b> Planning, acquisition, and design to provide first time water service in the Canutillo area.	9/11	\$82,000			Active PAD		
	<b><u>10428 - Canutillo Water - Norma &amp; Georgia Streets</u></b> Planning to provide first time water service in the Canutillo area.	9/11	\$90,000			Active PAD		
	<b><u>10410 - Turf Estates</u></b> Water system improvements to replace inadequate water main, resolve compliance issues, and permanently connect to El Paso Water Utilities' water system.	11/10	\$81,000	\$570,000		Active Construction	6/12	
<b>El Paso Co Tornillo WID</b>								
	<b><u>10059 - Tornillo Wastewater System</u></b> Provide first-time wastewater service. Additional funding provided by the NADB and BECC.	9/02	\$59,093	\$13,688,497		Completed Construction	11/10	2,368

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10414 - Wastewater Collection Phase II</u></b> Planning and design funding of a wastewater collection system to serve four colonia areas in the District's service area.	6/12	\$140,000			Active PAD		
<b>El Paso County</b>								
	<b><u>10278 - East Montana Water (Phases 2 &amp; 3)</u></b> Includes the purchase of nine existing water systems, wholesale water supply from El Paso, improvements to the acquired systems, and first-time water service. Additional funding provided by USDA.	9/96		\$13,581,408	\$438,184	Completed Construction	7/03	7,929
<b>Homestead MUD</b>								
	<b><u>10158 - East Montana Water System (Phase 1)</u></b> Rebuilt, expanded, and improved Homestead's internal water supply system. Funding included a loan to refinance MUD's debt, and the pro rata share of a transmission system for El Paso to provide wholesale service.	1/95		\$7,544,300	\$1,700,000	Completed Construction	7/98	16,750
<b>Lower Valley WD</b>								
	<b><u>10055 - LVWD Phase I - Bauman Water Project</u></b> A project to provide first-time water service within the town of Socorro. Included the subdivisions of Bauman Estates, Rio Rancho, San Augustine, Belen Plaza, San Isidro, Roseville and Aljo and some dwellings outside the San Isidro subdivision.	10/91		\$1,800,608		Completed Construction	8/94	3,927
	<b><u>10056 - LVWD Phase II - Socorro</u></b> Provide improved water service and first-time wastewater service to the District's service area in the vicinity of Socorro. Includes additional funding for Cultural Resource Management (10315).	5/93	\$592,080	\$17,825,753	\$4,938,408	Completed Construction	4/03	9,299
	<b><u>10057 - LVWD Phase III - San Elizario</u></b> Provide improved water service and first-time wastewater service to the District's service area in San Elizario.	1/94	\$251,275	\$47,906,485	\$8,245,000	Completed Construction	5/03	26,403
	<b><u>10061 - Las Azuleas</u></b> Planning to provide for first-time wastewater service. The proposed system included gravity sewers, an aerated lagoon system, and constructed wetland cells.	1/94	\$50,000			Completed Facility Plan		
<b>Vinton</b>								
	<b><u>10162 - Water Improvements &amp; Wastewater System</u></b> Planning for a new wastewater system and water service improvements. Contract terminated December 2000.	10/96	\$39,100			Completed Facility Plan		
<b>Frio</b>								
<b>Moore WSC</b>								
	<b><u>10238 - New Wastewater System</u></b> Provide first-time wastewater service. Additional funding provide by USDA to construct the WWTP and provide residential connections.	10/98	\$48,960	\$1,910,000		Completed Construction	3/09	579
<b>Grimes</b>								
<b>Bedias</b>								
	<b><u>10383 - New Wastewater System</u></b> Construct a wastewater collection and treatment system to replace septic systems and other forms of wastewater disposal. Additional funding for design provided by the City through the CDBG.	10/08	\$845,000	\$5,405,000		Completed Construction	10/12	711

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Iola</b>								
	<u>10422 - New Wastewater System</u> Planning for a new wastewater collection and treatment system to provide first time service for the community.	8/11	\$235,000			Active Planning		
<b>Hall</b>								
<b>Turkey</b>								
	<u>10433 - Water</u> Planning to evaluate the development of an additional water source.	10/12	\$291,000			Active Planning		
<b>Harris</b>								
<b>Airline ID</b>								
	<b><u>*10398 - Service Zone 1 Water &amp; Sewer</u></b> <i>Planning and design for water distribution and wastewater collection facilities. On completion the facilities will be owned and operated by the City of Houston.</i>	<b>2/10</b>	<b>\$986,000</b>			<b>Completed PAD</b>	<b>11/12</b>	
<b>East Aldine MD</b>								
	<u>10384 - Sherwood &amp; Benton Place Water &amp; Wastewater</u> Construct first-time water distribution and wastewater collection system. The City of Houston will provide potable water and wastewater treatment services and will assume ownership of facilities when completed.	3/09	\$450,000	\$10,486,094		Active Construction	6/12	
<b>Hidalgo</b>								
<b>Agua SUD</b>								
	<u>10365 - Eastern Wastewater System</u> Planning and design developed in 2001. The plan will lead to construction of a wastewater collection system and WWTP to provide wastewater service for the SUD's eastern water system.	12/11	\$2,600,000			Active PAD		
	<u>10370 - Western Wastewater System</u> Construction of a wastewater collection system and WWTP to provide wastewater service to the SUD's western water system.	4/10	\$818,000	\$24,797,000	\$1,990,000	Completed Construction	10/12	7,000
<b>Alamo</b>								
	<u>10030 - South Tower Estates</u> Project for first-time wastewater service with treatment provided by the City of Alamo. The service area was adopted by Military Highway WSC.	10/92	\$24,000			Completed Facility Plan		
	<u>10406 - New Wastewater Service</u> Extend first-time wastewater service from City of Alamo to Colonias Guadalupe, Campo Alto, Salazar, Rancho Escondido, and Val-Bar Estates.	12/11	\$460,000	\$4,679,000		Under Construction		
<b>Alton</b>								
	<u>10025 - Alton I - New Wastewater System</u> Construct a wastewater collection system and expansion of City of McAllen's WWTP. Additional funding provided by USDA to connect residences to the system.	6/94	\$40,435	\$11,452,865		Completed Construction	7/99	7,949
	<u>10233 - Alton II - Wastewater System Expansion</u> Planning to expand the wastewater collection system to nearby subdivisions. The contract was terminated September 2002.	7/96	\$46,181			Completed Planning		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Border Water Works</b>								
	<u>10347 - Wisconsin Road Project - Self-Help</u> A CSHP project to provide first-time water service and replace existing on-site wastewater disposal practices with septic systems. Residents installed distribution lines and made cash deposits for water hook-ups. An engineering firm donated surveying and easement preparation services.	6/02		\$14,862		Completed Construction	7/02	38
	<u>10351 - Mile 17 1/2 Project - Self-Help</u> A CSHP project to provide first-time water service. Improvements included water lines with a connection to a North Alamo WSC line. Residents contributed labor and made cash contributions. Hidalgo County provided residential water meters.	6/02		\$18,918		Completed Construction	7/02	55
<b>Donna</b>								
	<u>10037 - Colonia Water &amp; Wastewater Service</u> Improved and first-time water service and expanded the SWTP and WWTP. Additional funding provided by NADB.	8/97	\$46,725	\$8,014,306	\$9,570,000	Completed Construction	12/05	5,652
	<u>10371 - Western Colonias Project</u> Provide first-time wastewater service to seven subdivisions. Additional funding provided by the BECC and the County for paving, drainage improvements and resident connections.	3/09	\$956,000	\$7,802,000	\$5,500,000	Completed Construction	2/11	1,505
<b>Edinburg</b>								
	<u>10024 - Lull Water &amp; Wastewater Systems</u> Improved water service and first-time wastewater service.	8/91	\$18,248	\$1,450,000	\$410,926	Completed Construction	6/93	1,296
	<u>10033 - Faysville Area Water &amp; Wastewater</u> Improved water service and first-time wastewater service.	6/94	\$36,000	\$10,643,616		Completed Construction	5/01	4,760
	<u>10091 - Northwest Water &amp; Wastewater Plans</u> Planning to provide wastewater service. The City also proposed to purchase, upgrade, and connect the water system owned by Sharyland WSC to the City's system.	6/94	\$46,286			Completed Facility Plan		
<b>Elsa</b>								
	<u>10036 - Water &amp; Wastewater Plans</u> Planning for water improvements and first-time wastewater service. The contract was terminated 9/29/2002.	9/93	\$37,500			Completed Facility Plan		
<b>Hidalgo County</b>								
	<u>10027 - El Paraiso Wastewater</u> Planning for an innovative/alternative wastewater system to provide first-time service.	7/91	\$179,631			Completed Facility Plan		
	<u>10038 - DeAnda and Saenz</u> Planning for an innovative/alternative wastewater system to provide for first-time wastewater service.	1/94	\$75,000			Completed Facility Plan		
	<u>10040 - Sanchez Ranch Plan</u> Planning for a project to provide first-time wastewater service. The contract was terminated.	3/94	\$32,690			Completed Facility Plan		

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10068 - Urban Regional Planning</u> The county-wide study identified 5 study areas, for which facility plans were to be prepared. These projects and the parent project were terminated in 2002.	8/93	\$900,000			Completed Facility Plan		
<b>La Joya WSC</b>								
	<u>10031 - Eastern Project Area (Palmview)</u> Planning, design and construction of a new wastewater collection and treatment system to serve eastern portions of the service area. Construction never started and contract terminated in 2005.	12/01	\$5,912,565			Completed Design		
	<u>10034 - Western Service Area (Sullivan City)</u> Planning, design and construction of a wastewater system to provide first-time service to the western portion of the service area. Construction never started and contract terminated in 2005.	12/01	\$79,500			Completed Planning		
<b>McAllen</b>								
	<u>10039 - Colonia Water/Wastewater Service</u> Planning to improve water service and extend wastewater service. The contract was terminated.	2/94	\$46,125			Completed Facility Plan		
<b>Mercedes</b>								
	<u>10029 - Colonia Water &amp; Wastewater Service</u> First-time wastewater service and water system improvements. Additional funding provided by NADB.	7/96	\$45,750	\$8,803,566	\$440,000	Completed Construction	3/08	5,816
	<u>10198 - DeAnda and Saenz</u> Planning to provide first-time wastewater service using a small diameter gravity wastewater collection system to transport waste from the septic systems to a central constructed wetlands wastewater treatment facility. Contract terminated without construction.	1/96	\$602,400			Completed Planning		
<b>Military Highway WSC</b>								
	<u>10284 - South Tower Estates Collection System</u> Project to provide first-time wastewater service. The USDA provided funding for additional components of this project.	6/98		\$774,000		Completed Construction	8/01	2,644
<b>Mission</b>								
	<u>10023 - Madero and Granielo</u> Construct water system improvements and first-time wastewater service.	1/95	\$26,100	\$2,745,833	\$2,032,000	Completed Construction	6/96	1,361
	<u>10200 - Northwest Mission Wastewater System</u> Expand the City's WWTP, rehabilitate and expand the interceptor sewer system, and extend collection facilities for first-time service.	5/02	\$48,750	\$19,025,341	\$14,645,000	Completed Construction	8/08	7,300
<b>North Alamo WSC</b>								
	<u>10251 - Doolittle Area Water Supply</u> Construct water distribution improvements.	8/96		\$2,004,302	\$380,000	Completed Construction	4/98	2,432
	<u>10274 - San Juan Area Water Supply</u> Construct water system improvements.	3/97		\$3,159,046	\$205,000	Completed Construction	7/03	3,969

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10343 - San Carlos West Wastewater System - Self-Help</u></b> A STEP project to install wastewater collection lines that will tie into a North Alamo WSC lift station. Additional funding and labor provided by Border WaterWorks and community residents.	11/01		\$757,011		Completed Construction	3/04	729
	<u>10430 - Northwest Donna Colonias Regional Wastewater System</u> Planning, acquisition, and design for a project to construct a wastewater collection and treatment system to provide first-time wastewater service to six unincorporated areas northwest of the City of Donna.	6/12	\$1,154,000			Active PAD		
<b>Pharr</b>								
	<b><u>10028 - Las Milpas</u></b> Provide new or Improved water and wastewater systems, distribution line work, increased storage, WTP expansion, and WWTP expansion.	9/94	\$38,397	\$23,474,805	\$6,390,000	Completed Construction	6/04	10,477
<b>San Juan</b>								
	<b><u>10032 - Northside Wastewater System</u></b> Expanded the WWTP and collection system, upgraded treatment levels, improved the wastewater conveyance system with construction of lift stations and force main. Additional funding provided by the Economic Development Administration.	11/97	\$76,500	\$10,767,257		Completed Construction	11/05	4,939
<b>The Rensselaerville Institute</b>								
	<b><u>10349 - Lucky J Street Water Line - Self-Help</u></b> A CSHP project to extend water service. Sharyland WSC assumed the obligation of operating and maintaining the system.	6/02		\$15,759		Completed Construction	10/02	28
	<b><u>10353 - Proyecto Vecinos Unidos - Self-Help</u></b> A CSHP project to extend first-time wastewater service and upgrade its lift station. Project partners included the City of McAllen and residents of Amigo Parks Units I & II.	6/03		\$63,418		Completed Construction	5/03	157
	<b><u>10354 - Proyecto Bella Vista - Self-Help</u></b> A CSHP project to construct a wastewater collection system and lift station to connect to a City of Alton wastewater line.	6/03		\$33,525		Completed Construction	3/05	81
	<b><u>10357 - Proyecto Botello - Self-Help</u></b> A CSHP project to install a water line. Residents installed water lines and connected dwellings. Water will be provided by Sharyland WSC.	1/04		\$25,195		Completed Construction	5/05	49
	<b><u>10359 - Taylor Road Collection Lines - Self-Help</u></b> A CSHP project to extend wastewater service. Additional funding provided by the City of Mission (as a Supplemental Environmental Project) and other in-kind and donated services. Water service is supplied by McAllen and Mission.	2/04		\$25,277		Completed Construction	12/05	45
	<b><u>10360 - Mike Cruz Road Water Service - Self-Help</u></b> A CSHP project to provide public water service. The County assumes ownership of the road, and Sharyland WSC will install a water line and provide service. Additional funding and in-kind labor and services provided by the WSC, residents, and private firms.	2/04		\$16,840		Completed Construction	3/05	34



County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<u>10361 - Project Big 5 - Self-Help</u> A CSHP project to provide first-time water service. Service will be provided by Sharyland WSC.	11/06		\$35,021		Completed Construction	9/07	79
	<u>10382 - Unidos en Hargill - Wastewater - Self-Help</u> A CSHP project to build wastewater collection facilities and connect residences to the North Alamo WSC WWTP.	7/08		\$68,609		Completed Construction	6/09	(see project #10385)
	<u>10385 - Unidos en Hargill - Water - Self-Help</u> A CSHP project to connect residences to the North Alamo WSC water main.	7/08		\$111,446		Completed Construction	6/09	135
	<u>10395 - Tri-City Acres Wastewater - Self-Help</u> A CSHP project to extend a wastewater line to residences. Treatment will be provided by the City of Pharr.	8/09		\$44,000		Completed Construction	9/10	60
<b>Weslaco</b>								
	<u>10026 - Southwest Wastewater Treatment Plant</u> A project to build wastewater collection facilities for first-time wastewater service and build a new WWTP.	9/95	\$108,913	\$3,593,435	\$5,930,000	Completed Construction	1/02	5,001
	<u>10295 - Sun Country Estates - Self-Help</u> A community self-help project to install a wastewater collection system. Additional funding provided by Border Water Works, the Rensselaerville Institute, and the City of Weslaco.	12/97		\$40,704		Completed Construction	8/98	348
<b>Hudspeth</b>								
<b>Fort Hancock WCID</b>								
	<u>10397 - Water Supply Improvements</u> New groundwater well and treatment to provide adequate capacity and meet drinking water standards.	4/10		\$3,013,000		Completed Construction	1/12	1,230
<b>Hudspeth Co WCID # 1</b>								
	<u>10054 - Sierra Blanca Wastewater System</u> Construct a new WWTP and collection system. Additional funding provided by the TDHCA for collection lines and the WCID and the County to construct laterals and extend the system to EDAP-ineligible areas.	9/93	\$26,000	\$2,219,999		Completed Construction	7/00	1,100
<b>Kerr</b>								
<b>Kerr County</b>								
	<u>10366 - Center Point Wastewater System</u> Construct a new wastewater collection system for first-time service. Preliminary plans include a gravity interceptor to connect the system to the Kendall Co WCID # 1 wastewater treatment plant downstream in the town of Comfort.	10/08	\$242,500		\$1,860,000	Active Acquisition		
<b>Upper Guadalupe RA</b>								
	<u>10367 - Center Point Water System</u> Construct a surface water system in eastern Kerr County currently served by several privately-owned water systems.	10/08	\$51,750			Canceled Planning		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Kinney</b>								
Spofford								
	<b><u>10167 - Brackettville Transmission Line</u></b> Construct a permanent water supply line from the City of Brackettville. Additional funding provided by the TDHCA, a portion of which was used to install the temporary line.	5/96	\$13,000	\$404,079		Completed Construction	9/98	66
<b>La Salle</b>								
La Salle County								
	<b><u>10069 - Encinal Wastewater</u></b> Facilities planning for first-time wastewater service. Contract terminated.	4/94	\$25,686			Completed Facility Plan		
<b>Lynn</b>								
Tahoka								
	<b><u>10420 - Distribution System Rehabilitation</u></b> Plan and design improvements to the City's water distribution system.	8/11	\$239,000			Active PAD		
<b>Marion</b>								
Jefferson								
	<b><u>10070 - Water &amp; Wastewater Improvements</u></b> Provide for improvements and extensions to the water and wastewater systems. The contract was terminated in 1999.	4/94	\$42,375			Completed Planning		
Marion County								
	<b><u>10093 - Water &amp; Wastewater</u></b> Provide new wastewater service and improved water service. Contract terminated.	7/94	\$45,000			Completed Facility Plan		
<b>Maverick</b>								
Eagle Pass								
	<b><u>10049 - Eidson Road Collection System</u></b> Construct a new WWTP, interceptor diverting all flow to the new plant, and collection systems. Subdivisions included La Herradura, Eagle Heights, Las Brizas, Jardines Verdes, Green Acres, Loma Bonita, Lago Vista, Morales, and Los Quintas Fronterizas.	2/92	\$43,185	\$9,572,571	\$2,795,000	Completed Construction	5/96	8,387
	<b><u>10363 - Regional Systems Phase II</u></b> Planning to expand the WWTP, tie in interceptor lines, improve water and distribution systems, and replace meters.	2/09	\$485,000			Completed Planning		
	<b><u>60813 - Regional Water and Wastewater System</u></b> Construct facilities to regionalize water service. Construct a new membrane technology SWTP with storage tanks, pumping facilities, and transmission line. Acquire El Indio WSC water system. Regional wastewater project includes construction of a reclaimed water system, distribution line, reuse transfer pipe, a WWTP and collection system to provide first-time service to Rosita Valley and the Kickapoo Reservation.	9/01		\$47,765,404	\$48,355,000	Completed Construction	11/10	12,726
Maverick County								
	<b><u>10050 - Quemado</u></b> Planning for a treated water transmission system and a water distribution system.	1/92	\$28,125			Completed Facility Plan		

