BOARD BOOK
OF
January 13, 2022

Leo Vasquez III, Chair

Paul Braden, Vice-Chair

Sharon Thomason, Member

Ajay Thomas, Member

Brandon Batch, Member

Kenny Marchant, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT**

Fiscal Year 2021 (September 1, 2020, through August 31, 2021)

Owner Financing and Down Payment

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

Programs:

- Single Family Homeownership

Expended Funds: $2,441,964,228
Total Households Served: 12,253

Energy Related Assistance

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

Programs:

- Comprehensive Energy Assistance Program (CEAP)
  - Weatherization Assistance Program (WAP) , Expended Funds: $169,004,773

Total Households Served: 189,728

Multifamily New Construction

- Affordable rental units financed and developed

Programs:

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

Expended Funds: $146,034,415
Total Households Served: 7,950

Homelessness Services

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

Programs:

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

Expended Funds: $38,053,940
Total Individuals Served: 58,165

Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

Programs:

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

Expended Funds: $145,469,775
Total Households Served: 5,014

Supportive Services

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

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds: $68,214,082
Total Individuals Served: 460,743

Owner Rehabilitation Assistance

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

Programs:

- Homeowner Reconstruction Assistance Program (HRA)*
- Amy Young Barrier Removal Program

Expended Funds: $12,626,844

- Total Households Served: 211

Rental Assistance

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

Programs:

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

Expended Funds: $26,014,486
Total Households Served: 4,821

Single Family Development

- Single family development, reconstruction, rehabilitation
- NSP, Do-it-yourself, "sweat equity" construction (bootstrap), rehabilitation, Contract for Deed refinance

Programs:

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

Expended Funds: $2,234,286
Total Households Served: 49

Total Expended Funds: 3,070,372,721
Total Households Served: 741,982

All FY2021 data as reported in TDHCA's 2021 performance measures.

Note: Some households may have been served by more than one TDHCA program. For some programs, allocation is used as a proxy for expenditures. Because of timing of funds request, the funds expended for the quarter may be readjusted substantially by year end.

** Administered through the federally funded HOME Investment Partnerships Program*
*** Does not include federal pandemic response funds*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
10:00 AM
January 13, 2022

John H. Regan Building, JHR 140
1400 Congress Ave
Austin, Texas 78701

CALL TO ORDER
ROLL CALL — **Leo Vasquez, Chair**
CERTIFICATION OF QUORUM

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

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

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

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

EXECUTIVE

a) Presentation, discussion, and possible action on Board meeting minutes summary for December 9, 2021 — **Beau Eccles**, Board Secretary

ASSET MANAGEMENT

b) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application — **Rosalio Banuelos**, Director of Asset Management

93121 The Life at Westpark I Houston

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

02009 Summit at Benavides Park San Antonio

BOND FINANCE

d) Presentation, discussion, and possible action on Inducement Resolution No. 22-014 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority — **Teresa Morales**, Director of Multifamily Bonds

This will be an open, public meeting conducted under Tex. Gov't Code, chapter 551, without COVID-19 emergency waivers. There will not be a remote online or telephone option for public participation. The meeting, however, will be streamed online for public viewing. Masks will be available for members of the public who wish to attend this public meeting.

22611 The Rhett Austin

RULES

e) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and an order adopting new 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and directing their publication in the Texas Register — **Rosalio Banuelos**, Director of Asset Management

f) Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule, the proposed new 10 TAC Chapter 8, Project Rental Assistance Program Rule, and directing their publication for public comment in the Texas Register — **Spencer Duran**, Director Section 811

g) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, and an order adopting the new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing its publication in the Texas Register for adoption — **Cody Campbell**, Director of Multifamily Programs

LEGAL

h) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Gateway Apartments (HTC 94093 / CMTS 1246) — **Jeff Pender**, Deputy General Counsel

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Media Analysis and Outreach Report (November 2021) — **Michael Lyttle**, Director of External Affairs

b) Report on TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives — **Brooke Boston**, Deputy Director of Programs

ACTION ITEMS

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions[1] — **Leo Vasquez**, Chair

ITEM 3: EXECUTIVE

a) Executive Director's Report — **Bobby Wilkinson**, Executive Director, TDHCA

b) Report on the 2023 QAP Development Plan — **Brooke Boston**, Deputy Director of Programs

ITEM 4: RULES

Presentation, discussion, and possible action on an order proposing the repeal, and proposed new rule, for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of Federally Declared Disasters, and an order directing their publication for public comment in the Texas Register — **Brooke Boston**, Deputy Director of Programs

ITEM 5: HOME AMERICAN RESCUE PLAN

Presentation, discussion and possible action on approval of a Draft HOME-ARP Plan to be released for public comment and to release Notices of Funding Availability after Plan acceptance — **Naomi Cantu**, Director of HOME ARP

ITEM 6: HOMEOWNER ASSISTANCE FUND

Presentation, discussion, and possible action on delegation of authority to the Department's Executive Director or designee to make up to $10,000,000 in awards to HUD-Approved Housing Counseling Agencies to provide housing counseling and homebuyer education services for the Homeowner Assistance Fund — **Tanya Birks**, Director of Homeowner Assistance Fund

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[1] Note: the Chair is not restricted by this item, and may call for an Executive Session at any time during the posted meeting.

ITEM 7: MULTIFAMILY FINANCE

Cody Campbell
Director of Multifamily Programs

a) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.1003(b) of the 2022 Qualified Allocation Plan relating to the Maximum Supplemental Request Limit for The Villas at Pine Grove (#19364) in Lufkin
b) Presentation, Discussion, and Possible Action regarding a Request for Rural Designation under 10 TAC §11.204(5)
c) Presentation, discussion, and possible action regarding awards from the Multifamily Direct Loan (MFDL) 2021-3 Notice of Funding Availability (NOFA), as amended

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

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

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

Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;

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

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

OPEN SESSION

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

ADJOURN

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Kathleen Vale Castillo, 512-475-4144, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Kathleen Vale Castillo, al siguiente número 512-475-4144 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

JANUARY 13, 2022

Presentation, discussion, and possible action on the Board meeting minutes summary for December 9, 2021

RECOMMENDED ACTION

Approve the Board meeting minutes summary for December 9, 2021

RESOLVED, that the Board meeting minutes summary for December 9, 2021, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
December 9, 2021

On Wednesday, the tenth day of November 2021, at 9:05 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held in Room JHR 140 of the John H. Reagan Building, 1400 Congress Avenue, Austin, Texas.

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

- Leo Vasquez, III, Chair
- Paul Braden, Vice Chair
- Brandon Batch
- Kenny Marchant
- Ajay Thomas

Mr. Vasquez served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as Secretary.

1) The Board unanimously adopted a resolution recognizing December 21, 2021, as Homeless Persons Memorial Day in Texas.

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

3) Action Item 3 -- Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no action.

4) Action Item 4(a) – Report on the meeting of the Internal Audit and Finance Committee – was presented by Mr. Thomas, Chair of the Board's Audit and Finance Committee. The Board heard the report and took no action.

5) Action Item 4(b) – Presentation, discussion, and possible approval of the Annual Internal Audit Plan for Fiscal Year 2022 – was presented by Mark Scott, TDHCA Director of Internal Audit. The Board unanimously approved staff recommendation to approve the plan.

6) Action Item 5 – Presentation, discussion and possible action on approval of a Draft HOME ARP Plan to be released for public comment and to release Notices of Funding Availability after Plan acceptance – was pulled from the agenda and not heard.

7) Action Item 6(a) – Presentation, discussion, and possible action on Resolution No. 22-013 authorizing the issuance, sale and delivery of Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Series 2022A, approving the form and substance

of related documents, authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution, and containing other provisions relating to the subject – was presented by Monica Galuski, TDHCA Director of Bond Finance. The Board unanimously approved staff recommendation to adopt the Resolution No. 22-013 regarding the issuance, sale and delivery of TDHCA Residential Mortgage Revenue Bonds, Series 2022A, and related documents, all as expressed in the Board action request.

8) Teresa Morales, TDHCA Director of Multifamily Bonds, presented Action Item 6(b) – Quarterly report relating to staff-issued Determination Notices for 2021 Noncompetitive 4% Housing Tax Credit applications and summary of year-end activity. The Board heard the report and took no action.

9) Action Item 7 – Presentation, discussion, and possible action on delegation of authority to the Department's Executive Director or designee to make up to $8.5 million in awards to eligible organizations to provide outreach and application intake assistance for the Homeowner Assistance Fund – was presented by Ms. Galuski. The Board unanimously approved staff recommendation to grant the Executive Director and his designee the authority to make awards to eligible organizations to provide outreach and application intake assistance for the Homeowner Assistance Fund, as expressed and conditioned in the Board action request.

10) Action Item 8(a) – Presentation, discussion, and possible action on a waiver of certain amenity requirements in 10 TAC §11.101(b)(4) (Commons at St. Anthony's Application #20042 (HTC) and #21506 (MFDL)) – was presented by Cody Campbell, TDHCA Director of Multifamily Finance. The Board unanimously approved staff recommendation to grant the waiver of the 10 TAC Section 11.101(b)(4)(m) to the Commons at St. Anthony's in Amarillo, subject to the conditions as expressed in the Board action request.

11) Action Item 8(b) – Presentation, discussion, and possible action on timely filed appeal of allocation procedures for 2022 supplemental Housing Tax Credits – was pulled from the agenda and not heard.

12) Action Item 8(c) – Presentation, discussion, and possible action regarding an award from the Multifamily Direct Loan (MFDL) 2021-1 Notice of Funding Availability (NOFA), as amended 21515 Southton Apartments – was presented by Charlotte Flickinger, TDHCA Multifamily Direct Loan Manager. The Board unanimously approved staff recommendation to award National Housing Trust Funds from the 2021-1 Notice of Funding Availability to Southton OZ, LLC, for Southton Apartments in San Antonio, subject to the conditions and revised deadlines, as expressed in the Board action request.