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>McCulloch</b>								
	Richland SUD							
	<b><u>10386 - McCulloch County Transmission Line</u></b> Construct a 24 mile transmission main from the SUD's well site to the water system in order to blend water to meet public drinking water standards.	1/10	\$604,000	\$4,095,000		Completed Construction	12/10	1,150
<b>Menard</b>								
	Menard							
	<b><u>10421 - Water Treatment Improvements</u></b> Planning for water treatment improvements required due to "groundwater under the influence of surface water" designation.	5/11	\$92,570			Active Planning		
<b>Newton</b>								
	Newton County							
	<b><u>10164 - Water &amp; Wastewater Systems</u></b> Planning for improved water and wastewater service for Deweyville, Old Salem, Trout Creek, Bleakwood, Bon Weir and Toledo Village.	4/95	\$376,125			Completed Facility Plan		
	South Newton WSC							
	<b><u>10307 - Community Water &amp; Wastewater Systems</u></b> Water system improvements, including supply, treatment and connections, and wastewater improvements provided first-time service in Newton and Orange Counties.	8/00		\$14,864,853	\$7,045,000	Completed Construction	6/10	3,795
<b>Palo Pinto</b>								
	Palo Pinto Co MWD # 1							
	<b><u>21636 - Turkey Peak Reservoir</u></b> Acquire land for the construction of the Turkey Peak Reservoir, a recommended water management strategy in the 2007 State Water Plan. The project proposes a new dam below Lake Palo Pinto on Palo Pinto Creek.	1/09	\$4,800,000		\$3,200,000	Active PAD		
<b>Polk</b>								
	Polk FWSD 2							
	<b><u>10380 - Wastewater Improvements</u></b> Extend wastewater service to areas with failing onsite septic tanks and correct one deficient wastewater collection line.	12/10	\$145,000			Active PAD		
<b>Real</b>								
	Nueces River Authority							
	<b><u>72045 - Leakey Wastewater System</u></b> Planning, acquisition, and design for a centralized wastewater system for first time service to the City of Leakey and surrounding areas. A 10/11 CWSRF commitment will be used to construct the first phase - a treatment plant and collection for the City and nine surrounding subdivisions. A future second phase would expand the plant and provide collection for two subdivisions.	10/11	\$3,736,250		\$9,961,460	Active PAD		

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Reeves</b>								
Pecos City								
	<u>10241 - Collection System Extensions</u> Extend the City's wastewater collection system and replace on-site sewage systems. Additional funding provided by the City.	1/02	\$63,600	\$305,739		Completed Construction	12/05	67
<b>Sabine</b>								
Brookeland FWSD								
	<u>10333 - New Wastewater Systems</u> Planning to provide for first-time wastewater systems. The contract was terminated May 2002.	11/99	\$382,322			Completed Planning		
	<u>10337 - Purchase &amp; Improve Water Systems</u> A project to acquire seven private water systems and one wastewater system and constructed regional transmission lines, storage facilities, and water wells. The project also corrected water system inadequacies.	10/98		\$1,040,000	\$2,295,000	Completed Construction	8/07	758
Pineland								
	<u>10163 - Delta Heights &amp; Highway 96</u> Extend Pineland's water system and expand the wastewater system to two areas.	9/96	\$41,100	\$1,317,384		Completed Construction	11/99	166
Sabine County								
	<u>10165 - Bronson, Brookeland, Toledo Bend</u> Planning for new or improved water service and wastewater collection and treatment facilities. The contract was terminated July 2002.	4/95	\$312,475			Completed Planning		
<b>San Patricio</b>								
Ingleside								
	<u>10170 - Water &amp; Wastewater System Expansion</u> Expansion of City water and wastewater facilities to provide first-time service to residents in seven areas. CWSRF funds also installed new collection lines, rehabilitate lift stations, and make improvements at the WWTP.	6/00	\$43,094	\$4,597,390	\$2,915,000	Completed Construction	8/07	1,704
Ingleside On The Bay								
	<u>10168 - New Wastewater System</u> Construction of a centralized wastewater collection system. Treatment is provided by the City of Ingleside.	8/99	\$30,563	\$2,558,631		Completed Construction	7/03	773
Odem								
	<u>10306 - Bethel Estates &amp; SE Odem Projects</u> Construction of a wastewater system for the Bethel Estates subdivision and new water service for residences southeast of Odem. Facility planning was performed by San Patricio County. Additional funding from TWDB (CWSRF), USDA and TDRA.	7/01		\$4,718,616	\$1,940,000	Completed Construction	2/10	670
Portland								
	<u>10373 - Doyle Wastewater Collection System</u> Extend the wastewater collection system and replace individual septic tanks.	9/11	\$333,000	\$2,493,000	\$322,000	Under Construction		

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rincon WSC</b>								
	<b><u>10275 - East Side Rural Water System</u></b> First-time public water service for a rural area. Additional funding provided by residents.	3/97		\$1,789,911		Completed Construction	12/99	748
<b>Saint Paul WSC</b>								
	<b><u>10296 - New Wastewater System</u></b> A wastewater treatment and collection system to provide first-time service. Additional funding provided by San Patricio County to repave streets.	9/98		\$1,435,323		Completed Construction	11/01	492
<b>San Patricio County</b>								
	<b><u>10189 - San Patricio County Regional Plan</u></b> Planning to provide for a new wastewater systems and improved water service. At least three TWDB funded construction projects have resulted.	9/95	\$389,750			Completed Facility Plan		
<b>Schleicher</b>								
<b>Eldorado</b>								
	<b><u>10394 - Water &amp; Wastewater Extension</u></b> Planning for the extension of water and wastewater lines to several subdivisions.	2/09	\$90,000			Completed Planning	5/11	
<b>Somervell</b>								
<b>Glen Rose</b>								
	<b><u>10434 - Wastewater Treatment Plant Expansion</u></b> Planning and design of wastewater system improvements, including expansion to the capacity and modification to the treatment process of the City's wastewater treatment plant. The project will allow the City to expand its direct non-potable reuse program.	8/12	\$740,000			Active PAD		
<b>Somervell County WD</b>								
	<b><u>21634 - Wheeler Branch Reservoir WTP</u></b> A project to design and construct a membrane filtration/softening water treatment plant at the Wheeler Branch Reservoir and the first six phases of a treated water transmission system.	11/08		\$13,574,000	\$18,861,000	Under Construction		
<b>Starr</b>								
<b>La Grulla</b>								
	<b><u>10368 - Regional Wastewater System</u></b> Acquisition and design to provide a regional wastewater system. Additional design funding provided by the BECC. The grant will fund design and easement acquisition. The project will replace the lagoon WWTP with a mechanical treatment plant. The commitment was terminated.	10/08	\$1,842,300			Canceled PAD		
<b>Rio Grande City</b>								
	<b><u>10044 - Las Lomas Colonia</u></b> A project to improve water service and provide first-time wastewater service. Additional funding provided by the USDA.	10/95	\$15,000	\$1,159,047		Completed Construction	5/02	2,478

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Rio WSC</b>								
	<u>10242 - Hernandez Road Pump Station</u> Improvements and upgrades to the booster pumping station and water lines leading to and away from the station.	4/97	\$52,131			Completed Facility Plan		
<b>Roma</b>								
	<u>10043 - Wastewater System Expansion and Water System Improvements</u> Expand the City's wastewater infrastructure including a WWTP and collection facilities. Additional funding provided by USDA, TDHRCA and the NADB (transitional assistance, service connections, and a SCADA system). Water system improvements included upgrades to the raw water intake, purchase additional municipal water rights, expansion of the SWTP, upgrade transmission lines, add a pumping station, elevated storage, and distribution main. Additional funding provided by the NADB (transitional funding assistance and a SCADA control system).	8/97	\$22,500	\$27,577,375	\$9,740,000	Completed Construction	12/07	23,301
	<u>10350 - Water System Upgrades</u> Upgrade the water distribution system, increase water pressure, and provide capacity for projected population growth.	12/03		\$5,386,000		Completed Construction	12/07	2,635
	<u>10364 - SB 1421 Wastewater Improvements</u> Construct wastewater facilities for approximately 10 areas not previously eligible for EDAP.	5/08	\$573,300	\$4,913,816		Completed Construction	8/10	(see project #10043)
<b>Terrell</b>								
<b>Terrell Co WCID # 1</b>								
	<u>10053 - Sanderson Wastewater System</u> Construct a new wastewater collection and treatment system. Additional funding provided by the NADB.	6/97	\$51,675	\$4,204,500		Completed Construction	6/03	1,128
<b>Trinity</b>								
<b>Groveton</b>								
	<u>61314 - Water System Improvements</u> Planning, acquisition, and design to develop a new water source and make improvements to the system. Will also replace older lines, install isolation valves, and purchase an emergency	2/08	\$250,500			Active PAD		
<b>Uvalde</b>								
<b>Uvalde County</b>								
	<u>10169 - Water &amp; Wastewater Improvements</u> Planning to provide water and wastewater services for approximately nine areas. Contract was terminated on January 18, 2000.	7/95	\$198,939			Completed Facility Plan		
<b>Windmill WSC</b>								
	<u>10308 - Uvalde Estates Water Improvements</u> Purchase the existing privately-owned Uvalde Estates Water System. Replace the distribution system and add storage facilities.	8/98		\$2,532,617		Completed Construction	5/01	1,264

County	Project	Committ. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
<b>Val Verde</b>								
<b>Del Rio</b>								
	<u>10051 - Cienegas Terrace</u> Improve water service and first-time wastewater service .	7/93	\$23,606	\$3,508,710		Completed Construction	10/96	1,412
	<u>10052 - Val Verde Park Estates</u> Improve water service and first time wastewater service.	1/96	\$36,000	\$12,010,573		Completed Construction	8/04	2,747
<b>Val Verde County</b>								
	<u>10244 - Water &amp; Wastewater</u> Planning to provide water and wastewater services. Contract was terminated in January 2000.	5/96	\$283,284			Completed Facility Plan		
	<u>10369 - Lakeview Estates Water &amp; Wastewater</u> Planning to identify water and wastewater system needs to serve unincorporated areas. Currently, water service consists of private water wells and wastewater service consists entirely of septic tanks.	5/09	\$460,000			Completed Planning	8/12	
<b>Van Zandt</b>								
<b>Edom WSC</b>								
	<u>*10436 - Water System Improvements</u> <i>Research and planning funding to conduct facility planning studies to evaluate improvements to the water distribution system.</i>	1/13	\$61,200			<b>Active PAD</b>		
<b>Webb</b>								
<b>Laredo</b>								
	<u>10045 - Mines Road &amp; State Highway 359</u> Construct first-time water facilities in five unincorporated subdivisions in the Mines Road area north of Laredo, first-time water and wastewater facilities in ten unincorporated subdivisions along State Highway 359 east of the City, and install on-site septic systems in the Los Corralitos subdivision on Mines Road. A related project funded by the North American Development Bank provided wastewater collection facilities along Mines Road and expanded the City's Columbia Bridge WWTP.	8/00	\$197,202	\$26,853,202		Completed Construction	2/12	4,222
	<u>10409 - Municipal Water Rights</u> Fund the purchase of irrigation water rights from public and private owners and convert them to municipal water rights. This is a recommended water management strategy in the 2007 State Water Plan.	9/09		\$15,000,000		Completed	10/11	
<b>Webb County</b>								
	<u>10199 - Larga Vista Collection System</u> A wastewater collection system for first-time service. Additional funding provided by Webb County.	1/96		\$1,570,120		Completed Construction	3/99	544
	<u>10201 - Southwest Webb County - Rio Bravo/El Cenizo</u> Provide improved water and wastewater service, including looping water lines and expanded water line replacement work. Additional funding provided by Webb County and TDRA.	7/99	\$75,000	\$27,927,923	\$3,050,000	Completed Construction	3/10	9,676

County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
	<b><u>10347 - SH 59 Water &amp; Wastewater</u></b> Planning to provide first-time water and wastewater service. Additional funding and in-kind services provided by Webb County and the BECC.	8/01	\$71,250			Completed PAD		
<b>Willacy</b>								
	<b>North Alamo WSC</b>							
	<b><u>10042 - La Sara Wastewater System</u></b> Construct a new wastewater collection and treatment system. Additional funding provided by TDHCA (residential service connections).	11/93		\$1,685,186		Completed Construction	5/00	1,261
	<b>Sebastian MUD</b>							
	<b><u>10041 - Wastewater Service</u></b> Provide first-time wastewater service. Additional funding provided by TDHCA (install service lines and pay tap fees) and the USDA.	2/92		\$2,972,194		Completed Construction	3/96	1,904
	<b>Willacy County</b>							
	<b><u>10090 - Water Supply &amp; Wastewater</u></b> Regional water supply and wastewater planning for first-time wastewater service.	1/91	\$56,250			Completed Facility Plan		
<b>Zapata</b>								
	<b>Siesta Shores WCID</b>							
	<b><u>10156 - Water System Improvements</u></b> Purchase of privately-owned water system, construction of a new water treatment plant, transmission line, a new standpipe storage tank, and the purchase of water rights. Additional funding provided by USDA (replace the SWTP and install transmission main).	11/96		\$814,377		Completed Construction	3/99	2,025
<b>Zavala</b>								
	<b>Batesville WSC</b>							
	<b><u>10341 - Water Supply &amp; Wastewater Improvements</u></b> Construct water system improvements and a new wastewater system.	5/01		\$4,360,738		Completed Construction	8/07	1,383
	<b>Crystal City</b>							
	<b><u>10253 - Colonia Wastewater Service</u></b> Construction of a wastewater collection system to serve four areas.	5/99	\$19,126	\$646,184		Completed Construction	10/01	263
	<b>Zavala Co WCID # 1</b>							
	<b><u>10340 - La Pryor Water &amp; Wastewater Systems</u></b> Construct water system improvements and first-time wastewater service, including two new wells, storage tank, transmission and distribution line, a gravity collection system and a treatment facility with land application disposal.	3/01		\$7,870,105		Completed Construction	1/12	2,158
	<b><u>10402 - La Pryor Water Treatment Plant</u></b> Construct a water treatment facility.	8/11	\$101,000	\$1,326,000		Under Construction		



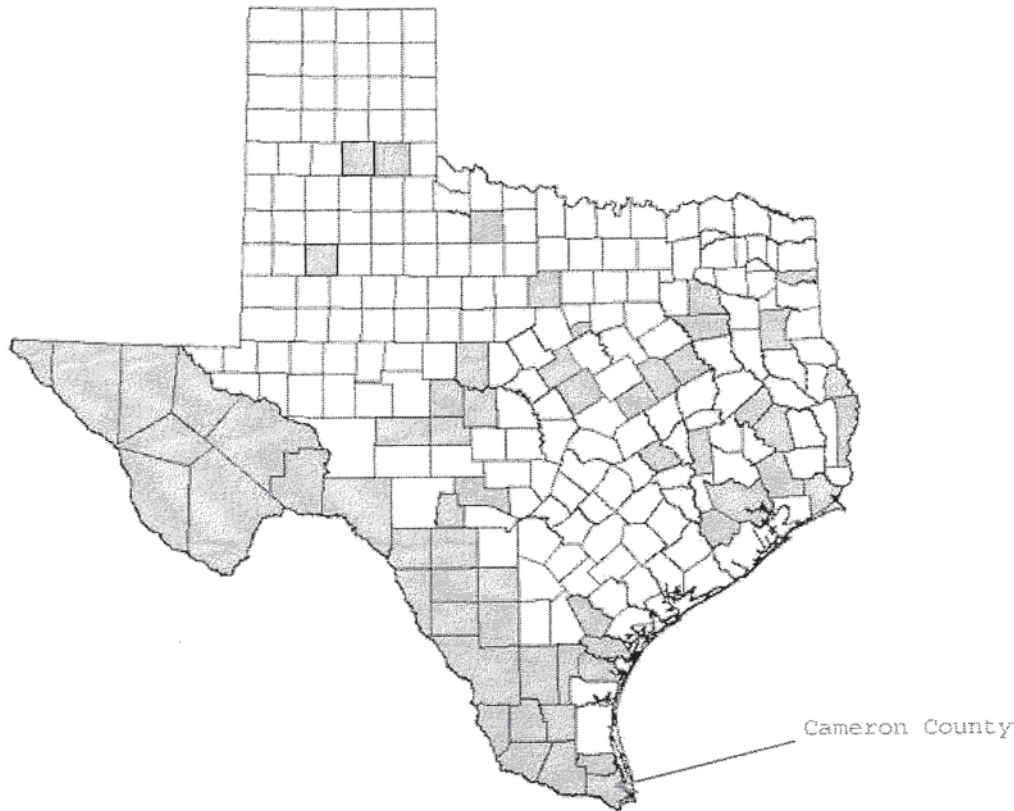
County	Project	Commit. Date	EDAP Planning/ PAD Funding	EDAP Construction Funding	Other TWDB Funding	Status	Completed PAD/ Construction Date	Residents with Service Available
Zavala County								
	<u>10047 - Batesville</u> Planning for improved water service and first-time wastewater service.	7/92	\$23,625			Completed Facility Plan		
	<u>10048 - La Pryor Wastewater</u> Planning to provide first-time wastewater service.	3/93	\$22,488			Completed Facility Plan		
	TOTAL		\$44,531,305	\$674,497,740	\$178,254,318			291,338
	TOTAL EDAP FUNDING		\$719,029,045					
	TOTAL TWDB FUNDING TO THESE PROJECTS		\$897,283,363					

EXHIBIT "B"

# Economically Distressed Areas Program

Counties meeting Model Subdivision Rule requirements  
for EDAP eligibility as of November 30, 2012

## STATUS REPORT



### Table of Contents

Background	2
Summary of EDAP Funding	3
Index by County	4
Projects Listed by County	5-22

During this quarter (September 1, 2012 – November 30, 2012), no additional counties adopted Model Subdivision Rule requirements.