13) Action Item 8(d) – Presentation, discussion, and possible action regarding awards from the Multifamily Direct Loan (MFDL) 2021-3 Notice of Funding Availability (NOFA), as amended for 21502 Lockwood South, 21510 Avanti at Viking Hills, 21512 Dallas Stemmons, and 21521 Palladium W. Francis – was presented by Ms. Flickinger with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously approved staff

recommendation to make the awards, subject to the condition that none of the four referenced applicants seek supplemental housing tax credits in the 2022 program.

- Toby Williams, representing 21510 Avanti at Viking Hills, provided information on the item
- Donna Rickenbacker, Marque Real Estate Consultants, provided information on the item
- Homero Cabello, TDHCA Deputy Executive Director, provided information on the item

14) Action Item 9(a) – Presentation, discussion, and possible action regarding the adoption of a final order concerning termination of CEAP and CSBG funding and contracts, and CEAP Provider and CSBG Eligible Entity status, of Galveston County Community Action Council, Inc. (SOAH Docket #332-21-2743.HCA) – was presented by Michael De Young, TDHCA Director of Community Affairs, with additional information from Mr. Wilkinson and Megan Sylvester, TDHCA Federal Compliance Counsel.

Following public comment (listed below), the Board unanimously approved staff recommendation to approve and accept the Proposal for Decision in State Office of Administrative Hearings Docket No. 332-21-2743, including the findings of fact and conclusions of law contained therein, and based on these findings and conclusions, that the Board ordered that, one, any existing GCCAC CEAP and CEAP CARES contracts and funding, as well as their CEAP provider status be terminated; two, any GCCAC CSBG and CSBG CARES contracts and funding, as well as their Eligible Entity status, be terminated immediately upon the end of the review period outlined in 42 U.S.C. Section 9915(b); and three, that this order by the Board be considered final upon signature today (December 9, 2021), due to the circumstances that create public peril in delaying finality of this decision, all as expressed in the Board action request.

- Amos Sowell, President of the Board of the Galveston County Community Action Council (GCCAC), testified in opposition to staff recommendation
- Sonia Boone, GCCAC staff, testified in opposition to staff recommendation

15) Action Item 9(b) – Presentation, discussion, and possible action on the selection of subrecipients to administer the Low Income Home Energy Assistance Program Comprehensive Energy Assistance Program in Brazoria, Fort Bend, Galveston, and Wharton counties (the service area previously served by Galveston County Community Action Council, Inc.) – was presented by Mr. De Young.

The Board unanimously adopted staff recommendation to approve the award of 2021, 2022 and American Rescue Plan Act's CEAP funds and contracts and designation of permanent network provider to receive CEAP funds from Brazoria, Fort Bend, Galveston and Wharton counties to BakerRipley, Combined Community Action, and Economic Action Committee of the Gulf Coast, all as expressed in the Board action request item.

16) Action Item 9(c) – Presentation, discussion, and possible action regarding authorization to proceed with the procurement of a statewide weatherization provider to support the Weatherization Assistance Program in the provision of home weatherization assistance to low income Texans, and authorization, if necessary, to amend the 2021 DOE WAP State Plan and the 2022 LIHEAP State Plan to effectuate the procurement of a statewide WAP provider and submit such amended Plans to the U.S. Department of Energy and U.S. Department of Health and Human Services – was presented by Mr. De Young with additional information from Mr. Wilkinson.

The Board unanimously approved staff recommendation to grant the Executive Director and his designees the authority to make any necessary amendments to the 2021 Department of Energy State Plan and 2022 LIHEAP State Plan to reflect the procurement of a statewide or regional weatherization assistance provider or providers to support the Department and the WAP network and release a request for proposal for such a statewide or regional provider or providers, all as expressed in the Board action request.

17) Action Item 9(d) – Presentation, discussion, and possible action regarding authorization to proceed with the procurement of a statewide Community Energy Assistance Program and Low Income Household Water Assistance Program provider to support subrecipients in the provision of utility assistance to low income Texans, and authorization to amend the 2022 LIHEAP State Plan and the LIHWAP State Plan to effectuate the procurement of a statewide CEAP and LIHWAP provider and submit such amended Plans to the U.S. Department of Health and Human Services – was presented by Mr. De Young with additional information from Mr. Wilkinson.

The Board unanimously approved staff recommendation to grant the Executive Director and his designees the authority to make any necessary amendments to the 2022 Low Income Home Energy Assistance Program State Plan, and Low Income Household Water Assistance State Plan to reflect the procurement of a statewide community energy assistance program and LIHWAP provider to support the Department, low income Texans in the CEAP and LIHWAP network, and release a request for proposal for such a statewide provider or providers, all as expressed in the Board action request.

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

There being no further business to come before the Board, the meeting adjourned at 11:07 a.m.   The next meeting is set for Thursday, January 13, 2022.

____
Secretary

Approved:

____
Chair

1b

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application for The Life at Westpark I (HTC #93121)

RECOMMENDED ACTION

WHEREAS, The Life at Westpark I (the Development) received an award of 9% Housing Tax Credits (HTCs) in 1993 for the construction of 168 units of multifamily housing in the Houston, Harris County;

WHEREAS, 14100 Rio Bonito Road Houston LLC (Development Owner or Owner) is requesting approval for a change in the Development site acreage from 19.3347 to 17.9767 acres, a reduction of 1.3577 acres, which results in a 7.55% change in residential density from 8.689 to 9.345 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

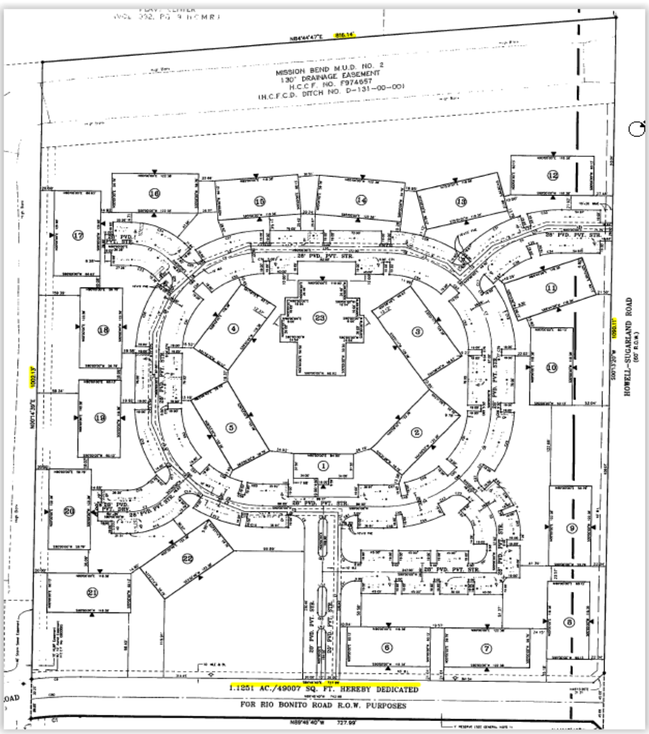
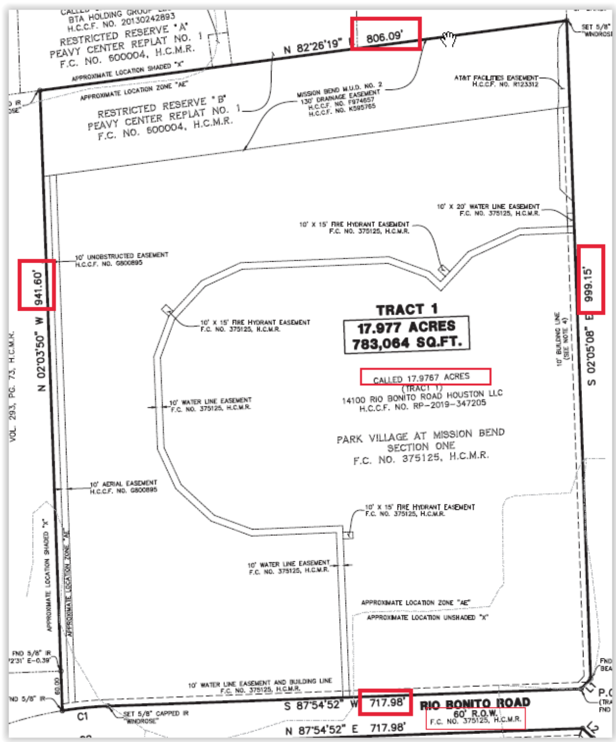
WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application because the change occurred after the tax credit award, and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for The Life at Westpark I is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

The Life at Westpark I received an award of 9% Housing Tax Credits in 1993 for the new construction of 168 multifamily units in Houston, Harris County. In a letter dated November 29, 2021, Brennan Sanders, the authorized representative for the Development Owner, submitted a request for a material amendment to the Application. The amendment is for a 7.55% increase in the residential density from 8.689 to 9.345 units per acre, which requires approval by the Board under Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F). The change is a result of a decrease in the Development site acreage from 19.3347 to 17.9767 acres, a reduction of 1.3577 acres. The LURA was recorded July 14, 1995, and the legal description identifies the site as 19.3347 acres. Subsequent to recording the LURA, there was a plat recorded on March 13, 1996. The plat indicates there was a 1.1251 acre right-of-way dedicated to the City of Houston for a road along the south boundary of the site. A further reduction of 0.2329 acre occurred due to changes in the original site measurements in a recent survey dated April 16, 2021. These changes result in a 7.02% reduction to the site acreage, and a total reduction of 1.358 acre.

Material Alterations as defined in Texas Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)	
Plat Recorded March 13, 1996	**Survey Dated April 16, 2021**
Density: 8.689 units per acre (168 units constructed on 19.3347 acres before a 1.1251 dedication to the City of Houston) 	Density: 9.345 units per acre (168 units on 17.9767 acres) 

The requested amendment does not materially alter the Development in a negative manner and would not have affected the HTC award.

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

OLIVE TREE ASSET HOLDINGS

780 3rd Ave Suite 4400
New York, New York 10017

November 29, 2021

VIA EMAIL AND FEDERAL EXPRESS

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

Re: Land Use Restriction Agreement ("***LURA***") Amendment; The Life at Westpark (f/k/a Park Village I) (the "***Property***"), TDHCA No. 93121.

Dear Lee Ann:

The undersigned, Olive Tree Asset Holdings LLC, a Delaware limited liability company ("***Olive Tree***"), an authorized representative of the Property and of 14100 Rio Bonito Road Houston LLC, the property owner (the "***Company***"), by this letter requests a material LURA amendment for the Property in order to modify the legal description from 19.3347 acres to 17.9767 acres, as updated since the Property was platted. Company is the current owner of the Property but as of the date of the January TDHCA Board Meeting, The Life at Westpark, LP, a Texas limited partnership, will be the owner as approved by TDHCA.

Request to Amend Legal Description

In accordance with Section 10.405(b) of the Texas Administrative Code (the "***Code***"), all requests to amend an existing and recorded LURA for a Development, whether non-material or material, must be submitted in writing to Asset Management and be accompanied by the applicable Amendment Fee pursuant to Section 11.901(10) of the Code. Therefore, Olive Tree, acting on behalf of the Company, requests a LURA amendment to update the legal description of the LURA and correctly show the Property as 17.9767 acres. Originally, when the LURA was recorded the legal description depicted the Property as 19.3347 acres (see Exhibit A attached hereto). Later, the Property was platted and when the plat was recorded 1.358 acres were dedicated to the City of Houston as a right of way (see Exhibit B attached hereto). Thus, the correct legal description should now show the Property as 17.9767 acres (see Exhibit C attached hereto).

LURA Amendment

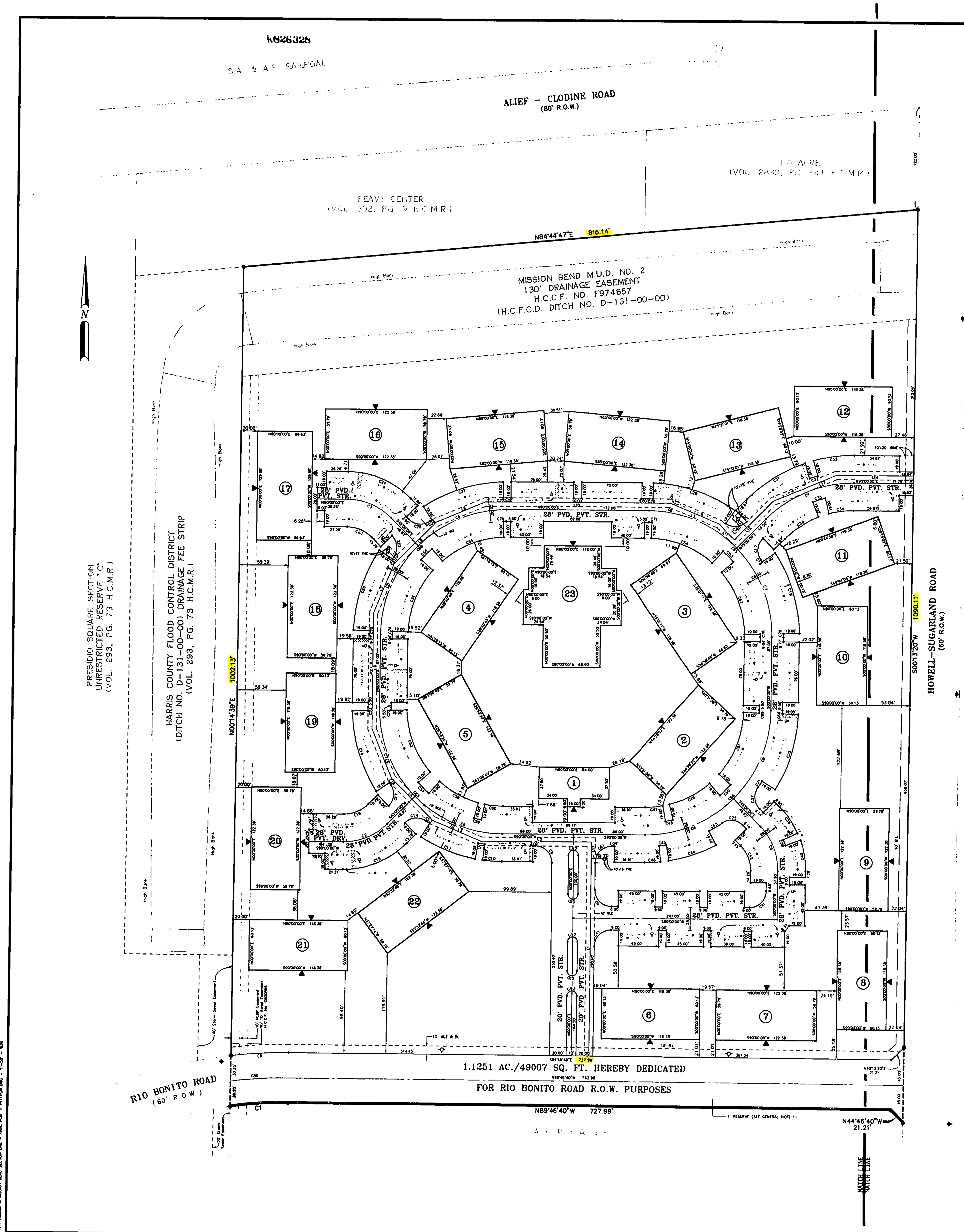
In accordance with Section 10.405(b) of the Code, Olive Tree is delivering a fee in the amount of $2500.00 for the Property. In addition, the Company commits to hold a public hearing, as required by the Code, and to notify all residents, investors, lenders, and appropriate elected officials as to the proposed amendment. The Company will proceed to set a date and time for the public hearing and will provide TDHCA with evidence that the notices have been delivered and the hearing has been conducted. With that, the Company requests staff recommendation in support of this request to be considered at the next available TDHCA Board meeting.

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

Sincerely,

OLIVE TREE ASSET HOLDINGS LLC
a Delaware limited liability company

By: Brennan Sanders
Brennan Sanders, Authorized Signatory



STATE OF TEXAS
COUNTY OF HARRIS

We, Park Village I Partners, L.P., a Texas Limited Partnership acting by and through Thomas H Scott, Executive Vice President, Park Village Development Corporation, Managing Venturer, Park Village Joint Venture, Its General Partner, owners of the 19.335 acre tract described in the above and foregoing map of Park Village at Mission Bend, Section One, do hereby make and establish said subdivision and development plan of said property according to all lines, dedications, restrictions and notations on said maps or plat and hereby dedicate to the use of the public forever all streets (except those streets designated as private streets), alleys, parks, water courses, drains, easements and public places shown thereon for the purposes and considerations therein expressed, and do hereby bind ourselves, our heirs, successors and assigns to warrant and forever defend the title to the land so dedicated.

FURTHER, Owners have dedicated and by these presents do dedicate to the use of the public for public utility purposes forever unobstructed aerial easements. The aerial easements shall extend horizontally an additional eleven feet, six inches (11' 6") for ten feet (10' 0") perimeter ground easements or five feet, six inches (5' 6") for sixteen feet (16' 0") perimeter ground easements, from a plane sixteen feet (16' 0") above ground level upward, located adjacent to and adjoining said public utility easements that are designated with aerial easements (U.E. & A.E.) as indicated and depicted hereon, whereby the aerial easement totals twenty one feet, six inches (21' 6") in width.

FURTHER, Owners have dedicated and by these presents do dedicate to the use of the public for public utility purposes forever unobstructed aerial easements. The aerial easements shall extend horizontally an additional ten feet (10' 0") for ten feet (10' 0") back-to-back ground easements, or seven feet (7' 0") for sixteen feet (16' 0") back-to-back ground easements, from a plane sixteen feet (16' 0") above ground level upward, located adjacent to both sides and adjoining said public utility easements that are designated with aerial easements (U.E. & A.E.) as indicated and depicted hereon, whereby the aerial easement totals thirty feet (30' 0") in width.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat shall be restricted to prevent the drainage of any septic tanks into any public or private street, road or alley or any drainage ditch, either directly or indirectly.

FURTHER, Owners do hereby dedicate to the public a strip of land fifteen (15) feet wide on each side of the center line of any and all bayous, creeks, gullies, ravines, draws, sloughs, or other natural drainage courses located in said plat, as easements for drainage purposes, giving the City of Houston, Harris County, or any other governmental agency, the right to enter upon said easements at any and all times for the purpose of construction and maintenance of drainage facilities and structures.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat and adjacent to any drainage easement, ditch, gully, creek or natural drainage way shall hereby be restricted to keep such drainage ways and easements clear of fences, buildings, planting and other obstructions to the operations and maintenance of the drainage facility and that such abutting property shall not be permitted to drain directly into this easement except by means of an approved drainage structure.

FURTHER, Owners do hereby covenant and agree that those streets located within the boundaries of this plat specifically noted as private streets, shall be hereby established and maintained as private streets by the owners, heirs, successors and assigns to property located within the boundaries of this plat and always available for the general use of said owners and to the public for firemen, fire fighting equipment, police and other emergency vehicles of whatever nature at all times and do hereby bind ourselves, our heirs, successors and assigns to warrant and forever defend the title to the land so designated and established as private streets.

FURTHER, Owners certify and covenant that they have complied with or will comply with the existing Harris County Road Law, Section 31-C as amended by Chapter 614, Acts of 1973, 63rd Legislature and all other regulations heretofore on file with the Harris County Engineer and adopted by the Commissioners' Court of Harris County.

IN TESTIMONY WHEREOF, Park Village I Partners, L.P., a Texas Limited Partnership acting by and through Park Village development Corporation, Managing Venturer, Park Village Joint Venture, Its General Partner, has caused these presents to be signed by Thomas H Scott, Executive Vice President this 11th day of OCTOBER, 1994

Park Village I Partners, L.P.
By. Park Village Joint Venture, Its General Partner
By: Park Village Development Corporation, Managing Venturer

By [illegible]
Thomas H Scott
Executive Vice President

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Thomas H Scott, Executive Vice President of Park Village I Partners, L.P., a Texas limited partnership, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed and in the capacity therein and herein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of October, 1994

[illegible]
Notary Public in and for the State of Texas
Commission Expires.