EXHIBIT "C"



June 06, 2013

Ms. Melissa Adami, CPA  
TX Cameron Apartments, L.P.  
5420 LBJ Freeway, Suite 1355  
Dallas, TX 75240

RE: Brownsville Public Utilities Board is eligible for funding under the Economically Distressed Areas Program and currently receives funding from the TWDB for projects in its service area

Dear Ms. Adami:

In follow up to your request under the Texas Open Records Act, I hereby confirm the following:

1. BPUB and its service area are eligible for funding under the Economically Distressed Areas Program (EDAP) of the Texas Water Development Board (TWDB).
2. BPUB is currently receiving funding from the TWDB for projects in its service area.
3. Your location at W. San Marcelo, by the Brownsville Country Club, is in the BPUB service area.

Brownsville Public Utilities Board and the City of Brownsville meet the requirements of being an Economically Distressed Area as determined by the TWDB, where the TWDB is providing funding to the City of Brownsville and the BPUB through the EDAP funding source.

If you need any further information, please contact me at (956)983-6228.

Sincerely,

A handwritten signature in black ink, appearing to read "David R. Abrego, Jr.", is written over a faint, illegible typed name.

David R. Abrego, Jr.  
Senior Coordinator  
W/WW Engineering Department  
Brownsville Public Utilities Board

EXHIBIT “D”



## PRESS RELEASE

**FOR IMMEDIATE RELEASE**

October 15, 2009

**Contact:** Lucila Hernandez

Director of Communications & Adm. Services

(956) 983-6280, [lhernandez@brownsville-pub.com](mailto:lhernandez@brownsville-pub.com)

### **BPUB Receives \$46 Million for Wastewater System Improvements**

(Brownsville, TX) – The Brownsville Public Utilities Board announced the receipt of a grant in the amount of \$46 million dollars. The monies are part of the American Recovery and Reinvestment Act (ARRA) of 2009 through the Clean Water State Revolving Fund-Disadvantaged Community Program administered by the Texas Water Development Board. The funds will be used to fund wastewater system improvements. Funding was awarded on a competitive basis, and Brownsville PUB successfully ranked first in its population category for Sanitary Sewer Overflow Projects.

“This grant will allow BPUB to address infiltration and inflow issues within the City’s aged sanitary sewer collection system,” BPUB General Manager and CEO, John S. Bruciak said, “and to address improvements to sanitary sewer lift stations.” He also stated that this effort will help to reduce sanitary sewer overflows.

The total amount of the grant is \$46,140,492 and the proposed project consists of fifteen (15) separate construction contracts throughout the older sections of the City of Brownsville. Thirty-one (31) miles of six-inch to thirty-inch diameter sanitary sewer pipeline and thirty-eight (38) lift stations will be improved. Construction on the projects will start February 2010 and are expected to be completed in three (3) years.

The State ranked potential ARRA projects based on 3 main criteria: 1) Construction Start Date, 2) Disadvantaged Communities, and 3) Green Components. Brownsville PUB committed itself to an aggressive start date, and Brownsville is an eligible disadvantaged community. The project includes green components such as reducing inflow and infiltration and energy efficiency improvements.

“It is expected that these construction projects will generate jobs locally and will definitely be a boost to the local economy” Bruciak said.

Brownsville PUB provides water service to approximately 40,068 customers and 39,784 wastewater customers.

-- 30 --

*The Brownsville Public Utilities Board is a full-service, locally owned and operated utility providing electric, water, and wastewater service. It has over 480 dedicated and responsive employees that provide reliable utility service for the City of Brownsville.*



October 15, 2009

### **BPUB Projects Summary: American Recovery and Reinvestment Act (ARRA) of 2009**

1. **Downtown Lift Station and Force Main Project** (E. Jackson St from E. 6th St. to International) – project includes replacing Sewer Lift Station No. 20 located near E. Harrison and E. 6<sup>th</sup> Street and installing a Sewer Force Main from on 6<sup>th</sup> Street from Harrison to Jackson and along Jackson from 6<sup>th</sup> Street to International
2. **Lincoln and Grant St. Wastewater Collection System Improvements** – project includes replacement of old clay pipes with pvc pipes (E. 13<sup>th</sup> Street to International)
3. **Sewer Lift Station No. 48 Rehabilitation (Kings Hwy & Robinhood Intersection)** - project includes replacing old piping and pumps
4. **24" Resaca Blvd Force Main (Flow Transfer)** – project includes upgrading the Sewer Force Main from Sewer Lift Station No. 27 (located at the corner of Coria and Boca Chica Blvd) to Resaca Blvd. to Sewer Lift Station No. 20 (located at the corner of E. Harrison and 6<sup>th</sup> Street)
5. **E. 7t St, C St, & Los Ebanos Subdivision Gravity Sewer (Ebony Ave)** – project includes replacing old clay pipes from Sewer Lift Station No. 20 to C St and within the Los Ebanos Subdivision
6. **West Brownsville Sewer Rehabilitation** - project includes rehabilitation of Sewer Lift Station No. 22 (located near W. 6<sup>th</sup> Street and Resaca Blvd. ), replacing sewer pipes located in the alleys from W. Washington Street to West Fronton and W. 2<sup>nd</sup> Street to W. 18<sup>th</sup> Street, and decommissioning Sewer Lift Station No. 71 (located between W 3<sup>rd</sup> Street and W 4<sup>th</sup>)
7. **Ramireno Sewer Replacement** - project includes replacing clay pipes with pvc pipes from Riverside to W. 5<sup>th</sup> Street and adding new Sewer Lift Station
8. **Boca Chica Blvd. and Central Blvd. Sewer Replacement** – project includes replacing the Gravity Sewer Line on Boca Chica Blvd. from Central Blvd. to Jenkins Blvd. and replacing the sewer line on Central Blvd. from Lakeside to the Ebony Lake Nursing Home.
9. **Regional Sewer Lift Station No. 64 (located near Old Movies 10) and FM 802 Gravity Sewer Upgrades** – project includes replacing the Sewer Lift Station and upgrade the gravity sewer system along FM 802
10. **Sewer Lift Station No. 8 and Wastewater Collection System (Southmost) Rehabilitation**– project includes replacing the Sewer Lift Station and replacing old clay pipe with pvc pipes.
11. **Coffee Port and Old Port Isabel Road Sewer Replacement** – project includes building an new regional Sewer Lift Station, decommissioning Sewer Lift Stations No. 94, 138 and 46 (Hackberry), replacing sewer pipes, and correcting slopes of the pipes
12. **Various Sewer Lift Station Improvements (17 sites)** - project includes replacing dilapidated structures including piping and pumps to handle existing flows.
13. **State Highway 48 Gravity Sewer Line Improvement** – project includes replacing the gravity sewer line from Resaca de la Guerra to Robindale Road.
14. **Brownsville Country Club - N. San Marcelo Gravity Sewer Replacement** – project includes replacing the sewer gravity line on N. San Marcelo from Sagua la Grande Ave. to the drainage ditch





BROWNSVILLE  
PUBLIC UTILITIES BOARD

## PRESS RELEASE

FOR IMMEDIATE RELEASE  
June 7, 2013

Contact: Ryan Greenfeld, Comm. & PR Coordinator  
(956) 983-6271; rgreenfeld@brownsville-pub.com

### Construction to Force Closure of Section of Country Club Road

BROWNSVILLE, TEXAS – Brownsville Public Utilities Board (BPUB) contractors have announced a temporary closure for a section of Country Club Road beginning Monday, June 10, 2013, at approximately 8 a.m. for approximately two weeks. Pederson Construction of Los Fresnos will close Country Club Road from Ruben Torres Boulevard to Waterfront Drive to accommodate the installation of a new wastewater pipeline.

The new wastewater pipeline will be replacing and upgrading an old PVC pipeline. This new section will run approximately 3,700 linear feet along Ruben Torres Boulevard from Central Boulevard to the railroad tracks. This closure is part of an ongoing effort by BPUB to upgrade the sewer infrastructure in the area by installing larger pipelines that can accommodate greater demands and provide better sewer service.

Once construction begins, the duration of the closure will be approximately two weeks with an estimated end date of June 24. All construction dates are approximate and the end date may vary due to the nature of weather, soil conditions and job provisions.

BPUB, Pederson Construction, Texas Department of Transportation, Texas Gas Company and City of Brownsville departments have coordinated on this effort to make it a safe and efficient operation. BPUB apologizes for any inconveniences the closures may cause.

To learn more about road closures, please visit [www.brownsville-pub.com](http://www.brownsville-pub.com). If customers have any questions or concerns, they should call (956) 983-6100.

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*The Brownsville Public Utilities Board is a full-service, locally owned and operated utility providing electric, water and wastewater service. It has more than 520 dedicated and responsive employees that provide reliable utility service for the City of Brownsville*

P.O. Box 3270 Brownsville, TX 78523-3270 (956) 982-6100 Fax: (956) 982-6269



## American Recovery and Reinvestment Act of 2009 BPUB Projects Timeline

- **January 29, 2009** – BPUB submits Water and Wastewater Project information to the Texas Water Development Board (TWDB) for inclusion in the Annual Clean Water State Revolving Fund. Projects total over \$500 Million.
- **February 17, 2009** – President Obama signs the American Recovery and Reinvestment Act (ARRA) of 2009.
- **June 18, 2009** – Texas Water Development Board approves BPUB's Water and Wastewater Project and BPUB's Sanitary Sewer Overflow Projects qualify and are ranked first in their population category. 
- **June 19, 2009** – BPUB is officially notified of eligibility to apply for ARRA funds totaling \$46,140,492 for the Sanitary Sewer Overflow Projects and has 30 days to complete plans and specifications.
- **June 19, 2009** – BPUB Board interviews and selects engineering firms to complete final plans and specifications for the projects during Special Board Meeting
- **June 20, 2009** – BPUB negotiates contracts with four engineering firms for project design.
- **July 22, 2009** – BPUB submits the Financial Grant Application that include completed project plans and specifications to the Texas Water Development Board (TWDB)
- **August 11, 2009** – BPUB is notified by the TWDB that the Financial Grant Application is administratively complete and the TWDB proceeds with the Technical Review of the plan documents
- **October 15, 2009** – TWDB approves BPUB ARRA Grant for \$46 Million 
- **February 17, 2010** – Deadline to begin construction

AGH  
Engineering & Surveying

P.O. BOX 4180 Brownsville, Texas 78523-4180 6305 Paredes Line Road 78526  
Tel. (956) 574-8300 TBPE Firm No. 5197 TBPLS #100840-00 Fax. (956) 574-8305

June 17, 2013

TX Cameron Apartments, LP  
Mr. Bill Fisher  
5430 LBJ Freeway, Suite 1200  
Dallas, Texas 75240

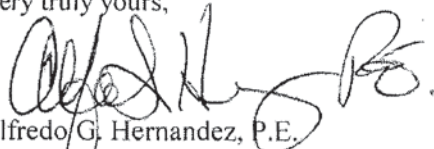
**Re: Mayorca Villas**  
**AGH No. 2013-0004**

Dear Mr. Fisher:

I have reviewed the existing sewer maps for the Brownsville Country Club (BCC) area and determined that the entire sewer infrastructure is part of one system all of which flows generally north where it is ultimately pumped to the Robindale Waste Water Treatment Plant via a lift station located on North San Marcelo Boulevard. I have also confirmed the flow routing with the Brownsville Public Utilities Board.

Please contact me if you have any questions or comments or if I may assist you further.

Very truly yours,

  
Alfredo G. Hernandez, P.E.  
President

XC: File

**To Be Posted  
three days  
prior to the meeting**

Riverwood Apartments (#13088)  
Rosewood Apartments (#13177)

Three Rivers

(To be in Supplemental Posting)

Reserve at Arcola (#13113)

Arcola

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules.

**RECOMMENDED ACTION**

**WHEREAS**, the Department completed the Underwriting Report for the Reserve at Arcola Senior Living (#13113) which was published on June 18, 2013;

**WHEREAS**, the transaction was underwritten based on the Applicant's Application and the additional deficiency documentation filed with the original Application, as requested by staff during the underwriting process and prior to publication of the Underwriting Report;

**WHEREAS**, the conclusions of the Underwriting Report recommend the Applicant's requested allocation of tax credits;

**WHEREAS**, the Applicant appealed the Underwriting Report stating that changes made by the Applicant to the capital structure of the transaction after publication of the Underwriting Report require a re-evaluation of the transaction by the Real Estate Analysis Division;

**WHEREAS**, the underwritten credit amount along with the credit amount requested and underwritten for two other affiliated transactions cause the Applicant (which is deemed to include affiliates of the Applicant) to exceed the \$3 million limit on allocations in a single round (Tex. Gov't Code, §2306.6711 (b) and 10 TAC §11.4 (a)) and renders one of the three developments ineligible for an award in the current funding cycle; and,

**WHEREAS**, the Applicant's revised request in the appeal of the Underwriting Report seeks to allow the developer to become eligible for funding in all three transactions, thereby avoiding operation of the rule to the prejudice of competitors.

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the Underwriting Report for the Reserve at Arcola Senior Living (#13113) is hereby denied.

**BACKGROUND**

The Underwriting Report for the Reserve at Arcola Senior Living (#13113) Application was published on June 18, 2013. Through publishing the report, the Real Estate Analysis Division recommended approval of the Applicant's requested tax credit allocation as set forth in its Application subject to the following condition:

“Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.”

All published underwriting reports contain this standard condition. Re-evaluation of changes to the capital structure of a transaction may be made post award at Commitment, Carryover, loan closing, upon any amendment requests, and at Cost Certification. Aside from this standard condition, all aspects of the Applicant's Application were recommended.

The Applicant is not asserting that the Underwriting Report itself is in error. The Applicant's appeal states that because of changes made by the Applicant to the capital structure of the transaction post publication of the report that the transaction must be re-evaluated pursuant to the condition.

With the appeal, the Applicant provided a revised equity proposal from RBC Capital Markets dated June 25, 2013, and revised Application pages affected by the changed terms, specifically an increase of the equity pricing. The Applicant contends that because the syndication pricing increased, the amount of requested credits can be reduced and, therefore, the analysis should be re-evaluated.

The re-evaluation of the transaction based on the changes to the capital structure would not cause a change to the recommended credit amount. All else equal, the increase in the syndication pricing increases the available equity proceeds for the transaction and reduces deferred developer fee. The change in syndication price would allow the Applicant to request fewer tax credits by holding the amount of equity proceeds at the underwritten amount.

The request by the Applicant to reduce the credit amount was made after program staff contacted the Applicant to inform them that if all three awards scored high enough qualify for an award, the combined tax credit requests exceed the maximum statutory limit of \$3 million. This means that only two of the three applications can receive an award. The Department's rules in the Qualified Allocation Plan at 10 TAC §11.4 (a) prohibits the Department from awarding over \$3 million in annual tax credits to any one developer in a development cycle. Therefore the Applicant's original requested amounts prevent one of the three transactions proposed from being awarded. A reduction in the requested tax credits on the subject Application would allow for an allocation of tax credits on all three Applications related to the Applicant. The requested amount of credit at Application is wholly within the Applicant's control at Application, and an unsolicited change could have a detrimental effect on other applicants as



well as being inconsistent with the Department's rules regarding the ability to augment an application through a staff initiated deficiency request in 10 TAC §10.201(7)(A).

Staff recommends denial of the appeal.



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: **13113** Program(s): **9% HTC**

**Reserve at Arcola Senior Living**

Address/Location: South of Highway 6 and East of Darby Lane

City: Arcola County: Fort Bend Zip: 77583

Population: Senior Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Wrap (3 or 4-story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,280,834				\$1,280,834				

**CONDITIONS**

- Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	12
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	45
60% of AMI	60% of AMI	55

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
▫	Experienced developer/operator with product type
▫	Competitive design features (significant activity space and storage)
▫	Strong feasibility indicators (DCR and breakevens)
▫	Good visibility and access
▫	Report 95% plus market occupancy

WEAKNESSES/RISKS	
▫	Developer has not completed/operated a project in Texas (two 2012 allocations under construction)
▫	1.08/unit parking ratio may effect leasing
▫	High individual unit capture rates on all but the 30% units.