We, Bank United of Texas, FSB, owner and holders of a lien against the property described in the plat known as Park Village at Mission Bend, Section One, said lien being evidenced by instrument of record in the Clerk's File Number [illegible] of the Official Public Records of Real Property of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owners of said lien and have not assigned the same nor any part thereof.

John Brodie, Vice President
Bank United of Texas, FSB

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John Brodie, Vice President of Bank United of Texas, FSB, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of October, 1994

JANET E. MARTINEZ
NOTARY PUBLIC
State of Texas

Notary Public in and for the State of Texas
Commission Expires.

I, Walter J. Wilbanks, am authorized under the laws of the State of Texas to practice the profession of surveying and hereby certify that the above subdivision is true and correct, was prepared from an actual survey of the property made under my supervision on the ground, that all boundary corners, angle points, points of curvature and other points of reference have been marked with iron (or other suitable permanent metal) pipes or rods having an outside diameter of not less than five-eighths (5/8) inch and a length of not less than three (3) feet; and that the plat boundary corners have been tied to the nearest survey corner.

STATE OF TEXAS
REGISTERED
WALTER J. WILBANKS
4936
PROFESSIONAL LAND SURVEYOR

Walter J. Wilbanks
Texas Registration No. 4936

RECORDER'S MEMORANDUM
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

03/13/96 300041142 R 826329 $50.00

OFFICE OF
BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

MAP RECORDS OF COUNTY CLERK

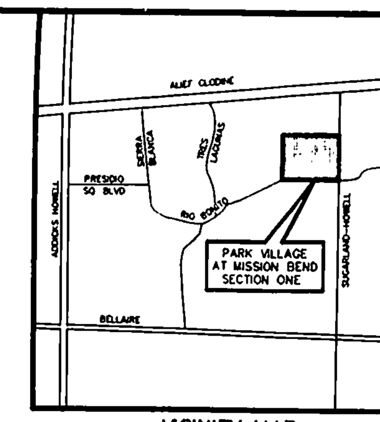
FILM CODE 375125

PARK VILLAGE AT MISSION BEND
SECTION 1

THIS IS PAGE 1 OF 3 PAGES

REDUCTION 30x CAMERA DESIGNATION MRG1

KEY MAP



VICINITY MAP
NTS

This is to certify that the Houston Planning Commission of the City of Houston, Texas has approved this plat and subdivision of Park Village at Mission Bend, Section One, in conformance with the laws of the State of Texas and the ordinances of the City of Houston as shown hereon and authorized the recording of this plat this 21st day of August, 1995

By
M Marvin Katz,
Chairman

Donna H. Kristaponis
Secretary

I, Terry A. Anderson, County Engineer of Harris County, do hereby certify that the plat of this subdivision complies with all of the existing rules and regulations of this office as adopted by the Harris County Commissioners' Court, and further, that it complies or will comply with all of the laws included in the Harris County Road Law, also including Section 31-C as amended by Chapter 614, Acts of 1973, 63rd Legislature

Terry A. Anderson, P.E.
County Engineer

I, Arthur L. Storey, Jr., Executive Director of Harris County Flood Control District, Harris County, Texas, do hereby certify that the plat of this subdivision complies with requirements for internal subdivision drainage as adopted by Commissioners' Court; however, no certification is hereby given as to the effect of drainage from this subdivision on the intercepting drainage artery or parent stream, or on any other area or subdivision within the watershed

Arthur L. Storey, Jr., P.E.
Executive Director

APPROVED by the Commissioners' Court of Harris County, Texas this 12th day of March, 1996.

El Franco Lee
Commissioner, Precinct 1

Jim Fonteno
Commissioner, Precinct 2

Robert Eckels
County Judge

Steve Radack
Commissioner, Precinct 3

Jerry Eversole
Commissioner, Precinct 4

I, Beverly B. Kaufman, Clerk of the County Court of Harris County, Texas, do hereby certify that the within instrument with its certificate of authentication was filed for registration in my office on MAR 13, 1996 at 12:16 o'clock, P. M., and duly recorded on MAR 13, 1996 at 12:30 o'clock, P. M., and at film code no. 375125 of the map records of Harris County for said County.

Witness my hand and seal of office, at Houston, the day and date last above written.

BEVERLY B. KAUFMAN,
Beverly B. Kaufman,
Clerk, County Court,
Harris County, Texas

By: [illegible]
Deputy
TIM WADE

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

THIS CERTIFICATE IS VALID ONLY AS TO THE INSTRUMENT ON WHICH THE ORIGINAL SIGNATURE IS AFFIXED AND ONLY THEN TO THE EXTENT THAT SUCH INSTRUMENT IS NOT ALTERED OR CHANGED AFTER RECORDING

GENERAL NOTES

1. A one foot reserve dedicated to the public in fee as a buffer separation between the side or end of streets in subdivision plats where such streets abut adjacent acreage tracts, the condition of such dedication being that reserve shall thereupon become vested in the public for street right-of-way purposes (and the fee title thereto shall revert to and revest in the dedicator, his heirs, assigns, or successors)
2. "UE" indicates "Utility Easement"
3. "BL" indicates "Building Line"
4. "WLE" indicates "Water Line Easement"
5. "SAN S E" indicates "Sanitary Sewer Easement"
6. "STM S E" indicates "Storm Sewer Easement"
7. "DE" indicates "Drainage Easement"
8. This survey is not tied into the official City Of Houston survey system in compliance with Ordinance No 69-1978 because a City Survey Marker has not been established within 2,000 feet of this property

LEGEND

◇	PROPOSED FIRE HYDRANT
◆	EXISTING FIRE HYDRANT
▲	BUILDING ENTRANCE

DU. / AC.	=	8.7
TOTAL UNITS	=	168
BUILDINGS	=	23

20 – 2 BEDROOM x 1.6666	=	34
100 – 3 BEDROOM x 2.0000	=	200
40 – 4 BEDROOM x 2.0000	=	80
8 – 5 BEDROOM x 2.0000	=	16

PARKING REQUIRED BY CITY	=	330
PARKING PROVIDED:		
STANDARD (9'X19')	=	321
HANDICAP (13'X19')	=	22
TOTAL PARKING PROVIDED	=	343

LINE DATA

Line Number	Bearing	Distance
L1	N00°00'00"E	255.58'
L2	N90°00'00"E	132.78'
L3	N67°30'00"W	63.60'
L4	N45°00'00"W	70.88'
L5	N22°30'00"W	63.60'
L6	N00°00'00"E	138.57'
L7	N22°30'00"E	63.60'
L8	N45°00'00"E	70.88'
L9	N67°30'00"E	63.60'
L10	N90°00'00"E	223.57'
L11	N45°00'00"W	28.44'
L12	N45°00'00"E	65.67'
L13	N67°30'00"E	82.57'
L14	N90°00'00"E	92.96'
L15	N45°00'00"W	20.00'
L16	N90°00'00"E	20.00'
L17	N00°00'00"E	20.00'

CURVE DATA

Curve Number	Delta	Radius	Arc Length	Tangent Length	Chord Bearing	Chord Length
C1	8°01'34"	500.00'	70.04'	35.08'	N 88°12'33"E	69.98'
C2	45°00'00"	75.00'	58.90	31.07'	N 67°30'00"E	57.40
C3	45°00'00"	75.00'	58.90'	31.07'	N 67°30'00"W	57.40'
C4	45°00'00"	150.00'	117.81'	62.13'	N 67°30'00"E	114.81'
C5	45°00'00"	75.00'	58.90'	31.07'	N 22°30'00"W	57.40'
C6	45°00'00"	150.00'	117.81'	62.13'	N 67°30'00"W	114.81'
C7	45°00'00"	150.00'	117.81'	62.13'	N 22°30'00"W	114.81'
C8	45°00'00"	150.00'	117.81	62.13'	N 22°30'00"E	114.81'
C9	90°00'00"	20.00'	31.42	20.00'	N 45°00'00"W	28.28'
C10	7°22'09"	183.00'	23.54	11.78'	N 88°18'56"W	23.52
C11	2°49'05"	164.00'	8.07	4.03'	N 81°13'19"W	8.07'
C12	22°20'10"	183.00'	71.34'	36.13'	N 63°38'41"W	70.89
C13	1°49'42"	164.00'	5.23'	2.62'	N 56°33'45"W	5.23
C14	79°21'05"	20.00'	27.70	16.59'	N 84°40'33"E	25.54'
C15	45°00'00"	108.00'	84.82'	44.74'	N 67°30'00"E	82.66'
C16	45°00'00"	42.00'	32.99'	17.40'	N 67°30'00"E	32.15'
C17	79°21'08"	20.00'	27.70'	16.59'	N 05°19'27"E	25.54'
C18	1°01'48"	164.00'	2.95	1.47'	N 33°50'12"W	2.95'
C19	31°49'52"	183.00'	101.67'	52.18'	N 17°24'22"W	100.38'
C20	29°41'46"	183.00'	94.91'	48.51'	N 16°20'19"E	93.79'
C21	03°09'54"	164.00'	9.06'	4.53'	N 32°46'09"E	9.06'
C22	79°21'08"	20.00'	27.70'	16.59'	N 05°19'27"W	25.54
C23	45°00'00"	42.00'	32.99'	17.40'	N 67°30'00"W	32.15'
C24	45°00'00"	108.00'	84.82'	44.74'	N 67°30'00"W	82.66'
C25	79°21'08"	20.00'	27.70'	16.59'	N 84°40'33"W	25.54
C26	1°01'48"	164.00'	2.95'	1.47'	N 56°09'48"E	2.95'
C27	31°49'52"	183.00'	101.67'	52.18'	N 72°35'38"E	100.38'
C28	32°51'40"	183.00	104.96	53.97'	N 72°04'44"W	103.52
C29	1°01'48"	164.00'	2.95'	1.47'	N 56°09'48"W	2.95'
C30	79°21'08"	20.00'	27.70	16.59'	N 84°40'33"E	25.54'
C31	25°57'04"	183.00'	82.89'	42.17'	N 57°58'32"E	82.18'
C32	3°34'17"	164.00'	10.22'	5.11'	N 72°38'31"E	10.22'
C33	15°34'18"	183.00'	49.74	25.02'	N 82°12'51"E	49.58
C34	14°45'21"	117.00'	30.13	15.15'	N 82°37'19"E	30.05'
C35	6°34'29"	136.00'	15.61	7.81'	N 71°57'25"E	15.60
C36	23°40'10"	117.00'	48.33'	24.52'	N 58°50'05"E	47.99
C37	79°21'05"	20.00'	27.70	16.59'	N 05°19'27"W	25.54'
C38	20°10'04"	108.00'	38.02	19.21'	N 34°54'58"W	37.82
C39	4°46'34"	89.00'	7.42'	3.71'	N 22°26'39"W	7.42
C40	20°03'22"	108.00	37.80	19.10'	N 10°01'41"W	37.61