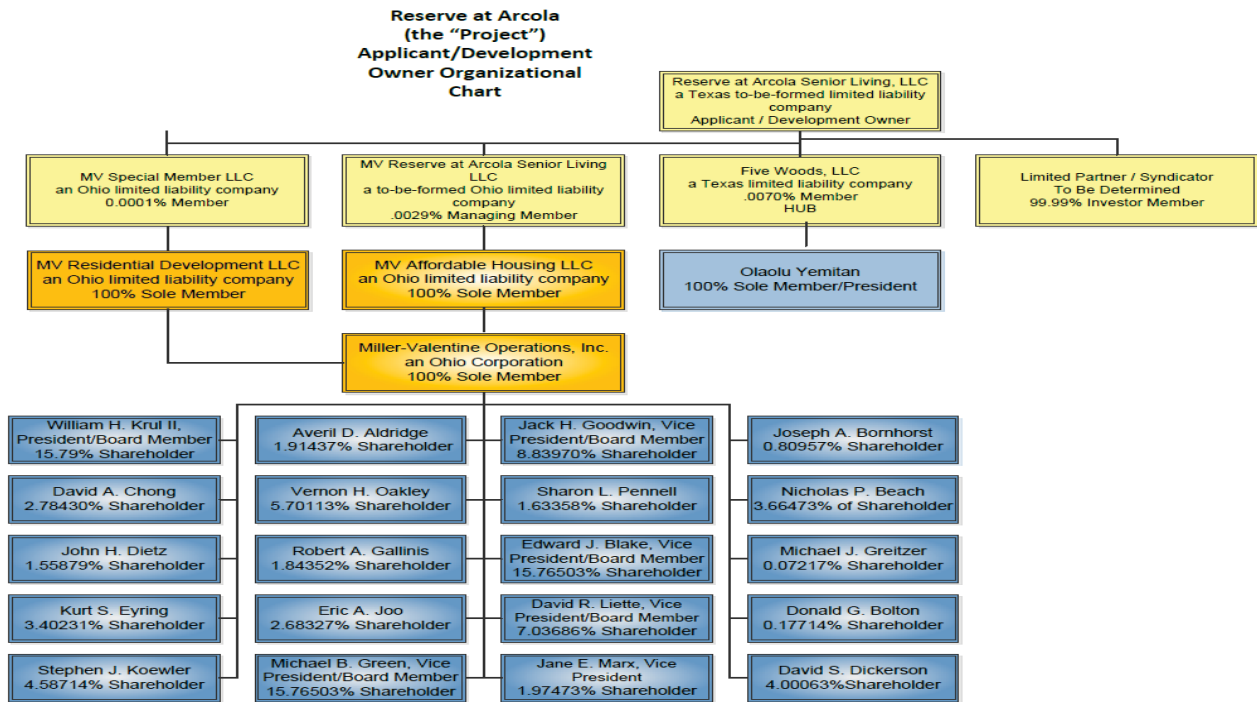
## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: Chris Applequist Relationship: Developer  
 Email: chris.applequist@mvg.com Phone: (817) 501-9577 Fax: \_\_\_\_\_

Name: Donna Rickenbacker Relationship: Consultant  
 Email: donna@marqueconsultants.com Phone: (713) 560-0068 Fax: \_\_\_\_\_

### OWNERSHIP STRUCTURE



Related-Party Seller/Identity of Interest: No

- The Applicant, Developer, General Contractor, property manager, and supportive services provider are

This section intentionally left blank.



**GENERAL INFORMATION**

Total Size: 9.3 acres Scattered Site?  Yes  No  
 Flood Zone: X Within 100-yr floodplain?  Yes  No  
 Zoning: No zoning Re-Zoning Required?  Yes  No  N/A  
 Density: 13.3 units/acre Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

Surrounding Uses:  
 Childcare facility, highway, and undeveloped land.

Other Observations:  
 Good visibility along Highway 6 (6-lane divided highway). New retail construction in general area.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Phase Engineering, Inc. Date: 1/29/2013

Recognized Environmental Conditions (RECs) and Other Concerns:  
 ▫ None.

**MARKET ANALYSIS**

Provider: Bowen National Research Date: 3/11/2013  
 Contact: Ben Braley Phone: 614.833.9300  
 Number of Revisions: 1 Date of Last Applicant Revision: 5/29/2013

Primary Market Area (PMA): 263 sq. miles 9 mile equivalent radius

The Primary Market Area is defined by 9 census tracts. The Extended Market Area (which the Department used) is 338 square miles and encompasses 16 more census tracts. The Department had to use the EMA because the Primary Market Areas for two proposed comparable developments, 13026 The Huntington at Sienna Plantation and 13052 Southfork Plantation, overlap the subject site's Primary Market Area and will impact its Gross Demand Capture Rate.

ELIGIBLE HOUSEHOLDS BY INCOME								
Fort Bend County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,928	\$13,920	---	---	\$14,904	\$23,200	\$17,880	\$27,840
2	\$8,928	\$15,900	---	---	\$14,904	\$26,500	\$17,880	\$31,800
3	\$10,728	\$17,880	---	---	\$17,880	\$29,800	\$21,456	\$35,760
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
13026	The Huntington at Sienna Plantation	new	senior	105	132
13052	Southfork Plantation	new	senior	94	117
12092	The Huntington	new	senior	106	120
Other Affordable Developments in PMA since 2009					
09248	Pearland Senior Village	new	senior	n/a	126
12218	The Reserve at Rosharon	new	family	n/a	120
Stabilized Affordable Developments in PMA ( pre-2009 )					
Total Properties ( pre-2009 )		2		Total Units	351

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Huntington at Sienna Plantation and Southfork Plantation are both senior developments to be built (if awarded) in the Primary Market Area. While the Reserve at Rosharon is a 2012 family development under construction and is not considered comparable supply, some senior households are likely to occupy the subject property. Should Reserve at Rosharon be considered as supply, the capture rates would be 9.5% in the EMA.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
			PMA	EMA
Total Households in the Primary Market Area	34,324		32,988	75,111
Senior Households in the Primary Market Area	6,165		8,994	24,811
Potential Demand from the Primary Market Area	1,285		1,553	5,644
Potential Demand from Other Sources	0		0	0
<b>GROSS DEMAND</b>	1,285		1,553	5,644
Subject Affordable Units	112		112	112
Unstabilized Comparable Units	0		305	305
<b>RELEVANT SUPPLY</b>	112		417	417
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>8.7%</b>		<b>26.9%</b>	<b>7.4%</b>

Demand Analysis:

The maximum Gross Capture Rate for urban developments targeting senior households is 10%; the PMA analysis indicates insufficient demand to support the proposed development. The PMA analysis includes the supply from the two proposed developments and the one unstabilized development, The Huntington at Sienna Plantation, Southfork Plantation and The Huntington, respectively. However, it does not include the added households from the extra census tracts in the PMAs of The Huntington at Sienna Plantation and Southfork Plantation. Using the EMA which includes these 4,100 extra households in our Gross Demand, the Gross Capture Rate is lowered to 7.4%.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	343	6	0	2%	148	6	26	22%
1 BR/50%	672	22	0	3%	263	22	74	36%
1 BR/60%	893	27	0	3%	164	27	93	73%
2 BR/30%	257	6	0	2%	135	6	7	10%
2 BR/50%	524	23	0	4%	258	23	50	28%
2 BR/60%	758	28	0	4%	122	28	55	68%

Comments:

Regarding the effect of the competing property, The Huntington at Sienna, being funded: "it is likely that both properties would experience an extended absorption beyond one year, but will eventually reach a stabilized occupancy based on the number of low-income senior households present within the market area and the lack of any other affordable housing alternatives." (I-8) The Department's Extended Market Area's Gross Demand Capture Rate supports this conclusion.

Senior properties generally lease-up slower than family developments. If lease-up velocity is equal to 7 units/month demonstrated by Pearland Senior's, sufficient reserves through lease-up are budgeted.

All but the 30% AMI units show excessive unit capture rates, particularly the 60% AMI units (including comparable units from two other 2013 applications in the calculation). Excluding these two properties, the 60% unit capture rates decrease to 27% and 50%, respectively. In either case, significant lease-up risk is evidenced on the 60% two-bedroom units.

## OPERATING PROFORMA

### SUMMARY- AS UNDERWRITTEN (TDHCA's Profoma)

NOI:	\$362,408	Avg. Rent:	\$647	Expense Ratio:	59.9%
Debt Service:	\$291,917	B/E Rent:	\$599	Controllable Expenses:	\$2,641
Net Cash Flow:	\$70,491	Occupancy:	92.50%	Property Taxes/Unit:	\$813
Aggregate DCR:	1.24:1	B/E Occupancy:	85.29%	Program Rent Year:	2013

Applicant's pro forma rents for the 60% units are lower than maximum program rents. Market rents for the one-bedroom units are \$18/month higher than program maximum while the two-bedroom units are \$14/month lower than the program maximum.

REA pro forma assumes maximum program rents are achievable on all 60% units based on the market study conclusions. Although the market analysis shows market rents significantly above program maximum (\$233/unit and \$381/unit), the REA pro forma assumes a \$50/unit premium over the 60% rents on the one-bedroom units and \$75/unit on the two bedroom units (limited the market analyst's rent premium due to the relatively few market rate units in the development).

Average rent is \$48/unit above Breakeven Rent with Breakeven occupancy at 18 vacant units. A one-month concession on the market rate and 60% units produces an average rent (\$613/unit) that is \$14/unit above breakeven.

Applicant's pro forma shows weak combined feasibility indicators (DCR and breakevens) which combined with the high capture rates discussed above indicate significant lease-up and on-going operational risk. REA's pro forma, however, produces an additional \$18.6K of net operating income and shows stronger feasibility indicators (DCR at 1.24 times, breakeven occupancy at 85% and breakeven rents \$45/unit below average rents).

Use of the market analyst's concluded market rents produces a DCR equal to 1.35 times and would not change the feasibility conclusions per REA rule.

Number of Revisions: 0      Date of Last Applicant Revision: NA

## ACQUISITION INFORMATION

### SITE CONTROL

Type: Purchase and Sale Agreement      Acreage: 9.34

Acquisition Cost: \$1,400,000      Contract Expiration: 12/31/2013

Cost Per Unit: \$11,290

Seller: Tejas Avco, Inc.      Related to Development Team?       Yes       No

Buyer: Reserve at Arcola Senior Living LLC

Comments:  
 Low density. Land price at \$8.3K/unit at more typical 18 units/acre.

## DEVELOPMENT COST EVALUATION

### SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$149,893/ac	\$11,290/unit	<b>\$1,400,000</b>	Contractor Fee	<b>\$1,308,475</b>
Offsite + Sitework		\$12,442/unit	<b>\$1,743,750</b>	Developer Fee	<b>\$1,929,300</b>
Building Cost	\$80.40/sf	\$65,121/unit	<b>\$8,075,000</b>	Soft Cost	<b>\$2,143,518</b>
Contingency	6.47%	\$5,124/unit	<b>\$635,376</b>	Reserves	<b>\$1,088,409</b>
<b>Total Development Cost</b>			<b>\$18,068,869</b>		<b>\$145,717/unit</b>

Offsite

Utility extensions. Not included in eligible basis.

Sitework

Flat site. Retention pond at rear of site. Parking ratio at 1.08/unit including office parking.

Building Cost:

Typical 3-story construction with interior corridors, 3 elevators, 9,650 s.f. of common area (kitchen, activity room, business center, fitness room, game room, salon, and theatre), 10,975 s.f. of administrative offices and storage rooms for resident use. More than typical building articulation (40% stucco/10% stone). Roof pitch at 5/12. 30 carports included in basis (no fee to residents).

Contingency & Fees:

Reserves limited to 12 months operating expenses and debt service reducing underwritten total costs and required developer fee deferral by \$254K. No impact to GAP or credit allocation. An additional \$660K of developer fee could be deferred to cover cost overruns.

Conclusion:

The total eligible basis of \$14,528,244 would support a tax credit allocation of \$1,533,615.

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: NA

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 0 Last Update: N/A

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Dougherty Mortgage	FHA 221(d)4	\$5,415,000	4.35%	41%
RBC Capital Markets	HTC	\$7,825,108	\$0.94	59%
City of Arcola	Local Government	\$38,000	0.00%	0%
		<b>\$13,278,108</b>	<b>Total Sources</b>	

Comments:

FHA 221(d)4 provides both interim and permanent financing.

**PERMANENT SOURCES**

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Dougherty Mortgage	\$5,415,000	3.90%	40	40	\$5,415,000	3.90%	40	40	30%
City of Arcola	\$38,000	0.00%	0	0	\$38,000	0.00%	0	0	0%
<b>Total</b>	<b>\$5,453,000</b>				<b>\$5,453,000</b>				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
RBC Capital Markets	\$12,038,627	\$0.94		\$12,038,627	\$0.94	67%	
MV Residential Development	\$577,242		30%	\$577,242		3%	30%
<b>Total</b>	<b>\$12,615,869</b>			<b>\$12,615,869</b>			
				<b>\$18,068,869</b>	<b>Total Sources</b>		

Comments:

Equity price of \$0.94 at high end of rates currently seen by Underwriter. All else equal, if the credit price drops below \$0.89, the required deferred developer fee would exceed the available 15 year cumulative cash flow.



## CONCLUSIONS

Recommended Financing Structure:

The total development cost estimate of \$18,068,869 less the permanent loan of \$5,415,000 and City of Arcola grant of \$38,000 leaves a gap of \$12,615,869.

The three possible tax credit allocations are:

Allocation determined by eligible basis:	<b>\$1,533,615</b>
Allocation limited by gap in financing:	<b>\$1,342,249</b>
Allocation requested by the Applicant:	<b>\$1,280,834</b>

A tax credit allocation of \$1,280,834 as requested by the Applicant is recommended. At the credit price of \$0.94 this allocation provides \$12,038,627 in total equity proceeds.

The underwritten capital structure indicates the need to defer \$577,242 of the developer fee (after excluded reserves). This amount can be repaid from cash flow within 7 years of stabilized operations.

Underwriter: Eric Weiner

Manager of Real Estate Analysis: Thomas Cavanagh

Director of Real Estate Analysis: Brent Stewart

## UNIT MIX/RENT SCHEDULE

*Reserve at Arcola Senior Living, Arcola, 9% HTC #13113*

LOCATION DATA	
CITY:	Arcola
COUNTY:	Fort Bend
PROGRAM REGION:	6
PIS Date:	On or After 1/18/2013
IREM REGION:	Houston

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Income	# Units	% Total
Eff			30%	12	9.7%
1	60	48.4%	40%		
2	64	51.6%	50%	45	36.3%
3			60%	55	44.4%
4			MR	12	9.7%
<b>TOTAL</b>	<b>124</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>124</b>	<b>100.0%</b>

Applicable Programs
9% Housing Tax Credits

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjustment	130%
Applicable Fraction	90.22%
APP % Acquisition	
APP % Construction	9.00%
Average Unit Size	810 SF

## UNIT MIX / MONTHLY RENT SCHEDULE

HTC		Unit Mix				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$372	6	1	1	746	\$372	\$78	\$294	\$9	\$0.41	\$303	\$1,818	\$1,763	\$294	\$0.39	\$0	\$717	0.96	\$423
TC50%	\$621	22	1	1	746	\$621	\$78	\$543	\$9	\$0.74	\$552	\$12,144	\$11,942	\$543	\$0.73	\$0	\$717	0.96	\$174
TC60%	\$745	27	1	1	746	\$745	\$78	\$667	(\$32)	\$0.85	\$635	\$17,145	\$18,005	\$667	\$0.89	\$0	\$717	0.96	\$50
MR		5	1	1	746	\$0	\$78		NA	\$0.92	\$685	\$3,425	\$3,584	\$717	\$0.96	NA	\$717	0.96	\$0
TC30%	\$447	6	2	1	870	\$447	\$105	\$342	\$13	\$0.41	\$355	\$2,130	\$2,051	\$342	\$0.39	\$0	\$864	0.99	\$522
TC50%	\$745	23	2	1	870	\$745	\$105	\$640	\$13	\$0.75	\$653	\$15,019	\$14,716	\$640	\$0.74	\$0	\$864	0.99	\$224
TC60%	\$894	28	2	1	870	\$894	\$105	\$789	(\$64)	\$0.83	\$725	\$20,300	\$22,088	\$789	\$0.91	\$0	\$864	0.99	\$75
MR		7	2	1	870	\$0	\$105		NA	\$0.89	\$775	\$5,425	\$6,047	\$864	\$0.99	NA	\$864	0.99	\$0
<b>TOTALS/AVERAGE</b>		<b>124</b>			<b>100,440</b>				<b>(\$16)</b>	<b>\$0.77</b>	<b>\$624</b>	<b>\$77,406</b>	<b>\$80,196</b>	<b>\$647</b>	<b>\$0.80</b>	<b>\$0</b>	<b>\$793</b>	<b>\$0.98</b>	<b>\$146</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>		<b>\$928,872</b>	<b>\$962,354</b>
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**STABILIZED PROFORMA**

*Reserve at Arcola Senior Living, Arcola, 9% HTC #13113*

STABILIZED FIRST YEAR PRO FORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.77	\$624	\$928,872	\$962,354	\$647	\$0.80		3.5%	\$33,482
Laundry					\$4.52	\$6,720					0.0%	(6,720)
Late Fees					\$3.63	\$5,400					0.0%	(5,400)
Application Fees					\$1.85	\$2,760					0.0%	(2,760)
Underwriter's Total Secondary Income							\$14,880	\$10.00			100.0%	14,880
<b>POTENTIAL GROSS INCOME</b>		\$ -				\$943,752	\$977,234				3.4%	\$33,482
Vacancy & Collection Loss				7.5% PGI		(70,781)	(73,293)	7.5% PGI			3.4%	(2,511)
Non-Rental Units/Concessions						-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		\$ -				\$872,971	\$903,941				3.4%	\$30,971