CURVE DATA

Curve Number	Delta	Radius	Arc Length	Tangent Length	Chord Bearing	Chord Length
C41	90°00'00"	20.00'	31.42'	20.00'	N 45°00'00"E	28.28'
C42	45°00'00"	42.00'	32.99'	17.40'	N 22°30'00"W	32.15'
C43	6°25'15"	164.00'	18.38'	9.20'	N 58°51'32"E	18.37'
C44	18°53'46"	183.00	60.35'	30.45'	N 71°31'02"E	60.08'
C45	3°03'38"	164.00	8.76'	4.38'	N 82°29'44"E	8.76
C46	5°58'27"	183.00'	19.08'	9.55'	N 87°00'47"E	19.07
C47	10°19'41"	117.00'	21.09'	10.57'	N 84°50'09"E	21.06
C48	3°55'20"	136.00'	9.31'	4.66'	N 77°42'39"E	9.31
C49	26°55'50"	117.00	54.99'	28.01'	N 62°17'04"E	54.49'
C50	7°39'44"	136.00'	18.19'	9.11'	N 44°59'17"E	18.17'
C51	39°39'59"	117.00	81.00'	42.20'	N 21°19'25"E	79.39'
C52	39°39'59"	117.00'	81.00'	42.20'	N 21°19'25"W	79.39'
C53	7°41'10"	136.00'	18.24'	9.14'	N 45°00'00"W	18.23'
C54	39°39'59"	117.00'	81.00'	42.20'	N 68°40'35"W	79.39'
C55	39°39'59"	117.00	81.00'	42.20'	N 68°40'35"E	79.39'
C56	7°41'10"	136.00'	18.24'	9.14'	N 45°00'00"E	18.23'
C57	7°39'44"	136.00	18.19'	9.11'	N 44°59'17"W	18.17'
C58	26°26'39"	117.00	54.00'	27.49'	N 62°02'29"W	53.52'
C59	3°55'20"	136.00	9.31'	4.66'	N 77°13'28"W	9.31'
C60	10°48'52"	117.00'	22.08'	11.07'	N 84°35'34"W	22.05
C61	89°59'52"	20.00'	31.42'	20.00'	N 44°59'56"E	28.28
C62	180°00'00"	6.00	18.85'	------	N 90°00'00"E	12.00
C63	180°00'00"	6.00'	18.85'	------	N 90°00'00"W	12.00
C64	7°09'32"	560.00	69.97'	35.03'	N 86°38'34"E	69.92
C65	90°00'00"	150.00	235.62'	150.00'	N 45°00'00"W	212.13
C66	90°00'00"	150.00'	235.62'	150.00'	N 45°00'00"E	212.13
C67	7°34'04"	530.00	70.00'	35.05'	N 86°26'10"E	69.95
C68	1°29'26"	164.00'	4.27'	2.13'	N 0°44'43"E	4.27
C69	1°29'26"	136.00'	3.54'	1.77'	N 0°44'43"E	3.54
C70	1°29'26"	164.00'	4.27'	2.13'	N 89°15'17"W	4.27'
C71	1°29'26"	136.00'	3.54'	1.77'	N 89°15'17"W	3.54
C72	1°29'26"	136.00	3.54'	1.77'	N 0°44'43"W	3.54
C73	1°29'26"	164.00'	4.27'	2.13'	N 0°44'43"W	4.27
C74	1°29'26"	136.00	3.54'	1.77'	N 0°44'43"E	3.54
C75	1°29'26"	164.00	4.27'	2.13'	N 0°44'43"E	4.27
C76	1°29'26"	136.00	3.54'	1.77'	N 89°15'17"E	3.54
C77	1°29'26"	164.00'	4.27'	2.13'	N 89°15'17"E	4.27
C78	1°29'26"	136.00	3.54'	1.77'	N 0°44'43"W	3.54
C79	1°29'26"	164.00	4.27'	2.13	N 0°44'43"W	4.27
C80	7°34'04"	530.00'	70.00	35.05	S 86°26'18"W	69.95

PARK VILLAGE AT MISSION BEND SECTION ONE

BEING 19.335 ACRES OF LAND
LOCATED IN THE
MARTIN MORAN SURVEY, A-580
HARRIS COUNTY, TEXAS

SCALE: 1"=50'

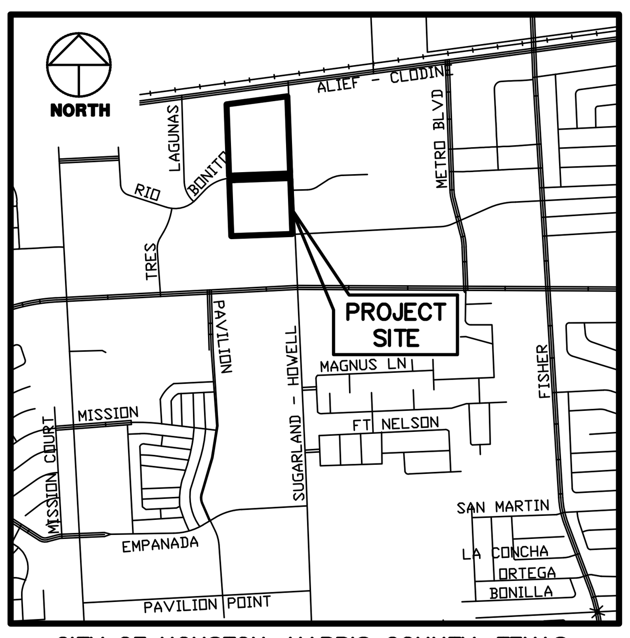
DATE: OCTOBER, 1994

0 50 100 150

OWNER: PARK VILLAGE I PARTNERS, LP
ARCHITECT: EDI ARCHITECTURE

BROWN & GAY ENGINEERS, INC

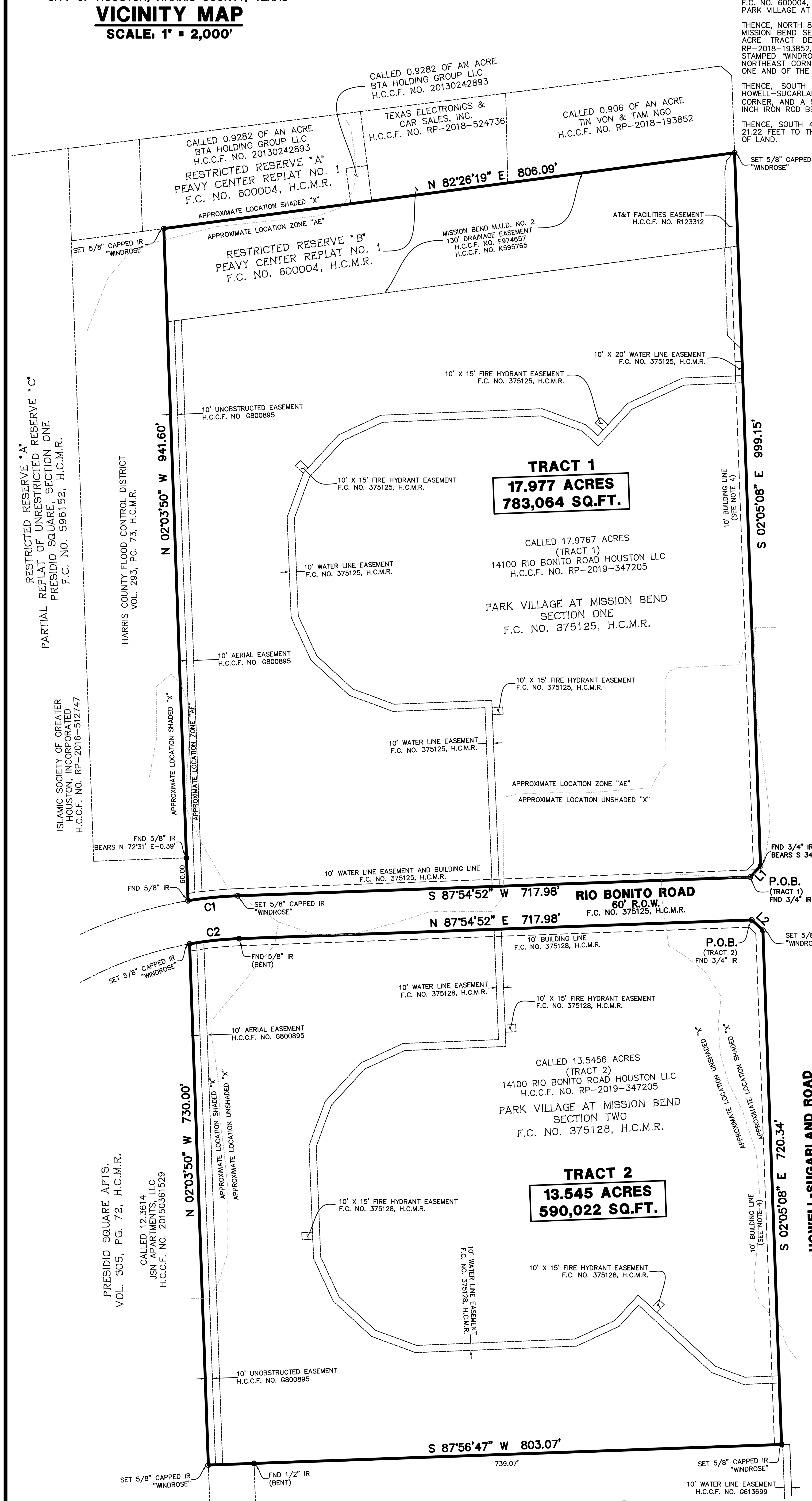
CIVIL ENGINEERS & SURVEYORS
11490 WESTHEIMER, SUITE 700
HOUSTON, TEXAS 77077
(713) 558-8700