General & Administrative	\$45,352	\$366/Unit	53,080	4.98%	\$0.43	\$351	\$43,500	\$45,352	\$366	\$0.45	5.02%	-4.1%	(1,852)
Management	\$40,799	4.8% EGI	41,726	5.00%	\$0.43	\$352	\$43,649	\$45,197	\$364	\$0.45	5.00%	-3.4%	(1,548)
Payroll & Payroll Tax	\$133,721	\$1,078/Unit	134,541	14.76%	\$1.28	\$1,039	\$128,850	\$133,721	\$1,078	\$1.33	14.79%	-3.6%	(4,871)
Repairs & Maintenance	\$67,638	\$545/Unit	40,630	7.85%	\$0.68	\$552	\$68,500	\$67,638	\$545	\$0.67	7.48%	1.3%	862
Utilities	\$28,603	\$231/Unit	28,311	3.49%	\$0.30	\$246	\$30,500	\$28,603	\$231	\$0.28	3.16%	6.6%	1,897
Water, Sewer, & Trash	\$61,113	\$493/Unit	47,963	6.74%	\$0.59	\$475	\$58,850	\$52,210	\$421	\$0.52	5.78%	12.7%	6,640
Property Insurance	\$42,493	\$0.42 /sf	41,700	3.37%	\$0.29	\$237	\$29,413	\$29,413	\$237	\$0.29	3.25%	0.0%	-
Property Tax 2.794022	\$70,213	\$566/Unit	86,865	10.01%	\$0.87	\$705	\$87,400	\$100,819	\$813	\$1.00	11.15%	-13.3%	(13,419)
Reserve for Replacements	\$21,020	\$170/Unit		3.91%	\$0.34	\$275	\$34,100	\$34,100	\$275	\$0.34	3.77%	0.0%	-
Cable TV			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees			-	0.51%	\$0.04	\$36	\$4,480	\$4,480	\$36	\$0.04	0.50%	0.0%	-
<b>TOTAL EXPENSES</b>			<b>\$ 474,815</b>	<b>60.63%</b>	<b>\$5.27</b>	<b>\$4,268</b>	<b>\$ 529,242</b>	<b>\$ 541,533</b>	<b>\$4,367</b>	<b>\$5.39</b>	<b>59.91%</b>	<b>-2.3%</b>	<b>\$ (12,291)</b>
<b>NET OPERATING INCOME ("NOI")</b>			<b>\$ (474,815)</b>	<b>39.37%</b>	<b>\$3.42</b>	<b>\$2,772</b>	<b>\$343,729</b>	<b>\$362,408</b>	<b>\$2,923</b>	<b>\$3.61</b>	<b>40.09%</b>	<b>-5.2%</b>	<b>(\$18,679)</b>

<b>CONTROLLABLE EXPENSES</b>	\$2,713/Unit	\$2,456/Unit		\$2,663/Unit		\$2,641/Unit
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$903,941	\$922,020	\$940,461	\$959,270	\$978,455	\$1,080,294	\$1,192,731	\$1,316,872	\$1,453,933	\$1,605,259	\$1,772,336	\$1,956,802
LESS: TOTAL EXPENSES	541,533	557,327	573,586	590,324	607,554	701,621	810,390	936,172	1,081,646	1,249,912	1,444,561	1,669,751
<b>NET OPERATING INCOME</b>	<b>\$362,408</b>	<b>\$364,693</b>	<b>\$366,874</b>	<b>\$368,946</b>	<b>\$370,902</b>	<b>\$378,673</b>	<b>\$382,342</b>	<b>\$380,699</b>	<b>\$372,287</b>	<b>\$355,347</b>	<b>\$327,775</b>	<b>\$287,052</b>
LESS: DEBT SERVICE	291,917	291,917	291,917	291,917	291,917	291,917	291,917	291,917	291,917	291,917	291,917	291,917
<b>NET CASH FLOW</b>	<b>\$70,491</b>	<b>\$72,776</b>	<b>\$74,958</b>	<b>\$77,030</b>	<b>\$78,985</b>	<b>\$86,756</b>	<b>\$90,425</b>	<b>\$88,783</b>	<b>\$80,370</b>	<b>\$63,431</b>	<b>\$35,859</b>	<b>(\$4,865)</b>
<b>CUMULATIVE NET CASH FLOW</b>	\$70,491	\$143,267	\$218,225	\$295,255	\$374,240	\$793,904	\$1,240,557	\$1,690,152	\$2,111,863	\$2,466,700	\$2,705,862	\$2,768,807
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$506,751	\$433,975	\$359,017	\$281,987	\$203,002	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.24	1.25	1.26	1.26	1.27	1.30	1.31	1.30	1.28	1.22	1.12	0.98
<b>EXPENSE/EGI RATIO</b>	59.91%	60.45%	60.99%	61.54%	62.09%	64.95%	67.94%	71.09%	74.39%	77.86%	81.51%	85.33%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Reserve at Arcola Senior Living, Arcola, 9% HTC #13113*

DEBT / GRANT SOURCES																
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	MIP	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App											DCR	LTC	
Dougherty Mortgage	0.45%	1.24	1.18	\$292,126	3.90%	40	40	\$5,415,000	\$5,415,000	40	40	3.90%	291,917	1.24	30.0%	
<b>CASH FLOW DEBT / GRANTS</b>																
City of Arcola		1.24	1.18		0.00%	0	0	\$38,000	\$38,000	0	0	0.00%		1.24	0.2%	
<b>TOTAL DEBT / GRANT SOURCES</b>				<b>\$292,126</b>				<b>\$5,453,000</b>	<b>\$5,453,000</b>				<b>\$291,917</b>		<b>30.2%</b>	
<b>NET CASH FLOW</b>		\$70,282	\$51,603	<b>NET OPERATING INCOME</b>						\$362,408	\$70,491	<b>NET CASH FLOW</b>				

EQUITY SOURCES												
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit		
RBC Capital Markets	LIHTC Equity	66.6%	\$1,280,834	0.94	\$12,038,627	\$12,038,627	\$0.9399	\$1,280,834	66.6%	\$97,086		
MV Residential Development	Deferred Developer Fees	4.6%	(43% Deferred)		\$832,201	\$577,242	(30% Deferred)		3.2%		<b>Total Developer Fee:</b>	<b>\$1,929,300</b>
Additional (Excess) Funds Req'd		-1.4%			(\$254,959)	\$0			0.0%		<b>15-Year Cash Flow:</b>	<b>\$1,240,557</b>
<b>TOTAL EQUITY SOURCES</b>		<b>69.8%</b>			<b>\$12,615,869</b>	<b>\$12,615,869</b>			<b>69.8%</b>		<b>Cash Flow after Deferred Fee:</b>	<b>\$663,315</b>
<b>TOTAL CAPITALIZATION</b>					<b>\$18,068,869</b>	<b>\$18,068,869</b>						

DEVELOPMENT COST / ITEMIZED BASIS												
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE		
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$		
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition						
Land Acquisition			\$11,290 / Unit	\$1,400,000	\$1,400,000	\$11,290 / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites		\$0	\$3,804 / Unit	\$471,750	\$471,750	\$3,804 / Unit	\$0			0.0%	\$0	
Sitework		\$1,071,000	\$8,637 / Unit	\$1,071,000	\$1,071,000	\$8,637 / Unit	\$1,071,000			0.0%	\$0	
Site Amenities		\$201,000	\$1,621 / Unit	\$201,000	\$201,000	\$1,621 / Unit	\$201,000			0.0%	\$0	
Building Costs		\$8,075,000	\$80.40/sf	\$65,121/Unit	\$8,075,000	\$8,027,811	\$64,740/Unit	\$79.93 /sf	\$8,027,811	0.6%	\$47,189	
Contingency		\$490,938	5.25%	6.47%	\$635,376	\$635,376	6.50%	5.28%	\$490,938	0.0%	\$0	
Contractor's Fees		\$1,308,475	13.30%	12.52%	\$1,308,475	\$1,308,475	12.57%	13.36%	\$1,308,475	0.0%	\$0	
Indirect Construction	0	\$1,077,620	\$8,367 / Unit	\$1,037,482	\$1,037,482	\$8,367 / Unit	\$1,077,620		\$0	0.0%	\$0	
Developer's Fees	\$0	\$1,929,300	15.00%	14.31%	\$1,929,300	\$1,929,300	14.87%	15.00%	\$1,853,596	0.0%	\$0	
Financing	0	\$637,985	\$8,920 / Unit	\$1,106,036	\$1,106,036	\$8,920 / Unit	\$180,460		\$0	0.0%	\$0	
Reserves		\$0	\$8,777 / Unit	\$1,088,409	\$833,450	\$6,721 / Unit				30.6%	\$254,959	
<b>UNADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$14,791,318</b>	<b>\$147,773 / Unit</b>	<b>\$18,323,828</b>	<b>\$18,021,680</b>	<b>\$145,336 / Unit</b>	<b>\$14,210,900</b>	<b>\$0</b>	<b>1.7%</b>	<b>\$302,148</b>	
Acquisition Cost for Identity of Interest Seller					\$0							
Contingency		\$0										
Contractor's Fee		\$0										
Interim Interest		(\$228,763)										
Excess Reserves		\$0			(\$254,959)							
Developer's Fee	\$0	(\$34,312)			\$0							
<b>ADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$14,528,244</b>	<b>\$145,717/unit</b>	<b>\$18,068,869</b>	<b>\$18,021,680</b>	<b>\$145,336/unit</b>	<b>\$14,210,900</b>	<b>\$0</b>	<b>0.3%</b>	<b>\$47,189</b>	
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$18,068,869</b>							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*Reserve at Arcola Senior Living, Arcola, 9% HTC #13113*

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	<b>ADJUSTED BASIS</b>	\$0	\$14,528,244	\$0
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$14,528,244	\$0	\$14,210,900
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$18,886,717	\$0	\$18,474,170
Applicable Fraction	90.22%	90.22%	90.22%	90.22%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$17,040,166	\$0	\$16,667,954
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$1,533,615	\$0	\$1,500,116
<b>CREDITS ON QUALIFIED BASIS</b>	\$1,533,615		\$1,500,116	

**ANNUAL CREDIT CALCULATION  
BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,533,615	\$14,414,529
Gap	\$1,342,249	\$12,615,869
Original Request	\$1,280,834	\$12,038,627
Current Request	\$1,280,834	\$12,038,627

**FINAL ANNUAL LIHTC  
ALLOCATION**

Method	Current Request	Variance to Request
<b>Credits</b>	<b>\$1,280,834</b>	\$0
<b>Total Equity Proceeds</b>	<b>\$12,038,627</b>	\$0

**Building Cost/SF**

Development Category	Elevator-Served	Category Building Cost/SF (Mean)	\$68.91 /sf
NRA	100,440	Calculated Building Cost/SF <sup>(3)</sup>	<b>\$63.59 /sf</b>
Elevator Served Enclosed Corridors <sup>(1)</sup>	26,550	Building Cost Variance (\$)	<b>\$5.32 /sf</b>
Common Area <sup>(2)</sup>	0	Variance to Mean (%)	<b>7.7%</b>
<b>Total SF for QAP Calculation</b>	<b>126,990</b>	Building Cost/SF reported in Application <sup>(3)</sup>	<b>\$62.60 /sf</b>
		Variance to Mean based on Application	<b>9.2%</b>

(1) Supportive Housing, Qualified Elderly or 4-Story Development

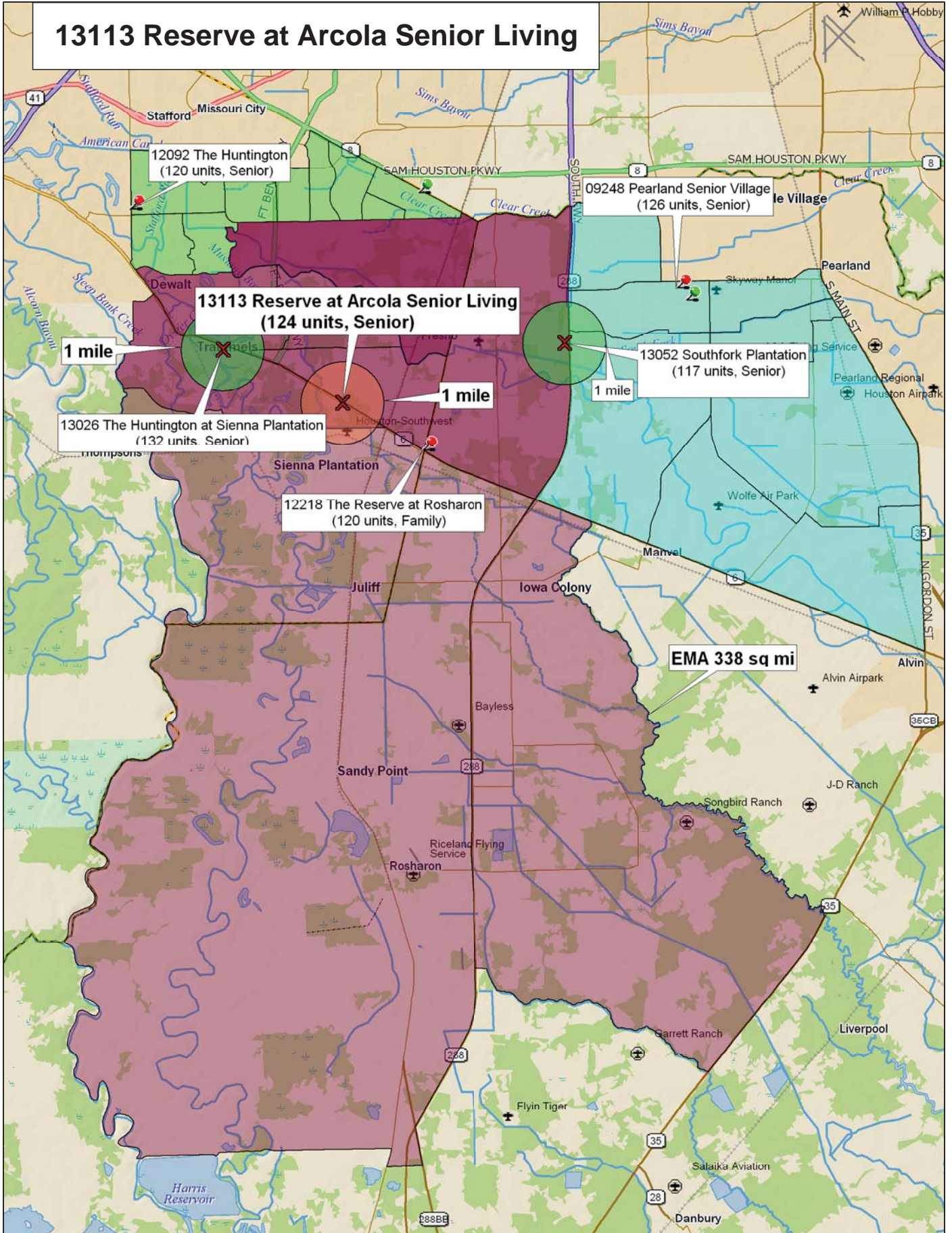
(2) Up to \$50 SF/Unit common area for Supportive Housing

(3) Excludes Structured Parking

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Wrap (3 or 4-story)	100,440 SF	\$62.26	6,253,714
Adjustments				
Exterior Wall Finish	0.80%		0.50	\$50,030
Elderly	3.00%		1.87	187,611
9 ft. ceilings	3.10%		1.93	193,865
Roofing			0.00	0
Subfloor			(0.12)	(11,718)
Floor Cover			2.68	269,179
Breezeways	\$0.00	26,550	0.00	0
Balconies	\$25.16	12,632	3.16	317,806
Plumbing Fixtures	\$940	0	0.00	0
Rough-ins	\$465	248	1.15	115,320
Built-In Appliances	\$1,750	124	2.16	217,000
Exterior Stairs	\$2,125	6	0.13	12,750
Heating/Cooling			2.06	206,906
Enclosed Corridors	\$54.86	26,550	14.50	1,456,618
Carports	\$11.30	5,100	0.57	57,630
Garages		0	0.00	0
Comm &/or Aux Bldgs	\$71.18	9,615	6.81	684,421
Elevators	\$82,650	3	2.47	247,950
<b>Other:</b> Storage	\$25.17	10,835	2.72	272,717
Other: fire sprinkler	\$2.30	163,155	3.74	375,257
<b>SUBTOTAL</b>			<b>108.59</b>	<b>10,907,056</b>
Current Cost Multiplier	0.98		-2.17	(218,141)
Local Multiplier	0.89		-11.95	(1,199,776)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>94.48</b>	<b>\$9,489,139</b>
Plans, specs, survey, bldg permits	3.90%		-3.68	(\$370,076)
Contractor's OH & Profit	11.50%		-10.86	(1,091,251)
<b>NET DIRECT CONSTRUCTION COSTS</b>		\$64,740/unit	\$79.93/sf	\$8,027,811

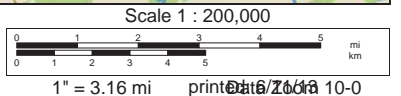
# 13113 Reserve at Arcola Senior Living



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REAL ESTATE ANALYSIS  
Appeal Election Form

Date Sent To TDHCA: June 25, 2013

13113 Reserve at Arcola Senior Living

I am in receipt of my 2013 Underwriting Report Notice and have reviewed the Appeal Policy at 10TAC Chapter 10. I recognize that should I choose to file an appeal, I must file a formal appeal to the Executive Director within seven days from the date this Notice was issued and the Underwriting report was posted to the Department's website. I understand that my appeal documentation must identify my specific grounds for appeal.

- No appeal to the recommendations of the Department's underwriting report as published on the Department's website.
- Appeal to the Executive Director.

**If my appeal is denied by the Executive Director:**

- Appeal to the Board of Directors and request that the appeal is added to the next available Board of Directors' meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m., seven days prior to the next board meeting or three days prior if the Executive Director has not responded to my appeal in order to be included in the board book. I understand that if no documentation is submitted, the appeal documentation submitted to the Executive Director will be utilized.
- Wait to hear the Executive Director's response before deciding whether to appeal to the Board of Directors or not.

Signed: 

Title: Authorized Signer of MV Affordable Housing LLC, sole member of MV Reserve at Arcola Senior Living LLC, managing member of Reserve at Arcola Senior Living, LLC

Date: 6-25-13

Please email to:  
Pam Cloyde  
pamela.cloyde@tdhca.state.tx.us



**Miller-Valentine Group**  
9349 WaterStone Blvd.  
Suite 200  
Cincinnati, Ohio 45249  
513-774-8400  
513-683-6165 Fax



June 25, 2013

Via Email  
Tim Irvine  
Director  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

RE: 13113 Reserve at Arcola Senior Living

Dear Mr. Irvine:

The following is in appeal to the underwriting report dated June 25, 2013 of the above-described proposed development in Arcola, Texas.

The conditions stated, "Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted". Since application we sent the project out to be rebid to get a better idea of pricing and because of identified high CRA need received a quote of .955 which was higher than our original .94. This increase in equity has changed the capital structure and the the analysis must be adjusted.

Attached you will find the changes we made to the application documents with the new equity pricing. The increase in pricing allows the State of Texas to use their resources more efficiently and Miller Valentine formally request that the credit request be changed to \$1,260,715. With the new equity pricing this keeps the final equity received the same now as at application and does not affect the sources and uses.

Attached you will find

- Updated Syndication Letter
- Updated Tab 15
- Updated Tab 28
- Updated Tab 31

Thank you for allowing us the opportunity to provide this response. In the event you have any additional questions or comments, please feel free to contact us.

Sincerely,

Brian McGeady





RBC Capital Markets®

Royal Bank of Canada  
Tax Credit Equity Group  
4720 Piedmont Row Drive, Ste 240  
Charlotte, NC 28210  
Telephone: (980) 233-6500

June 25, 2013

Mr. Brian McGeady  
Miller-Valentine Group  
9349 Waterstone Blvd.  
Cincinnati, OH 45249

*Re: The Reserve at Arcola Senior Living  
Arcola, Fort Bend County, Texas*

Dear Brian:

Attached please find our revised letter for The Reserve at Arcola Senior Living located in Arcola, Texas. The letter reflects our most up to date equity pricing at \$.955 and a change in credits to \$1,260,715 annually.

We wish you the best of luck on your 2013 reservation of tax credits and look forward to working with you in providing affordable housing to the residents of Texas.

Sincerely,

A handwritten signature in black ink, appearing to read "B.C. Flanagan", written over a horizontal line.

Brian C. Flanagan  
Director  
RBC Capital Markets



June 25, 2013

Mr. Brian McGeady  
Miller-Valentine Group  
9349 Waterstone Blvd.  
Cincinnati, OH 45249

*Re: The Reserve at Arcola Senior Living  
Arcola, Fort Bend County, Texas*

Dear Brian:

Thank you for providing us the opportunity to submit a proposal on The Reserve at Arcola Senior Living, (the "Project"). This letter serves as our mutual understanding of the business terms regarding the acquisition of ownership interests in The Reserve at Arcola Senior Living, LLC (the "Company"). RBC Tax Credit Equity, LLC, its successors and assigns ("RBC") will acquire a 99.99% interest, and RBC Tax Credit Manager II, Inc. ("RBC Manager") will acquire a .001% interest (collectively, the "Interest") in the Company.

1. **Project and Parties Involved.**

- (a) The Project, located in Arcola, Fort Bend County, Texas will consist of 124 apartment units for rent to seniors. Within the Project 112 units will be occupied in compliance with the low-income housing tax credit ("LIHTC") requirements of Section 42 of the Internal Revenue Code.
- (b) The parties involved with the Project are as follows:
  - (i) **Managing Member/Member.** The Managing Member is MV Reserve at Arcola Senior Living LLC, a Ohio limited liability company and subsidiary of MV Affordable Housing LLC. Five Woods, LLC will be a Member.
  - (ii) **Developer.** The Developer is MV Residential Development, LLC.
  - (iii) **Guarantors.** Subject to RBC's review and approval of financial statements, the Guarantors are the Managing Member and the Developer.

2. **Purchase Price.** The Interest in the Company will be acquired for a total capital contribution of \$12,038,627. This capital contribution is based on the Project receiving the tax credits described in Paragraph 3 and represents a price per tax credit dollar of \$0.955. This pricing assumes both the Developer and the Managing Member use cash basis accounting for tax purposes. Further, the pricing assumes depreciable basis of approximately \$14,825,000 consisting of 100% of residential depreciation being taken over 27.5 years, 100% of depreciation on site improvements being taken over 15 years, and 100% of depreciation on personal property being taken over 5 years. The capital contribution, subject to adjustments set forth in Paragraph 5 below, will be payable to the Company in installments agreed upon by RBC, the Managing Member and the Construction lender.

3. **LIHTC.** The Project anticipates receiving an allocation of 2013 LIHTC in the amount of \$1,260,715 annually. The total LIHTC anticipated to be delivered to the Company is \$12,607,150. It is expected that RBC will be allocated a total LIHTC amount of \$12,605,889 (the "Projected LIHTC") during the credit period.

4. **Funding Sources.** The purchase price is based upon the assumption that the Project will receive funding on the terms and conditions listed on **Exhibit B.**

5. **Adjustments.**

- (a) **Downward Capital Adjustment.** The amount of LIHTC to be allocated to RBC during the credit period ("Certified LIHTC") will be determined promptly following receipt of cost certification from the accountant and Form 8609. If the Certified LIHTC is less than Projected LIHTC, RBC's capital contributions will be reduced by an amount (the "Downward Capital Adjustment") equal to the product of (i) \$.955 multiplied by (ii) the difference between Projected LIHTC and Certified LIHTC.
- (b) **Late Delivery Adjustment.** The amount of LIHTC allocated to RBC for 2016 will be determined at the time the Project is fully leased. If the amount of the LIHTC allocated to RBC for calendar year 2016 is less than the amounts shown in Paragraph 3, RBC's capital contribution shall be reduced by an amount (the "Late Delivery Adjustment") equal to the difference between the amount shown in Paragraph 3 (adjusted for any Downward Capital Adjustment) and the amount of the LIHTC allocated to RBC for calendar year 2016 less the present value (using a 12% discount rate) of the additional LIHTC projected to be received in 2026.
- (c) **Payment by Managing Member.** If the Downward Capital Adjustment and the Late Delivery Adjustment exceed the total of all unfunded capital contributions, then the Managing Member will make a payment to the Company equal to the amount of such excess, and the Company will immediately distribute such amount to RBC as a return of its capital contribution. Except to the extent otherwise stated herein, this payment will not give rise to any right as a loan or capital contribution or result in any increase in the Managing Member's capital account.

6. **Managing Member and Guarantor Obligations.** In addition to Paragraph 5(c) above, the Managing Member is responsible for items 6(a) through 6(f) below. Any amounts advanced by the Managing Member will not be considered as loans or capital contributions reimbursable or repayable by the Company unless otherwise stated herein.

- (a) **Construction Completion.** The Managing Member will guarantee construction completion in accordance with approved plans and specifications and will pay for any construction costs, costs to achieve permanent loan closing, repayment of all construction financing and costs necessary to fund reserves required to be funded at or before permanent loan closing.
- (b) **Operating Deficits.**
  - (i) **Pre-Stabilization.** The Managing Member will guarantee funding of operating deficits until the date (the "Stabilization Date") which is the first day of the month following a 3-month period (such 3-month period to commence after the permanent loan closing) in which the Project has maintained an average 1.15 debt service coverage; and
  - (ii) **Post-Stabilization.** Commencing with the Stabilization Date and continuing until the Release Date (defined below), the Managing Member will guarantee funding of operating deficits in an amount equal to 6 months of operating expenses, debt service, and replacement reserves. Any funds paid by the Managing Member under this Paragraph 6(b)(ii) shall be treated as an unsecured loan to the Company with interest at the rate of 8% per annum, to be repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 9 hereof.

The "Release Date" is the later of:

- (A) the fifth anniversary of the Stabilization Date,
  - (B) the date the Project has achieved an average debt service coverage of 1.15 for the 12-month period immediately prior to the Release Date, and
  - (C) the date the Project has achieved a 1.15 debt service coverage for each of the 3 months immediately prior to the Release Date.
- (c) LIHTC Shortfall or Recapture Event. To the extent not already addressed by the Downward Capital Adjustment or the Late Delivery Adjustment, if the actual amount of LIHTC for any year is less than Projected LIHTC, the Managing Member will guarantee payment to RBC of an amount equal to the shortfall or recapture amount, plus related costs and expenses incurred by RBC.
- (d) Repurchase. The Managing Member will repurchase RBC's interest upon the occurrence of certain events described in the Project Entity Agreement.
- (e) Environmental Indemnity. The Managing Member will indemnify RBC against any losses due to environmental condition at the Project.
- (f) Developer Fee. The Managing Member will guarantee payment of any developer fee remaining unpaid at the end of the LIHTC compliance period.
- (g) Guarantors. The Guarantors will guarantee all of the Managing Member's obligations. Prior to the Stabilization Date, the Guarantors will maintain a net worth and liquidity level as determined by RBC after review of the Guarantors' financial statements.
7. Reserves.
- (a) Operating Reserves. An operating reserve in the amount of six months of operating expenses, reserves, and debt service coverage will be established and maintained by the Managing Member concurrent with RBC's C/O capital contribution. Withdrawals from the operating reserve will be subject to RBC's consent. Expenditures from operating reserves will be replenished from available cash flow as described in Paragraph 9(b) below.
- (b) Replacement Reserves. The Company will maintain a replacement reserve, and make contributions on an annual basis equal to the greater of (i) \$275 per unit and (ii) the amount required by the permanent lender. The amount of the contribution will increase annually by 3%. Annual contributions will commence upon substantial completion.
8. Fees and Compensation. The following fees will be paid by the Company for services rendered in organizing, developing and managing the Company and the Project.
- (a) Developer Fee. The Developer will earn a developer fee of \$1,736,370 projected to be paid as follows:
- (i) \$302,237 (17.4%) concurrent with RBC's first capital contribution;
  - (ii) \$601,932 (34.7%) concurrent with RBC's final capital contribution; and
  - (iii) \$832,201 (47.9%) is deferred and paid from net cash flow.

The deferred portion of the developer fee shall accrue interest at 0% per annum commencing as of the date of RBC's final capital contribution. If the deferred portion of the developer fee as of the closing is higher than currently projected, the scheduled payments of developer fee at RBC's final capital contribution will, in the aggregate, not be less than \$601,932. Payment of the deferred fee will be subordinate to all other Company debt as well as operating expense and reserve requirements

- (b) Incentive Management Fee. An incentive management fee will be payable to the Managing Member on an annual basis in an amount equal to 90% of net cash flow as set forth on Paragraph 9(b) below.
- (c) Property Management Fee. The management agent and the terms of the property management agreement are subject to the prior approval of RBC.
- (d) Asset Management Fee. The Company will pay RBC Manager an annual asset management fee of \$5,000 which will increase by 3% annually. The asset management fee will be paid quarterly in advance commencing with the first anniversary of the closing date.

9. **Tax Benefits and Distributions.**

- (a) Tax Benefits. Tax profits, tax losses, and tax credits will be allocated 99.99% to RBC, .001% to RBC Manager and .009% to the Managing Member.
- (b) Net Cash Flow Distributions. Distributions of net cash flow (cash receipts less cash expenditures, payment of debt service, property management fee and asset management fee), will be made as follows:
  - (i) to RBC in satisfaction of any unpaid amounts due under Paragraphs 5 and 6 above and for any other amounts due and owing to RBC;
  - (ii) to RBC Manager for any unpaid asset management fees;
  - (iii) to the operating reserve to maintain the balance required in Paragraph 7(a);
  - (iv) to the payment of any unpaid developer fee;
  - (v) to the payment of any debts owed to the Managing Member or its affiliates;
  - (vi) 90% of the remaining cash flow to the Managing Member as an incentive management fee; and
  - (vii) the balance to the Managing Member, RBC and RBC Manager in accordance with their percentage interests described in Paragraph 9(a).
- (c) Distributions upon Sale, Liquidation or Refinance. Net proceeds resulting from any sale, liquidation or refinance will be distributed as follows:
  - (i) to payment in full of any Company debts except those due to RBC, RBC Manager or the Managing Member and/or their affiliates;
  - (ii) to the setting up of any required reserves for contingent liabilities or obligations of the Company;

- (iii) to RBC, in satisfaction of any unpaid amounts due under Paragraphs 5 and 6 above and for any other amounts due and owing to RBC;
- (iv) to RBC Manager for any unpaid asset management fees;
- (v) to RBC for any excess or additional capital contributions made by it;
- (vi) to the payment of any debts owed to the Managing Member or its affiliates including any unpaid developer fee;
- (vii) to RBC Manager, 1% of such proceeds as a capital transaction administrative fee;
- (viii) to RBC in an amount equal to any projected federal income tax incurred as a result of the transaction giving rise to such proceeds; and
- (ix) the balance, 80% to the Managing Member, 19% to RBC and 1% to RBC Manager.

10. **Construction.** The Managing Member will arrange for a fixed or guaranteed maximum price construction contract. The Contractor's obligations will be secured by a letter of credit in an amount not less than 15% of the amount of the construction contract or a payment and performance bonds in an amount not less than the amount of the construction contract. The Project will establish a construction contingency in an amount not less than 5% of the construction costs, or such greater amount as RBC may reasonably require following its review of construction documents. RBC, may, in its sole discretion, engage a construction consultant (i) to review plans and specifications and (ii) evaluate the construction progress by providing monthly reports to the Company.

11. **Due Diligence, Opinions and Projections.**

- (a) **Due Diligence:** The Managing Member will provide RBC with all due diligence items set forth on its due diligence checklist, including but not limited to, financial statements for the Guarantors, schedule of real estate owned and contingent liabilities, plans and specifications, a current appraisal, a current (less than 6 months old) market study, a current (less than 6 months old) Phase I environmental report, rent and expense data from comparable properties, site/market visit and title and survey. The Managing Member agrees to reasonably cooperate with RBC (including signing such consents as may be necessary) in obtaining background reports on the Developer, Guarantors and other Project entities as determined by RBC.
- (b) **Legal Opinions.** The Managing Member's counsel will deliver to RBC a local law opinion satisfactory to RBC. RBC's counsel will prepare a tax opinion and the Managing Member agrees to cooperate to provide all necessary documentation requested by RBC's counsel.
- (c) **Diligence Reimbursement.** The Company will reimburse the RBC Manager for a mutually agreed upon amount toward the costs incurred by the RBC Manager in conducting its due diligence review and for the costs and expenses of RBC's counsel in connection with the preparation of the tax opinion. RBC may deduct this amount from its first Capital Contribution.
- (d) **Projections.** The projections to be attached to the Project Entity Agreement and that support the Tax Opinion will be prepared by RBC based on projections provided by the Managing Member. RBC's projections will include development sources and uses, calculation of eligible basis, operating and construction period cash flow analysis, 15-year operating projection, 30-year debt analysis and 15-year capital account analysis.

12. **Closing Contingencies.** RBC's obligation to close on the purchase of the Interest will be contingent upon RBC's receipt, review and approval of all due diligence including the items set forth on its due diligence checklist as well as the following:

- (a) **Project Entity Documents.** Preparation and execution of RBC's standard Project Entity Agreement and other fee agreements containing representations and warranties, covenants, consent rights, and indemnities, each on terms and conditions satisfactory to RBC.
- (b) **Information, Market Conditions and Laws.** No adverse change in the information you have provided to us, no adverse change in current investor market conditions and no adverse change in existing law.
- (c) **Anticipated Closing Date.** The closing occurring on or before April 1, 2014

(Remainder of page intentionally left blank)

The Reserve at Arcola Senior Living  
June 25, 2013  
Page 7

If the foregoing is in accordance with your understanding of the terms and conditions, please indicate your acceptance on the enclosed copy and return it to the undersigned.

Very truly yours,



Name: Brian Flanagan  
Title: Director

The undersigned approves and accepts the terms of this Letter of Intent.

RESERVE AT ARCOLA SENIOR LIVING, LLC  
a to-be-formed Texas limited liability company  
By: MV Reserve at Arcola Senior Living LLC  
a to-be-formed Ohio limited liability company  
Its: Managing Member  
By: MV Affordable Housing LLC  
an Ohio limited liability company  
Its: Sole Member



By: \_\_\_\_\_  
Name: Brian M. McGeady  
Title: Authorized Signer



**EXHIBIT A  
 CAPITAL CONTRIBUTIONS**

<u>Conditions</u>	<u>Amount</u>	<u>Anticipated Funding Date</u>
i) 20% upon the later of: (a) the execution of the Company Agreement, (b) receipt and approval of all due diligence items on RBC's due diligence checklist, (c) closing and initial funding of financing described in Exhibit A.	\$2,407,725*	April 1, 2014
ii) 15% upon the later of: (a) achievement of 25% construction completion as certified by the project architect. (b) July 1, 2014	\$1,805,794*	July 1, 2014
iii) 15% upon the later of: (a) achievement of 50% construction completion as certified by the project architect. (b) October 1, 2014	\$1,805,794*	October 1, 2014
iv) 15% upon the later of: (a) achievement of 75% construction completion as certified by the project architect. (b) February 1, 2015	\$1,805,795*	February 1, 2015
v) 30% upon the later of: (a) receipt of an architect's certificate of substantial completion, (b) receipt of final Certificates of Occupancy for all of the units, (c) receipt of a preliminary Accountant's Cost Certification, and (d) May 1, 2015.	\$3,611,587	May 1, 2015
vi) 5% upon the later of: (a) receipt of the final cost certification from an independent certified public accountant, (b) achievement of 90 days of 90% qualified occupancy for all LIHTC units (c) achievement of 100% qualified occupancy for all LIHTC units (d) permanent loan conversion, and achievement of the Stabilization Date (e) 8609(s), and (f) April 1, 2016	\$601,932	April 1, 2016
<b>Total:</b>	<b>\$12,038,627</b>	

\*RBC will fund a portion of the above capital contributions under an Equity Bridge Loan as noted in Exhibit B.

## **EXHIBIT B SOURCES**

### Construction/Perm Loan

- Lender: HUD
- Amount: \$5,415,000 during construction  
\$5,415,000 after construction
- Amortization: 40 years
- Interest Rate: 4.35% fixed
- Collateral: 1<sup>st</sup> mortgage on Project (or other collateral acceptable to RBC)

### Equity Bridge Loan

- Lender: RBC Capital Markets
- Amount: up to \$7,825,108
- Term: 24 months, with one 6 month extension
- Interest Rate: 4.35% fixed
- Payments: due Monthly
- Security: Managing Member Interest and RBC Capital Contributions referenced in Section 2
- Guarantors: Managing Member and Developer

# Development Narrative

## 1. The proposed Development is: (Check all that apply)

- Yes    New Construction
- No    Rehabilitation                      Including Acquisition?
- No    Reconstruction                      # of Units Demolished:                       # of Units Reconstructed:
- No    Adaptive Reuse                      Previous use of Buildings (i.e. Hotel, or school)
- No    Additional Phase to existing development                      TDHCA#
- No    Scattered Site                      Number of Non-Contiguous Sites:                       Number of Census tracts:

## 2. The Target Population will be:

Elderly

Unit Composition		
Type of Unit	# of Designated Units	% of Total Units in Development
Migrant Farm Workers	0	0%
Victims of Domestic Violence	0	0%
Persons with Disabilities	0	0%
Homeless Populations	0	0%
Persons with alcohol and/or drug addictions	0	0%
Persons with HIV/AIDS	0	0%
Colonia Resident	0	0%
Other: (Specify) <span style="color: blue;">Persons with Special Needs</span>	7	6%

*NOTE: The population percentages above are anticipated at the time of Application submission and the Applicant will not be held to this representation long-term, unless required by TDHCA Program rules and federal Regulations.*

## 3. Staff Determinations regarding definitions of development activity obtained?

- If a determination under §10.3(b) of the Uniform Multifamily Rules was made prior to Application submission, provide a copy of such determination behind this form.