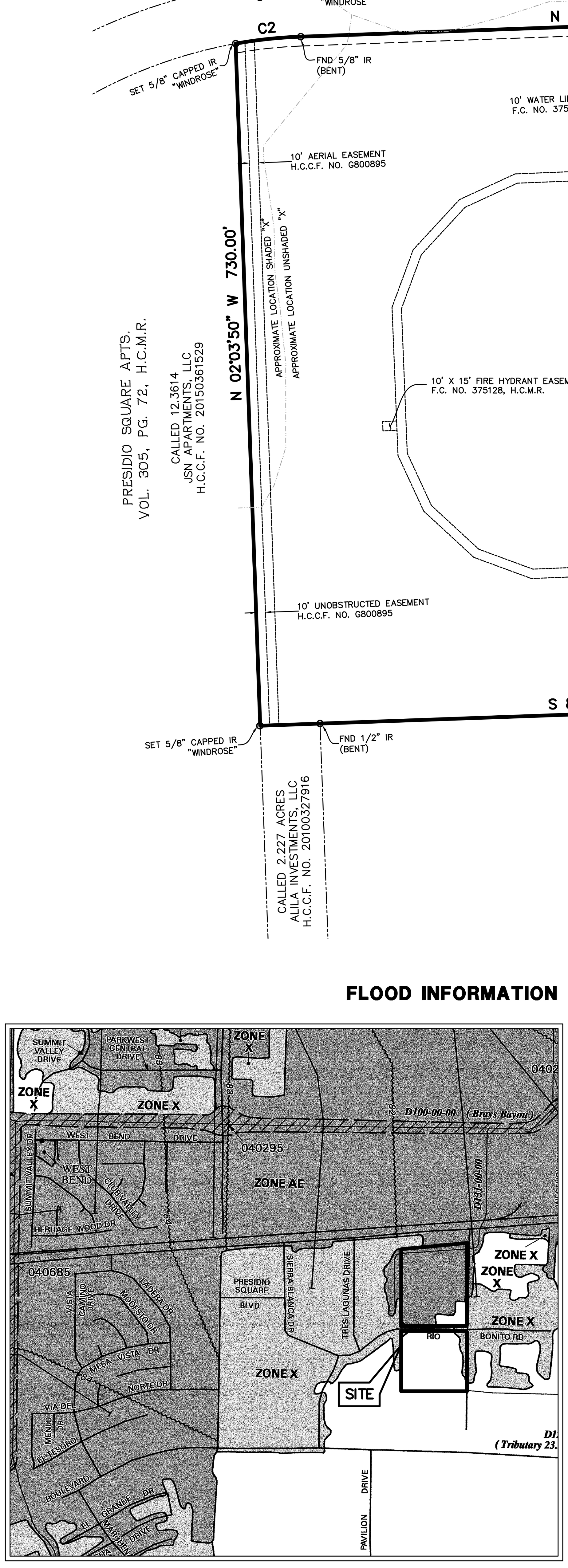
CITY OF HOUSTON, HARRIS COUNTY, TEXAS

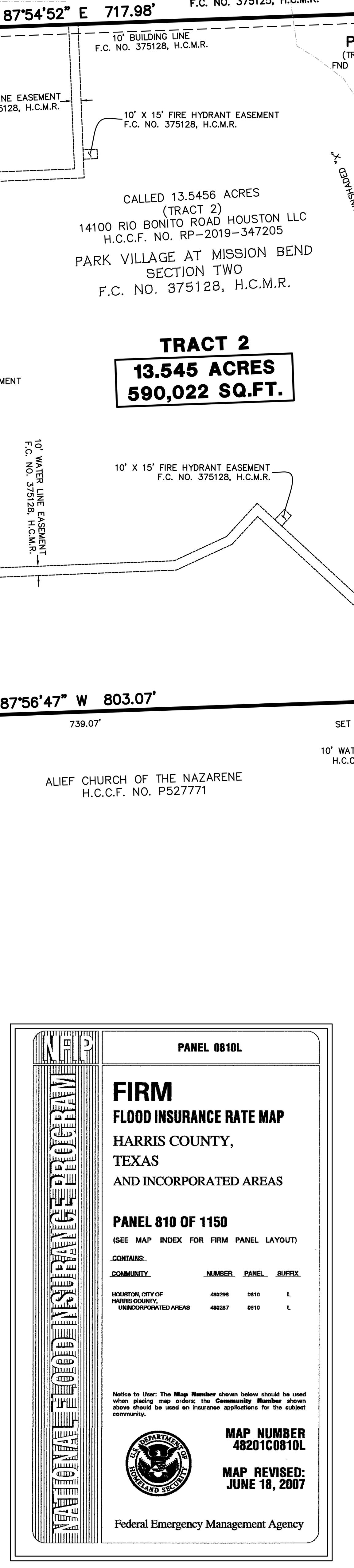
VICINITY MAP

SCALE: 1" = 2,000'



FLOOD INFORMATION





DESCRIPTION TRACT 1

A TRACT OR PARCEL CONTAINING 17.977 ACRES OR 783,064 SQUARE FEET OF LAND SITUATED IN THE MARTIN MORAN SURVEY, ABSTRACT NO. 580, HARRIS COUNTY, TEXAS, BEING OUT OF PARK VILLAGE AT MISSION BEND SECTION ONE, MAP OR PLAT THEREOF RECORDED IN FILM CODE (F.C.) NO. 375125, HARRIS COUNTY MAP RECORDS (H.C.M.R.), AND ALL OF A CALLED 17.9767 ACRE TRACT (TRACT 1), DESCRIBED IN DEED TO 14100 RIO BONITO ROAD HOUSTON LLC, RECORDED IN HARRIS COUNTY CLERK'S FILE (H.C.C.F.) NO. RP–2019–347205, WITH SAID 17.977 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83):

BEGINNING AT A FOUND 3/4 INCH IRON ROD MARKING THE SOUTHWEST END OF A CUT–BACK CORNER AT THE INTERSECTION OF THE NORTH RIGHT–OF–WAY (R.O.W.) LINE OF RIO BONITO ROAD (60' R.O.W.), RECORDED IN F.C. NO. 375125, H.C.M.R. AND THE WEST R.O.W. LINE OF HOWELL–SUGARLAND ROAD (80' R.O.W.) (MONUMENTED), MARKING A SOUTHEAST CORNER OF SAID 17.9767 ACRE TRACT AND OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 87 DEG. 54 MIN. 52 SEC. WEST, ALONG THE NORTH R.O.W. LINE OF SAID RIO BONITO ROAD, A DISTANCE OF 717.98 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR A POINT OF CURVATURE TO THE LEFT;

THENCE, CONTINUING ALONG THE NORTH R.O.W. LINE OF SAID RIO BONITO ROAD AND ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 560.00 FEET, A CENTRAL ANGLE OF 07 DEG. 09 MIN. 32 SEC., AN ARC LENGTH OF 69.97 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 84 DEG. 20 MIN. 06 SEC. WEST – 69.93 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 17.9767 ACRE TRACT, SAID PARK VILLAGE AT MISSION BEND SECTION ONE, AND OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 02 DEG. 03 MIN. 50 SEC. WEST, ALONG THE COMMON LINE OF SAID PARK VILLAGE AT MISSION BEND SECTION ONE AND RESTRICTED RESERVE "A" PARTIAL REPLAT OF UNRESTRICTED RESERVE "C" PRESIDIO SQUARE SECTION ONE, F.C. NO. 596152, AT A DISTANCE OF 60.03 FEET PASS THE EAST CORNER OF SAID RESTRICTED RESERVE "A" AND THE SOUTHEAST CORNER OF A HARRIS COUNTY FLOOD CONTROL DISTRICT, RECORDED IN VOLUME (VOL.) 293, PAGE (PG.) 73, H.C.M.R., FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS NORTH 72 DEG. 31 MIN. EAST–0.39 FEET AND CONTINUING ALONG THE COMMON LINE OF SAID HARRIS COUNTY FLOOD CONTROL DISTRICT AND SAID PARK VILLAGE AT MISSION BEND SECTION ONE, A TOTAL DISTANCE OF 941.60 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE SOUTH LINE OF RESTRICTED RESERVE "A", PEAVY CENTER REPLAT NO. 1, MAP OR PLAT THEREOF RECORDED IN F.C. NO. 600004, H.C.M.R., MARKING THE NORTHWEST CORNER OF SAID 17.9767 ACRE TRACT, OF SAID PARK VILLAGE AT MISSION BEND SECTION ONE AND OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 82 DEG. 26 MIN. 19 SEC. EAST, ALONG THE COMMON LINE OF SAID PARK VILLAGE AT MISSION BEND SECTION ONE, OF SAID PEAVY CENTER REPLAT NO. 1 AND A CALLED 0.908 OF AN ACRE TRACT DESCRIBED IN DEED TO TIN VON AND TAM NGA, RECORDED IN H.C.C.F. NO. RP–2018–193852, A DISTANCE OF 806.09 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE WEST R.O.W. LINE OF SAID HOWELL–SUGARLAND ROAD, FOR THE NORTHEAST CORNER OF SAID 17.9767 ACRE TRACT, SAID PARK VILLAGE AT MISSION BEND SECTION ONE AND OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 02 DEG. 05 MIN. 08 SEC. EAST, ALONG THE WEST R.O.W. LINE OF SAID HOWELL–SUGARLAND ROAD, A DISTANCE OF 999.15 FEET TO THE NORTHEAST END OF SAID CUT–BACK CORNER, AND A SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH A FOUND 3/4 INCH IRON ROD BEARS FOR REFERENCE SOUTH 34 DEG. 46 MIN. EAST–0.52 FEET;

THENCE, SOUTH 42 DEG. 54 MIN. 52 SEC. WEST, ALONG SAID CUT–BACK CORNER, A DISTANCE OF 21.22 FEET TO THE POINT OF BEGINNING AND CONTAINING 17.977 ACRES OR 783,064 SQUARE FEET OF LAND.