## 4. Narrative

Briefly describe the proposed Development, including any relevant information not already identified above.

Reserve at Arcola is a proposed 124-unit apartment community targeting a senior population to be located on approximately 9.3 acres on Texas 6, Arcola, Fort Bend County, Texas. Reserve at Arcola Senior Living will be a mixed income development consisting of 112 income restricted or HTC units and 12 non-income restricted or market rate units. The development will have one residential building consisting of 1 bedroom/1 bath, and 2 bedroom/1 bath and a clubhouse with a leasing office and certain common amenities for the benefit of the senior residents.

**5. Funding Request:**

Complete the table below to describe this Application's funding request.

Department Funds applying for with this Application	Requested Amount	If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:		
		Interest Rate (%)	Amortization (Years)	Term (Years)
<a href="#">TDHCA HOME</a>				
<b>CHDO Operating Expense</b>				
<a href="#">Housing Tax Credits</a>	\$ 1,260,715			
<a href="#">Private Activity Mortgage Revenue</a>				
<a href="#">Neighborhood Stabilization Program</a>				

**6. Set-Aside (For Competitive HTC & HOME Applications Only)**

Identify any and all set-asides the application will be applying under.

Set-Asides can not be added or dropped from pre-application to full Application for Competitive HTC Applications.

Competitive HTC Only						HOME Only					
At-Risk		Non-Profit		USDA		CHDO			Persons w/Disabilities		

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

**7. Previously Awarded State and Federal Funding**

Has this site/activity previously received or applied for TDHCA funds? No

If "Yes" Enter Project Number: \_\_\_\_\_ and TDHCA funding source: \_\_\_\_\_

Has this site/activity previously received non-TDHCA federal funding? No

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? No

**8. Qualified Low Income Housing Development 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 median gross income, adjusted for family size.



## Finance Scoring (for Competitive HTC Applications ONLY)

Self Score Total: 109

### 1. Commitment of Development Funding by Unit of General Local Government (§11.9(d)(3))

UGLG Funding Amount \$ 38,000  
 Per Unit Funding Amount: 339.2857143

eligible for points:

i. Population	<u>1,642</u>	x 0.15 =	\$ 246	or \$ 15,000 per unit	scoring threshold: \$ 246 per unit	<span style="border: 1px solid black; padding: 2px 5px;">12</span>
ii. Population	<u>1,642</u>	x 0.10 =	\$ 164	or \$ 10,000 per unit	scoring threshold: \$ 164 per unit	<span style="border: 1px solid black; padding: 2px 5px;">11</span>
iii. Population	<u>1,642</u>	x 0.05 =	\$ 82	or \$ 5,000 per unit	scoring threshold: \$ 82 per unit	<span style="border: 1px solid black; padding: 2px 5px;">10</span>
iv. Population	<u>1,642</u>	x 0.025 =	\$ 41	or \$ 1,000 per unit	scoring threshold: \$ 41 per unit	<span style="border: 1px solid black; padding: 2px 5px;">9</span>
v. Population	<u>1,642</u>	x 0.01 =	\$ 16	or \$ 500 per unit	scoring threshold: \$ 16 per unit	<span style="border: 1px solid black; padding: 2px 5px;">8</span>

Firm Commitment from Unit of general Local Government in form of resolution? Yes

Resolution of support from the Governing Body of the city or county in which the Development is located stating that they would provide development funding but have no funding available due to budgetary or fiscal constraints

Total Points Claimed: 13

### 2. Financial Feasibility (§11.9(e)(1))

- Eligible Pro-Forma and letter stating the Development is financially feasible. 0
- Eligible Pro-Forma and letter stating Development and Principals are acceptable. 18

Total Points Claimed: 18

### 3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))

Percent of Units restricted to serve households at or below 30% of AMGI 9.68%

Housing Tax Credit funding request as a percent of Total Housing Development Cost 6.88%

eligible for points:

- Development Leverages CDBG Disaster Recovery, HOPE VI, or Choice Neighborhood Funding 0
- Housing Tax Credit Request < 7% of Total Housing Development Cost 3
- Housing Tax Credit Request < 8% of Total Housing Development Cost 2
- Housing Tax Credit Request < 9% of Total Housing Development Cost 1

*\* Be sure no more than 50% of Developer fees are deferred.*

Total Points Claimed: 3

4.

## Financing Narrative (All Applications)

Briefly describe the complete financing plan for the Development, including the sources and uses of funds, matching funds (if applicable), and any other financing. The information must be consistent with all other documentation in this section.

### Construction Financing

The construction financing for the project will come from two sources.

First, Dougherty Mortgage is providing a HUD 221 D4 loan in the amount of \$5,415,000. This loan will be available for construction funding and will then convert to a permanent loan. The interest rate will be 4.35% (further described in the Perm. Loan section) and the overall loan term will be 40-years, plus the construction period.

The second source of construction financing will be provided by RBC and will represent equity drawn during the construction period. These equity draws will be charged interest at a rate of 4.35%.

The 221 D4 loan will serve as the primary construction loan vehicle. When equity is paid in, amounts on the 221 D4 loan will be paid back, thereby ensuring the 221 D4 loan does not become overdrawn.

### Permanent Loan

Dougherty Mortgage will provide the permanent mortgage (first lien position) in the amount of \$5,415,000. The interest rate will be 4.35% (includes the note rate and MIP), with an anticipated loan constant of 5.394755%, amortized over a 40-year period, with a 40-year plus construction period term. This first mortgage will use the HUD 221 D4 Loan Program. Dougherty's financing letter evidences its review and approval of the credit worthiness of the Applicant and Development Principals.

### Equity

The equity will be advanced from RBC in the amount of \$12,038,627. The exact amount may be adjusted based on adjusters as to be completely defined in the final closing documents. The syndication proceeds are based on a price of \$.955, use of the 9% tax credit rate, a 130% basis boost, and a 99.99% interest, applied to the projected allocation amount of \$1,260,715.

### Local Government Funding

The project has received a commitment of local funds from the City of Arcola in the amount of \$38,000. These funds are an EPA-STAG grant, and will be used as a construction source of funds. This commitment should enable the project to receive maximum points in the Commitment of Development Funding by a Unit of General Local Government category (Section 11.9(d)(3)).

### Deferred Development Fees

Any shortfall between the sources and uses of funds will be filled by the developer deferring a portion of the developer fee to make the project financially feasible. The payment of the developer note will be based on the cash flow of the development and will not bear interest. It is anticipated that the deferred developer fee (currently projected to be \$832,201) will be paid in full prior to 15-years from the placed in service date of the entire development.

The Development Team believes the present financing structure allows TDHCA to most effectively allocate tax credits to create high quality, affordable, service enriched housing.

Stonebridge of Plainview (#13139)

Plainview



**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for Stonebridge of Plainview (#13139);

**WHEREAS**, staff identified six (6) points that the Applicant elected but that the Application did not qualify to receive under §11.9(d)(6) of the 2013 Qualified Allocation Plan related to Community Revitalization Plan; and

**WHEREAS**, the Applicant appealed the scoring notice and requests that the Board award six (6) points;

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the scoring notice for Stonebridge of Plainview (#13139) is hereby denied.

**BACKGROUND**

The Housing Tax Credit Application for Stonebridge of Plainview, located in Rural Region 1, was denied six (6) points requested under the §11.9(d)(1) of the 2013 Qualified Allocation Plan ("QAP"), related to the Community Revitalization Plan ("CRP") scoring item. Because it is for a development located in a rural area, pursuant to §11.9(d)(6)(C) of the QAP, the Application may qualify for points if it includes evidence that the city, county, state, or federal government has approved expansion of certain infrastructure projects in close proximity to the development site. The QAP also includes specific guidance with respect to the required documentation that serves as such evidence, namely a letter from the government official with specific knowledge of the infrastructure project. No such letter was submitted with the Application, and no other supporting documentation of any kind was provided in the Application.

In response to an Administrative Deficiency inquiring about the required documentation, the Applicant produced a letter that appears to meet the requirements of the QAP except that it was not provided in the Application. The letter also appears to have existed prior to the March 1 Application deadline. The rule does not allow this issue to be cured. Specifically, §11.9(a) of the QAP provides:

Due to the highly competitive nature of the program, **Applicants that elect points where supporting documentation is required but fail to provide any supporting**

**documentation or fail to submit supporting documentation in good faith will not be allowed to cure the issue through an Administrative Deficiency.** However, Department staff may provide the Applicant an opportunity to explain how they believe the Application, as submitted, meets the requirements for points or otherwise satisfies the requirement to provide supporting documentation in good faith (emphasis added).

In accordance with this rule, staff did not award the requested point because support documentation was required but was not submitted in the Application.

The Applicant claims in the appeal that they had submitted their documentation in response to the Administrative Deficiency in good faith and that because the omission was purely an unintentional error that the letter should be accepted and considered eligible for points. They concede, however, that it was not originally present in the Application.

Because no supporting documentation was provided with the original Application submission in order to qualify it for points under §11.9(d)(6) of the QAP the points were not recommended and staff recommends denial of the appeal.

# State Street Housing Advisors, L.P.

Affordable Housing Consulting Services

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May 20, 2013

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
Austin, TX 75240

RE: Scoring Appeal - TDHCA #13139 Stonebridge of Plainview

Dear Mr. Irvine,

We wish to appeal staff's decision to deduct six points from application #13139 Stonebridge of Plainview under §11.9(d)(6) Community Revitalization Plan.

Through either a scanning error or simple oversight, the revitalization letter, which we had in hand at the time of submission, was not in the final application when submitted. When we were notified by the department that this item was missing from the application, we immediately emailed the item to the agency. There was no intent to omit and all supporting documentation was sent in good faith. The document was provided and was submitted in good faith as required in the QAP.

Sincerely,



Victoria W. Spicer  
State Street Housing Advisors, LP



# PLAINVIEW, TX

*city of plainview*

February 18, 2013

GS Plainview, L.P.  
C/O Mr. Kelly Garrett  
7110 Baxtershire Drive  
Dallas, TX 75230

RE: Stonebridge of Plainview

Dear Mr. Garrett:

This letter is to confirm the expansion of basic infrastructure and projects in the community that is located within proximity to the GS Plainview, LLC's Stonebridge of Plainview Development Site.

A recent development of Quadraplexes was constructed in 2012-13 on the west side of Mesa Drive between 15<sup>th</sup> Street and 16<sup>th</sup> Street. The following public improvements were made this past year totaling \$271,182:

Water Improvements	8 inch Line Extension	1118 ft.	\$52,001
Sewer Improvements	8 inch Line Extension	1041 ft.	\$69,616
Street Improvements	Paved Alley	826 ft.	\$82,600
Street Improvements	16 <sup>th</sup> and 14 <sup>th</sup> Street Extension	288 ft.	\$66,965

In addition, Covenant Hospital and the Hale County Hospital District will be expanding the local hospital's capacity by at least 25 percent by adding beds, rooms and expanding the total square footage of the hospital. Construction is anticipated to begin in the next 12 months and estimated cost of the expansion will be more than \$50,000,000.

Last, the Texas Department of Transportation will be constructing a new overpass at Southwest 3<sup>rd</sup> Street and Interstate Highway 27 and converting the Interstate Highway 27 frontage roads to One-Way Service Road beginning at Southwest 3<sup>rd</sup> Street and ending at Highway 194 (Dimmitt Highway). Construction started in February 2013 and the cost of this project is estimated at \$18,000,000.

If you have any questions regarding the public improvements or projects in the community, please do not hesitate to contact me at (806) 296-1129.

Sincerely,

  
Jeffrey Snyder  
Assistant City Manager

4800 Berkman (#13159)

Austin

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JUNE 13, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for 4800 Berkman (#13159);

**WHEREAS**, staff awarded eight (8) out of a possible ten (10) points under §11.9(e)(2) of the 2013 Qualified Allocation Plan related to Cost of Development per Square Foot; and

**WHEREAS**, the Applicant appealed the scoring notice and requests that the Board award ten (10) points;

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the scoring notice for 4800 Berkman (#13159) is hereby denied.

**BACKGROUND**

The Housing Tax Credit Application for 4800 Berkman, located in Urban Region 7, was awarded eight (8) points under the §11.9(e)(2) of the 2013 Qualified Allocation Plan ("QAP"), related to the Cost of Development per Square Foot scoring item. The QAP provides for Applications to be eligible for points based on the Building Costs per square foot presented in the Application relative to the mean cost per square foot for all other Applications proposing similar development types. Specifically, Applications are first categorized by development type (rehabilitation, elderly, single family, etc.) and the average cost per square foot of all of those Applications is calculated. If an Application indicates that the cost per square foot of the proposed development is within 10% of that average, then the Application is awarded ten (10) points. In addition, there is a "safe harbor" for Applications that fall below a certain threshold of cost per square foot; those Application are eligible for eight (8) points regardless of how much their costs vary from the calculated mean. Applications proposing developments located in high opportunity areas may be eligible for ten (10) points regardless of the variance from the mean as well.

This scoring criterion is explicit in its description of the required calculations and method to determine eligibility for points. These methods are thoroughly explained in the QAP, the manual, and the application workshops. The Applicant, in their appeal, does not claim that staff performed the calculation incorrectly but seeks the Board's exercise of discretion to accommodate them. While it is accurate to say that the intent of the rule was both to generate accurate costs from Applicants as well as encourage Applicants to control costs, the rule was not crafted with a specific result in mind, particularly

with respect to a single score on a singular Application. The Applicant also points to the possibility that the calculation is not statistically sound since some Applications with high costs “skewed” the mean. Again, this is not relevant and the rules do not call for statistical significance as the calculation required does not employ more advanced statistical methods. While an alternate method of performing the calculation was discussed, that alternate method was ultimately not adopted as part of the rule. The Applicant’s appeal is more comment on the rule itself and is misplaced as part of an appeal considering there is no evidence that staff did not correctly apply the rule as written when awarding points for this Application.

Staff recommends denial of the appeal.



May 27, 2013

Tim Irvine  
Texas Department of Housing & Community Affairs  
P.O. Box 13941  
Austin, Texas 78711-3941

Re: 4800 Berkman – TDHCA #13159

Dear Tim:

Please accept this letter as appeal of the scoring notice dated May 20, 2013 relating to “Cost of Development per Square Foot.” This application, which originally received 10 out of 10 points for this scoring item, lost 2 points after TDHCA staff continued to perform its analysis. It is our position that penalizing non-high opportunity deals for not being within 10% of the “mean” is unjust given that the mean as calculated by the staff is statistically inaccurate for several reasons.

For this scoring item, the QAP requires that, to earn the full ten points, an application either has to be lower than \$80 in terms of cost per square foot if in a high opportunity area, or within 10% of the mean. Because 4800 Berkman is not in a high opportunity area, the cost per square foot had to be within the 10% of the mean, but it was ultimately determined that it was 10.1% lower than the mean (or in real dollars, a mere \$12,568 less than the mean), so it received 8 instead of the full 10 points. The fact that 4800 Berkman deal came out on the low end of the mean is very surprising, given that this development is truly a high cost development—a three-four story vertical mixed-use development, with a great deal of store front glass, architectural articulation, and a high percentage of non-leasable space.

Staff advocated for this concept of a mean in this year’s QAP with the hopes that it would encourage developers to submit “true costs.” Staff admits that, with the last minute addition to the QAP of the \$80 safe harbor for high opportunity areas, the point category was not successful in achieving its intended purposes. Because applicants in high opportunity areas could go up to \$80 per square foot in their applications and still receive the maximum score, the mean was greatly skewed to the high side. If you consider the 44 applications grouped in the “high cost development” category, 29 out of 44 applications were high opportunity so those 29 applications indicated construction pricing that was well into the \$70 range and in some cases, just under the \$80 per square foot safe harbor. The other 15 applications reflected cost per square foot calculations that were in the range of \$52 per square foot to \$67 per square foot, with most in the \$60 to \$65 per square foot range. 4800 Berkman squarely fit within that range at \$61.35 per square foot, yet the mean was skewed up to \$68.25 due to all the high opportunity deals who increased their price into the \$70 range because they were safe up until \$80. Of the



15 applications that were not in high opportunity areas, 10 of those application received only 8 points and only 5 received the full 10 points. This is a very unjust result that prejudices a whole category of applications, especially considering that these 15 applications were the ones with no choice but to give their “true costs.”

The other significant problem with the methodology is that a more statistically sound approach would have been to eliminate the highest and lowest cost per square foot results prior to establishing the mean. In fact, this methodology was discussed as the approach staff would use for this scoring item, but it was not incorporated into the QAP language. Unfortunately, this omission is another factor in the mean as calculated not being statistically accurate. For instance, in the “high cost development” category, the application with the highest cost per square foot is \$146.95, which is more \$96 higher than the lowest, and more than \$66 higher than the \$80 safe harbor for high opportunity deals. It was also 115% higher than the mean, while all other applications were within 20%. This one application alone skewed the mean significantly upward by approximately \$1.50, and resulted in 27 applications being lower than the mean and only 17 applications being higher than the mean. If the lowest and highest were eliminated before calculating the mean, the mean would have been \$66.78, instead of \$68.25, and it would have been more statistically accurate.

In closing, we appeal the loss of 2 points for the cost per square foot scoring item, because the methodology in determining the mean is statistically inaccurate. We appreciate your time and considerations. Please contact me directly should you have any questions or concerns.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC



Janine Sisak  
Senior Vice President/General Counsel

Artspace El Paso Lofts (#13166)

El Paso

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**JULY 11, 2013**

Presentation, Discussion, and Possible Action on Timely Filed Appeals under any of the Department's Program or Underwriting rules

**RECOMMENDED ACTION**

**WHEREAS**, a 2013 competitive housing tax credit scoring notice was provided to the Applicant for Artspace El Paso Lofts (#13166);

**WHEREAS**, staff identified two (2) points that the Applicant elected but that the Application did not qualify to receive under §11.9(c)(6) of the 2013 Qualified Allocation Plan related to locating in an Underserved Area (10 TAC §11.9(c)(6));

**WHEREAS**, staff also deducted one (1) point under §11.9(f)(1) for failing to document eligibility for the points elected in the Application self score form for locating the Development in an Underserved Area; and

**WHEREAS**, the Applicant appealed the scoring notice and requests that the Board award two (2) points under §11.9(c)(6) and not deduct the one (1) point under §11.9(f)(1);

**NOW, therefore, it is hereby**

**RESOLVED**, the Applicant's appeal of the scoring notice for Artspace El Paso Lofts (#13166) for awarding of the two (2) points under 10 TAC §11.9(c)(6), Underserved Area points, is hereby denied; and

**FURTHER RESOLVED**, the Applicant's appeal of the scoring notice for Artspace El Paso Lofts (#13166) for assessing a one (1) point deduction under 10 TAC §11.9(f)(1), is hereby granted.

**BACKGROUND**

At the May 9, 2013 Board meeting, the Board considered action on an agenda item relating to the awarding of points for location in an Economically Distressed Area (EDA). An EDA qualifies as an Underserved Area for purposes of the awarding of points under 10 TAC §11.9(c)(6)(B). The issues revolve around how an Applicant that elected points can sufficiently document eligibility for the scoring item and whether a point deduction should be applied in instances where the Applicant is not found to be eligible for the elected points. The Board ultimately directed staff to allow each of applications that elected these points come before the Board through the appeal process such that the Board could handle them on a case by case basis.

At the June 13, 2013 Board meeting the Board heard appeals for two other applications in very similar circumstances. In each of those instances, the Board denied the appeals for the EDA points but granted the appeals of the one (1) point deduction.

Following is a more robust description of the issues surrounding this scoring item followed by a description of the documentation provided by the Applicant for Artspace El Paso Lofts to evidence eligibility. The Applicant's full appeal is attached to this Board Action Request.

### Summary of Issues

The multifamily rules define an EDA as, "An area that has been identified by the Water Development Board as meeting the criteria for an economically distressed area under Texas Water Code, §17.921." (10 TAC §10.3(a)(40)) This section of the Texas Water Code is referenced several times in Chapter 2306 of the Texas Government Code when citing economically distressed areas and is defined in the Texas Water Code for the purpose of administering water infrastructure funding by the TWDB. Moreover, the definition in the Water Code reserves the designation of EDA for the TWDB. The EDA definition in the Texas Water Code is as follows:

"Economically distressed area" means an area in which:

- (A) water supply or sewer services are inadequate to meet minimal needs of residential users as defined by board rules;
- (B) financial resources are inadequate to provide water supply or sewer services that will satisfy those needs; and
- (C) an established residential subdivision was located on June 1, 2005, as determined by the board.

Texas Water Code §17.921(1)

\*The "board" is defined in §17.001(1) of the Texas Water Code as the "Texas Water Development Board."

Staff initially provided applicants guidance that one clear way to support an election of points under the QAP for being located within an EDA was to provide a letter from the TWDB reflecting that the site is located within an EDA as defined by §17.921 of the Texas Water Code. However, the TWDB does not have an established process for designating EDAs in any instance other than for the explicit purpose of evaluating an application for TWDB funding. Many applicants contacted the TWDB and were unable to obtain such a letter. As the March 1, 2013 application deadline approached, staff received several calls from the TWDB and met with the staff of the TWDB on multiple occasions in an effort to identify a process by which an applicant could establish whether or not their development site was located within an EDA. However, no workable solution was identified. Staff provided guidance that applicants should exercise caution in electing points under this selection criterion due to the absence of another known and clear method of establishing that a site is within an EDA.

Generally, an Applicant that claims points for a particular selection criterion but is unable to provide sufficient supporting documentation would be subject to a one (1) point deduction under §11.9(f)(1) of the QAP. This deduction was established for the purpose of discouraging applicants from electing points for items in which an applicant had no solid basis for claiming the points. In the preamble to the rules presented to the Board in November 2012, staff provided the following reasoned response relating to the penalty deduction:

Staff recommends keeping the point deductions in place for the 2013 program year for those items that the developer applicant should clearly know are not properly supported, despite the changes to the QAP. Because staff performs full reviews on applications that appear to be competitive, it is imperative that applicants accurately self-score their applications. If applicants elect points in good faith and those points are ultimately not awarded, staff will not deduct additional points. However, staff wants to discourage applicants from requesting points for which they have no reasonable assumption of qualifying.

In response to commenter (58) regarding the points associated with underserved areas, particularly the economically distressed areas, staff will make it clear in the multifamily programs procedures manual what evidence will be acceptable in order to qualify for points. In that specific case, staff will require a letter from the Texas Water Development Board. If the applicant requests these points and is not able to produce such a letter, then staff would deduct points. In addition, should the original calculation for leveraging points be inconsistent with the requested points, staff would not deduct points, even if after underwriting that score may change. Staff appreciates the support of commenter (46).

While applicants were clearly on notice that a point deduction might be assessed in instances in which a TWDB letter was not submitted to support an election for location in an EDA, staff is posing, on a case by case basis, whether the Board believes, in light of the way applicants seeking to claim this scoring item encountered unanticipated obstacles, a one (1) point deduction is warranted. At the time the preamble was written, staff believed that a letter from the TWDB was a reasonable method to support an election for location in an EDA. However, a clear process for obtaining that letter was not available prior to the application deadline, and some applicants attempted to find alternative supporting documentation despite no change in guidance from staff regarding such alternative evidence. Staff appreciates that some applicants may have chosen not to elect these points even though they may have also obtained alternative supporting documentation; these applicants chose not to risk any assessment of a point deduction by deviating from staff's guidance by claiming the EDA point with some alternative supporting documentation not consistent with staff guidance. Their decision not to elect points may have been different if no risk of a point deduction had existed. However, staff also believes that the Board has sufficient discretion, given the preamble language that good faith point elections would not result in a point deduction, to direct staff not to apply the point deduction to applications electing the EDA points in cases in which some supporting documentation was provided, even if such documentation is insufficient for the points to be awarded.

#### Documentation provided by Applicant

In this instance, the Applicant for Artspace El Paso Lofts provided documentation from the El Paso Water Utilities Public Service Board to evidence eligibility for the two (2) Underserved Area points elected in the Application but was unable to provide a letter from the TWDB.

The letter indicates that El Paso County in its entirety has been designated by the TWDB as an EDA under §17.921 of the Texas Water Code. The documentation also provides median income information to support one prong of the definition used by the TWDB. However, staff is concerned about the

assertion that TWDB has designated the entire county an EDA. Certain infrastructure projects in El Paso County have been funded through the EDAP program but the boundaries for such projects are not clear in publically available documentation. Moreover, clear documentation of such a broad designation by TWDB was not provided.

The Applicant requests that, whether the Board awards these two (2) points or not, the one (1) point deduction not be assessed. The full appeal is attached hereto.

Staff Recommendation

Staff recommends denial of the appeal of two (2) points for location in an EDA and granting of the appeal related to the one (1) point deduction.



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February 28, 2013

TDHCA

221 East 11<sup>th</sup> Street

Austin, TX 78701

RE: Artspace El Paso Project

601 North Oregon Street El Paso Texas

To Whom it May Concern:

El Paso County has been designated by the Texas Water Development Board as an Economically Distressed Area under the Texas Water Code Section 17.921.

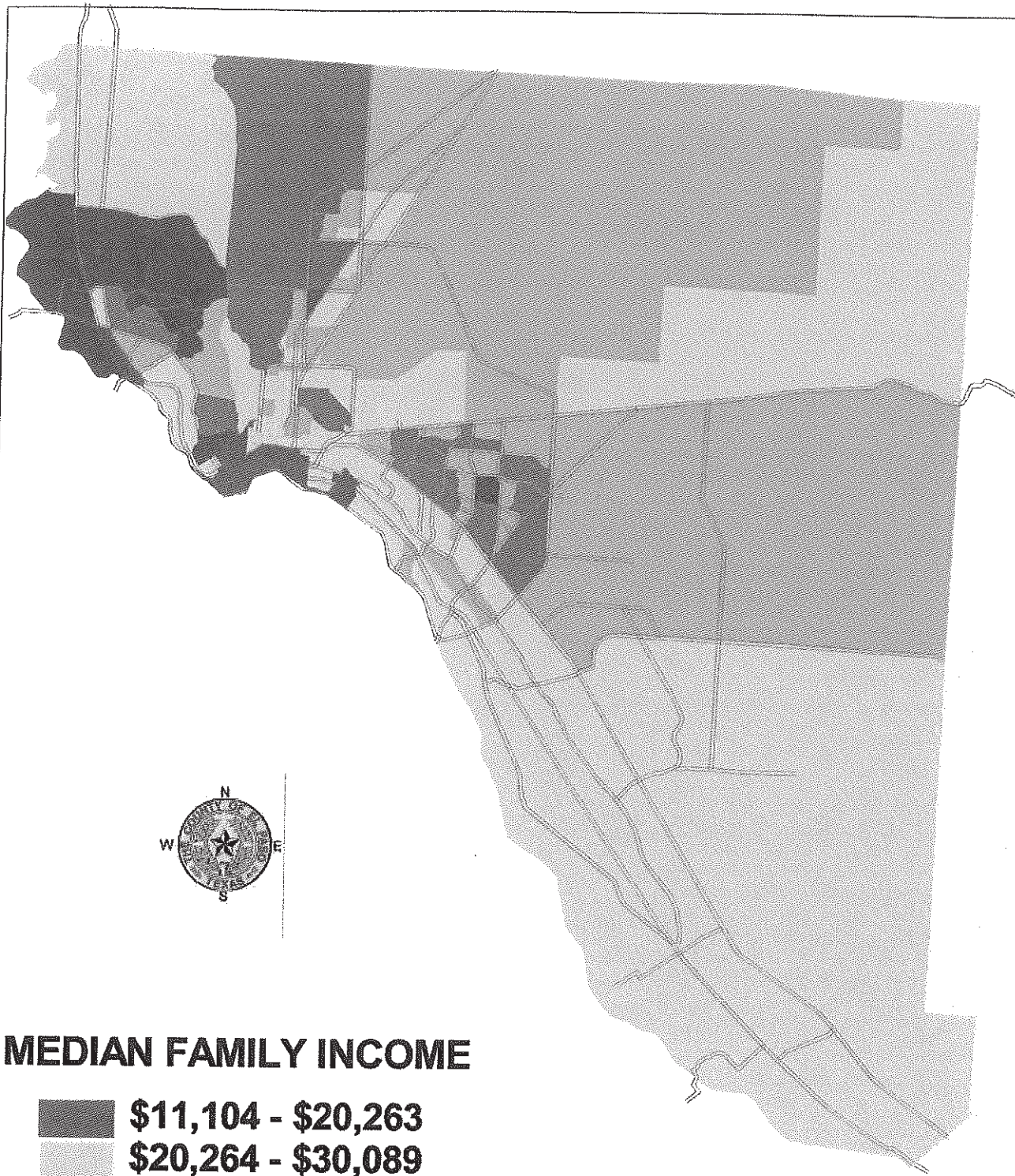
Supporting documentation is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Balliew". The signature is fluid and cursive.

John E. Balliew, P.E.

President and CEO



## MEDIAN FAMILY INCOME

	<b>\$11,104 - \$20,263</b>
	<b>\$20,264 - \$30,089</b>
	<b>\$30,090 - \$41,574</b>
	<b>\$41,575 - \$56,875</b>
	<b>\$56,876 - \$84,098</b>

Source: U.S. Census Bureau, Census 2000





EDMUND G. ARCHULETA, P.E.

March 21, 2011

Mr. Tom Mahon  
Program Development, Project Finance  
Texas Water Development Board  
1700 Congress Ave.  
Austin, TX 78701

RE: EDAP designation for EPWU service area.

Mr. Mahon:

This is to advise you that El Paso Water Utilities currently meets the requirements for EDAP designation based on the 2005- 2009 American Community Survey done by the U.S. Census Bureau. Summarized in the table below, the City of El Paso's Annual Median Household Income (AMHI) is 75% of the State of Texas' AMHI.

Table 1: City of El Paso and State of Texas AMHI

Area	Annual Median Household Income (AMHI)	Percent
Texas	48,199	
City of El Paso	36,147	75.0%

Source: 2005-2009 American Community Survey - U.S. Census Bureau

We look forward to working with you on funding some of El Paso Water Utilities' projects through the Texas Water Development Board. Please let me know if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Archuleta", with a long horizontal stroke extending to the right.

Edmund G. Archuleta, P.E.  
President and CEO  
El Paso Water Utilities

cc: Melaine Callahan, Interim Executive Administrator, TWDB  
Amanda Lavin, Deputy Executive Director, TWDB  
EPWU Staff

P.O. BOX 511 • EL PASO, TX 79961-0001 • PHONE: 915-594-5501 • FAX: 915-594-5699



June 24, 2013

Mr. Tim Irvine, Executive Director  
Texas Department of Housing and Community Affairs  
221 E 11<sup>th</sup> St  
Austin, TX 78701

Re: Appeal of Loss of Points and Penalty Point for Application No. 13166, Artspace El Paso Lofts

Dear Mr. Irvine:

In response to the Scoring Notice for Application No. 13166, Artspace El Paso Lofts in El Paso, TX (the, "Application"), we would like to appeal the loss of points associated with 11.9(c)(6)- Underserved Area and the one point penalty assessed according to 11.9(f)(1)- Point Deductions.

Section 5 of the scoring notice specifically sites the following provisions as the basis for the two point deductions and the penalty point: The applicant did not submit a letter from the Texas Water Development Board (TWDB) indicating that the development site is located in an economically distressed area (EDA); and then also states that the applicant did not submit sufficient documentation for staff to award points.

The applicant was unable to obtain a letter from the TWDB, and in good faith thought it was submitting alternative documentation that demonstrated its location in an EDA- namely documentation from the El Paso Water Service Public Utilities Board confirming the Applicant's location in an EDA, and a map demonstrating its location in an EDA. Based on the due diligence that the Applicant submitted in the application, we felt that it was clear that the project was located in an EDA, and up to staff discretion to award points given the fact that the TWDB was unwilling to give letters to applicants.

We feel that the information that we submitted in the Application demonstrates that we are located in an EDA, and submitted the due diligence in the application in a good faith effort to demonstrate that we meet the requirement. We request that we are able to reinstate both the two EDA points, and the one point penalty assessed according to 11.9(f)(1).

Please do not hesitate to contact me with any questions regarding this request.

Best regards,



Sarah White  
Director, Property Development

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**artspace**

Low Income Housing, Inc.

Building better communities through the arts  
250 3rd Avenue N/Suite 500/Minneapolis, MN 55401  
P: 612-333-9012/F: 612-333-9089/W: [www.artspace.org](http://www.artspace.org)



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**Housing Tax Credit Program - 2013 Application Round**  
**Scoring Notice - Competitive Housing Tax Credit Application**

**Appeal Election Form: 13166, Artspace El Paso Lofts**

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2013 scoring notice and am filing a formal appeal to the Executive Director on or before Tuesday, June 25, 2013.

**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 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. 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.

Signed Sarah White  
Title Director, Property Development  
Date June 19, 2013

Please fax or email to the attention of Jean Latsha:  
Fax: (512) 475-0764 or (512) 475-1895  
Email: <mailto:jean.latsha@tdhca.state.tx.us>



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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June 26, 2013

Writer's direct phone # 512-475-3296  
Email: [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)

Ms. Sarah White  
Director, Property Development  
Artspace Low Income Housing, Inc.  
250 3<sup>rd</sup> Avenue North, Suite 500  
Minneapolis, MN 55401

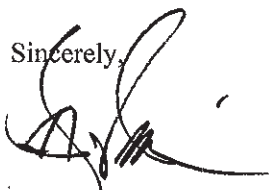
RE: DENIAL OF SCORING NOTICE APPEAL FOR HTC APPLICATION #13166 ARTSPACE EL PASO LOFTS, EL PASO, TEXAS.

Dear Ms. White:

We have received your letter dated June 24, 2013, appealing the loss of two (2) points and assessment of one (1) penalty point on the above referenced Application. The point losses were assessed by staff according to §11.9(c)(6) of the Qualified Allocation Plan ("QAP"), related to Underserved Area and §11.9(f)(1) of the QAP, related to Point Deductions. Two (2) points were deducted because the Applicant was unable to provide evidence in the form of a letter from the Texas Water Development Board that the development site is located in an economically distressed area. In addition, the one (1) point deduction was applied to the Application because the Applicant elected points for a scoring item and was ultimately unable to provide sufficient evidence to substantiate those points.

The subject of your appeal, in general, was presented to the Department's Governing Board at the meeting on May 9, 2013. At that meeting the Board determined it would consider these on a case by case basis. Therefore, staff has denied the points under §11.9(c)(6) of the QAP and deducted a point under §11.9(f)(1) of the QAP, putting in place the full range of possible outcomes as the Board considers each case individually. Staff was also directed to bring any appeals of these determinations to be heard by the Board. Therefore, in lieu of a formal response from the Executive Director with respect to this appeal, this letter serves as notice that your appeal will be placed on the agenda for the next meeting, currently scheduled for **July 11, 2013**.

If you have any questions, please contact Cameron Dorsey at 512-475-2213 or at [cameron.dorsey@tdhca.state.tx.us](mailto:cameron.dorsey@tdhca.state.tx.us).

Sincerely,  
  
Timothy K. Irvine  
Executive Director