DESCRIPTION TRACT 2

A TRACT OR PARCEL CONTAINING 13.545 ACRES OR 590,022 SQUARE FEET OF LAND SITUATED IN THE MARTIN MORAN SURVEY, ABSTRACT NO. 580, HARRIS COUNTY, TEXAS, BEING OUT OF PARK VILLAGE AT MISSION BEND SECTION TWO, MAP OR PLAT THEREOF RECORDED IN FILM CODE (F.C.) NO. 375128, HARRIS COUNTY MAP RECORDS (H.C.M.R.), AND ALL OF A CALLED 13.5456 ACRE TRACT (TRACT 2), DESCRIBED IN DEED TO 14100 RIO BONITO ROAD HOUSTON LLC, RECORDED IN HARRIS COUNTY CLERK'S FILE (H.C.C.F.) NO. RP–2019–347205, WITH SAID 17.977 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83):

BEGINNING AT A FOUND 3/4 INCH IRON ROD MARKING THE NORTHWEST END OF A CUT–BACK CORNER AT THE INTERSECTION OF THE SOUTH RIGHT–OF–WAY (R.O.W.) LINE OF RIO BONITO ROAD (60' R.O.W.), RECORDED IN F.C. NO. 375125, H.C.M.R. AND THE WEST R.O.W. LINE OF HOWELL–SUGARLAND ROAD (80' R.O.W.) (MONUMENTED), MARKING A NORTHEAST CORNER OF SAID 13.5456 ACRE TRACT AND OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 47 DEG. 05 MIN. 08 SEC. EAST, ALONG SAID CUT–BACK CORNER, A DISTANCE OF 21.21 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE SOUTHEAST END OF SAID CUT–BACK CORNER, MARKING A NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 02 DEG. 05 MIN. 08 SEC. EAST, ALONG THE WEST R.O.W. LINE OF SAID HOWELL–SUGARLAND ROAD, A DISTANCE OF 720.34 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR THE SOUTHEAST CORNER OF SAID 13.5456 ACRE TRACT AND OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 87 DEG. 56 MIN. 47 SEC. WEST, ALONG THE COMMON LINE OF SAID PARK VILLAGE AT MISSION BEND AND A CALLED TRACT OF LAND DESCRIBED IN DEED TO ALIEF CHURCH OF THE NAZARENE, RECORDED IN H.C.C.F. NO. P527771, PASSING AT A DISTANCE OF 739.07 FEET A 1/2 INCH IRON ROD (BENT) FOUND FOR A NORTH CORNER OF A CALLED 2.227 ACRES, DESCRIBED IN DEED TO ALILA INVESTMENTS, LLC, RECORDED IN H.C.C.F. NO. 20100327916 AND CONTINUING FOR A TOTAL DISTANCE OF 803.07 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE EAST LINE OF A CALLED 12.3614 ACRE TRACT, DESCRIBED IN DEED TO JSN APARTMENTS, LLC, RECORDED IN H.C.C.F. NO. 20150361529, FOR THE SOUTHWEST CORNER OF SAID 13.5456 ACRE TRACT, SAID PARK VILLAGE AT MISSION BEND SECTION TWO, AND OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 02 DEG. 03 MIN. 50 SEC. WEST, ALONG THE COMMON LINE OF SAID 12.3614 ACRE TRACT AND SAID PARK VILLAGE AT MISSION BEND SECTION TWO, A DISTANCE OF 730.00 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE SOUTH R.O.W. LINE OF SAID RIO BONITO ROAD, MARKING THE NORTHWEST CORNER OF SAID 13.5456 ACRE TRACT, SAID PARK VILLAGE AT MISSION BEND SECTION TWO AND OF THE HEREIN DESCRIBED TRACT AND THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE, ALONG THE SOUTH R.O.W. LINE OF SAID RIO BONITO ROAD AND ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 500.00 FEET, A CENTRAL ANGLE OF 08 DEG. 01 MIN. 34 SEC., AN ARC LENGTH OF 70.04 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 83 DEG. 54 MIN. 05 SEC. EAST – 69.98 FEET TO A POINT OF TANGENCY;

THENCE, NORTH 87 DEG. 54 MIN. 52 SEC. EAST, A DISTANCE OF 717.98 FEET TO THE POINT OF BEGINNING AND CONTAINING 13.545 ACRES OR 590,022 SQUARE FEET OF LAND.

GENERAL NOTES

1. SURVEYOR DID NOT ABSTRACT SUBJECT PROPERTY. THIS SURVEY WAS PREPARED WITH INFORMATION CONTAINED IN TITLE COMMITMENT GF NO. TTX782501 OF FIRST AMERICAN TITLE INSURANCE COMPANY, EFFECTIVE DATE OF OCTOBER 4, 2021, ISSUED DATE OF OCTOBER 11, 2021, AND IS SUBJECT TO THE LIMITATIONS OF THAT COMMITMENT.
2. BEARINGS WERE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83). ALL DISTANCES SHOWN HEREON ARE SURFACE DISTANCES AND MAY BE BROUGHT TO GRID BY APPLYING THE FOLLOWING SCALE FACTOR: 0.999884814.
3. ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), FLOOD INSURANCE RATE MAP (FIRM) FOR HARRIS COUNTY, TEXAS, MAP NO. 48201C0810L REVISED/DATED JUNE 18, 2007, THE SUBJECT TRACT APPEARS TO LIE WITHIN UNSHADED ZONE "X", SHADED ZONE "X", ZONE AE. THIS DETERMINATION WAS DONE BY GRAPHIC PLOTTING AND IS APPROXIMATE ONLY, AND HAS NOT BEEN FIELD VERIFIED. THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY OR STRUCTURES THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE. ON RARE OCCASIONS FLOODS CAN AND WILL OCCUR AND FLOOD HEIGHTS MAY BE INCREASED BY MAN–MADE OR NATURAL CAUSES. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF WINDROSE LAND SERVICES.
4. DEVELOPMENT OF THIS TRACT IS SUBJECT TO REQUIREMENTS PER CITY OF HOUSTON ORDINANCE NO. 2013–343 WHICH STIPULATES PLATTING AND SETBACK CONSTRAINTS. PROPOSED USAGE OF THIS TRACT WILL DETERMINE ACTUAL BUILDING SETBACK LINE(S) ALONG ANY ADJOINING STREETS. REFER TO CITY OF HOUSTON BUILDING CODES TO ESTABLISH MINIMUM PUBLISHED SETBACK REQUIREMENTS. ULTIMATELY THE CITY OF HOUSTON PLANNING COMMISSION WILL DETERMINE REQUIRED SETBACKS UPON REVIEW OF PLANS OR PLATS SUBMITTED TO SAID COMMISSION. THIS TRACT MAY REQUIRE PLATTING AS A CONDITION FOR RECEIVING BUILDING PERMITS.
5. READILY VISIBLE IMPROVEMENTS AND UTILITIES WERE LOCATED WITH THIS SURVEY, NO SUBSURFACE PROBING, EXCAVATION OR EXPLORATION WAS PERFORMED BY WINDROSE LAND SERVICES.
6. ENVIRONMENTAL AND DRAINAGE ISSUES ARE BEYOND THE SCOPE OF THIS SURVEY.
7. THE SQUARE FOOTAGE TOTALS SHOWN HEREON ARE BASED ON THE MATHEMATICAL CLOSURE OF THE COURSES AND DISTANCES REFLECTED ON THE SURVEY. IT DOES NOT INCLUDE THE TOLERANCES THAT MAY BE PRESENT DUE TO THE POSITIONAL ACCURACY OF THE BOUNDARY MONUMENTATION.
8. FENCES SHOWN HEREON WITH DIMENSIONAL TIES ARE SHOWN WHERE THEY ARE PHYSICALLY MEASURED. THE FENCE MAY MEANDER BETWEEN MEASURED LOCATIONS.
9. THE WORD "CERTIFY" OR "CERTIFICATE" AS SHOWN AND USED HEREON MEANS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THE FACTS OF THE SURVEY AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE EXPRESSED OR IMPLIED.
10. ELEVATIONS SHOWN TO THE NEAREST TENTH ARE NATURAL GROUND SURFACE ELEVATIONS AND ELEVATIONS SHOWN TO THE NEAREST HUNDREDTH ARE SOLID SURFACE ELEVATIONS.
11. SURVEYOR HAS CONTACTED DIGTESS FOR LOCATION OF BURIED UTILITY AND FIBER OPTIC LINES PRIOR TO THIS SURVEY. SURVEYOR CANNOT CERTIFY OR GUARANTY THE ACCURACY OR COMPLETENESS OF THIS REQUEST. OTHER UNDERGROUND UTILITY LINES MAY EXIST NOT KNOWN TO THIS COMPANY. IT IS THE CONTRACTORS RESPONSIBILITY TO CONTACT DIGTESS OR OTHER UTILITY NOTIFICATION SERVICES FOR LOCATION OF UNDERGROUND UTILITIES, PRIOR TO CONSTRUCTION.
12. WITH REGARD TO ITEM 2 OF THE ALTA TABLE "A" OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS, ACCORDING TO THE HARRIS COUNTY APPRAISAL DISTRICT, THE ADDRESS OF THE SUBJECT TRACT (TAX ID NO. 1186860000001) IS 14100 RIO BONITO RD # 312, HOUSTON, TX 77083. (TRACT 1 AND TRACT 2)
13. WITH REGARD TO ITEM 6 OF THE ALTA TABLE "A" OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS, NO ZONING REPORT OR LETTER WAS PROVIDED AT THE TIME OF SURVEY. (TRACT 1 AND TRACT 2)
14. WITH REGARD TO ITEM 9 OF THE ALTA TABLE "A" OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS, THERE WERE 329 REGULAR STRIPED PARKING SPACES AND 10 HANDICAPPED STRIPED PARKING SPACES ON THE SUBJECT TRACT AT THE TIME OF SURVEY. (TRACT 1)
15. WITH REGARD TO ITEM 9 OF THE ALTA TABLE "A" OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS, THERE WERE 274 REGULAR STRIPED PARKING SPACES AND 12 HANDICAPPED STRIPED PARKING SPACES ON THE SUBJECT TRACT AT THE TIME OF SURVEY. (TRACT 2)
16. WITH REGARD TO ITEM 16 OF THE ALTA TABLE "A" OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS, THERE WAS NO OBSERVED EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS ON THE SUBJECT TRACT AT THE TIME OF SURVEY. (TRACT 1 AND TRACT 2)
17. WITH REGARD TO ITEM 17 OF THE ALTA TABLE "A" OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS, THERE WAS NO OBSERVED EVIDENCE OF RECENT STREET, SIDEWALK CONSTRUCTION OR REPAIRS ON THE SUBJECT TRACT AT THE TIME OF SURVEY. (TRACT 1 AND TRACT 2)
18. THE LANDS SURVEYED, SHOWN AND DESCRIBED HEREON, ARE THE SAME LANDS AS DESCRIBED IN QUITCLAIM DEED RECORDED UNDER HARRIS COUNTY CLERK'S FILE NO. RP–2019–347206.

SCHEDULE 'B' NOTES

10.(a) ANY COVENANTS, CONDITIONS OR RESTRICTIONS INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN ARE HEREBY DELETED TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604 {C}. FILM CODE NO(S). 375125 AND 375128, MAP AND/OR PLAT RECORDS; COUNTY CLERK'S FILE NO. R481054, R564898 AND R952772, OFFICIAL PUBLIC RECORDS OF HARRIS COUNTY, TEXAS. (AFFECTS SUBJECT TRACT)

10.(c) ANY AND ALL EASEMENTS, BUILDINGS LINES, AND CONDITIONS, COVENANTS, AND RESTRICTIONS AS SET FORTH IN PLAT RECORDED UNDER FILM CODE NO(s). 375125 AND 375128 OF THE MAP AND/OR PLAT RECORDS OF HARRIS COUNTY, TEXAS. (AFFECTS SUBJECT TRACT, SHOWN HEREON)

10.(e) VISIBLE AND APPARENT EASEMENTS ON OR ACROSS PROPERTY DESCRIBED IN SCHEDULE A. (AFFECTS SUBJECT TRACT)

10.(f) ANY PORTION OF SUBJECT PROPERTY LYING WITHIN THE BOUNDARIES OF A PUBLIC OR PRIVATE ROADWAY WHETHER DEDICATED OR NOT.

10.(g) EASEMENT:
RECORDED: FEBRUARY 20, 1979 IN COUNTY CLERK'S FILE NO. F974657, OF THE OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS. (AS TO TRACT 1)(AFFECTS SUBJECT TRACT, SHOWN HEREON)

10.(h) EASEMENT: ELECTRICAL DISTRIBUTION
RECORDED: DECEMBER 19, 1980 IN COUNTY CLERK'S FILE NO. G800895, OF THE OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS. (AFFECTS SUBJECT TRACT, SHOWN HEREON)

10.(i) EASEMENT: EASEMENT FOR UNDERGROUND TELECOMMUNICATIONS FACILITIES
RECORDED: OCTOBER 28, 1994 IN COUNTY CLERK'S FILE NO. R123312, OF THE OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS. (AS TO TRACT 1)(AFFECTS SUBJECT TRACT, SHOWN HEREON)

10.(j) EASEMENT:
RECORDED: IN COUNTY CLERK'S FILE NO. R947730, OF THE OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS. (AFFECTS SUBJECT TRACT, BLANKET IN NATURE)

10.(k) EASEMENT: WATER LINE
RECORDED: IN COUNTY CLERK'S FILE NO. G613699, OF THE OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS. (AS TO TRACT 2)(DOES NOT AFFECT SUBJECT TRACT, SHOWN HEREON)

10.(l) EASEMENT: BROADBAND COMMUNICATIONS SERVICES
RECORDED: SEPTEMBER 05, 2013 IN COUNTY CLERK'S FILE NO. 20130456849, OF THE OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS. (AFFECTS SUBJECT TRACT, BLANKET IN NATURE)

10.(p) TERMS, CONDITIONS AND STIPULATIONS IN THE AGREEMENT: (AS TO TRACT 1)
RECORDED: SEPTEMBER 12, 1994 IN COUNTY CLERK'S FILE NO. R050770, OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS.
TYPE: AGREEMENT FOR UNDERGROUND ELECTRICAL SERVICE (AFFECTS SUBJECT TRACT, BLANKET IN NATURE)

10.(q) TERMS, CONDITIONS AND STIPULATIONS IN THE AGREEMENT: (AS TO TRACT 1)
RECORDED: MARCH 11, 1996 IN COUNTY CLERK'S FILE NO. R823204, OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS.
TYPE: AGREEMENT FOR EXCLUSIVE LICENSE AND EASEMENT (AFFECTS SUBJECT TRACT, BLANKET IN NATURE)

LEGEND

* SOME OF THESE ELEMENTS MAY NOT BE USED ON THIS SURVEY

BO	BOLLARD	PLM	PIPELINE MARKER
	HANDICAP	UCS	UNDERGROUND CABLE SIGN
GM	GAS METER	CTL	CATHODIC TEST LEAD
GV	GAS VALVE	MW	MONITORING WELL
FH	FIRE HYDRANT	P	PIN FLAG/PAINT MARK
WM	WATER METER	TC	TOP OF CURB
WV	WATER VALVE	G	GUTTER
ICV	IRRIGATION CONTROL VALVE	TG	TOP OF GRATE
	GRATE INLET	FL	FLOW LINE
	GRATE INLET	HB	HIGHBANK
	MANHOLE	SAN	SANITARY SEWER
CO	CLEANOUT	STM	STORM SEWER
TP	TELEPHONE PEDESTAL	CMP	CORRUGATED METAL PIPE
EB	ELECTRIC BOX	CPP	CORRUGATED PLASTIC PIPE
TSB	TRAFFIC SIGNAL BOX	RCP	REINFORCED CONCRETE PIPE
LP	LIGHT POLE	TEL	TELEPHONE
TLP	TRAFFIC LIGHT POLE	SWBT	SOUTHWESTERN BELL TELEPHONE CO.
GL	GROUND/SPOT LIGHT	WTR	WATER
PP	POWER POLE	UG	UNDERGROUND
PP/T	POWER POLE W/TRANSFORMER	FND	FOUND
PP/L	POWER POLE W/LIGHT	H.C.C.F.	HARRIS COUNTY CLERK FILE
PP/CT	POWER POLE W/CONDUIT	H.C.D.R.	HARRIS COUNTY DEED RECORDS
MP	METER POLE	H.C.M.R.	HARRIS COUNTY MAP RECORDS
SP	SERVICE POLE	IP	IRON PIPE
GA	GUY ANCHOR	IR	IRON ROD
	OVERHEAD POWER LINE	NO.	NUMBER
	BARBED WIRE FENCE	PG.	PAGE
	WROUGHT IRON FENCE	R.O.W.	RIGHT–OF–WAY
	WOOD FENCE	SQ. FT.	SQUARE FEET
	CHAINLINK FENCE	VOL.	VOLUME
GP	GATE POST	F.C.	FILM CODE
(P)	PER PLANS	B.L.	BUILDING LINE
APPROX.	APPROXIMATE	U.E.	UTILITY EASEMENT
	HIGHBANK		TREE/SHRUB
	SIGN	FP	FLAG POLE
	TRASHCAN	TB	TRAFFIC SIGNAL BOX
GTM	GATE MOTOR	TB	TRAFFIC SIGNAL BOX
KP	KEY PAD	ET	ELECTRIC TRANSFORMER
SC	SECURITY CAMERA		
CP	CABLE PEDESTAL		
WR	WATER RISER		
	SATELLITE		

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S 42°54'52" W	21.22'
L2	S 47°05'08" E	21.21'

CURVE CHART					
CURVE	RADIUS	DELTA	LENGTH	BEARING	CHORD
C1	560.00'	07°09'32"	69.97'	S 84°20'06" W	69.93'
C2	500.00'	08°01'34"	70.04'	N 83°54'05" E	69.98'

SURVEYOR'S CERTIFICATION

TO: THE LIFE AT WESTPARK LP, A TEXAS LIMITED PARTNERSHIP
GREYSTONE FUNDING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD")
FIRST AMERICAN TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2021 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6a, 7a, 8, 9, 11, 12, 13, 14, 16, 17, 18 AND 19 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON APRIL 6, 2021.

Lucas G. Davis

STATE OF TEXAS REGISTERED LUCAS G. DAVIS 6599 PROFESSIONAL LAND SURVEYOR

04–16–2021

LUCAS G. DAVIS
Registered Professional Land Surveyor
Texas Registration No. 6599

DATE

REVISIONS		
DATE	REASON	BY
04–26–2021	ADDITIONAL TOPO/ BUILDING FINISHED FLOOR	AT
04–28–2021	REVISED PARTIES ON CERTIFICATION	GA
10–08–2021	NEW TITLE AND ALTA UPDATE	MAP
10–19–2021	UPDATED TITLE	OP

WINDROSE
LAND SURVEYING | PLATTING
11111 RICHMOND AVE, STE 150 | HOUSTON, TX 77082 | 713.458.2281
FIRM REGISTRATION NO. 10108800 | WINDROSESERVICES.COM

ALTA /NSPS LAND TITLE SURVEY OF
17.977 AC./ 783,064 SQ. FT. (TRACT 1)
13.545 AC./ 590,022 SQ. FT. (TRACT 2)
OUT OF PARK VILLAGE AT MISSION BEND SECTION ONE
F.C. NO. 375125, H.C.M.R. (TRACT 1)
OUT OF PARK VILLAGE AT MISSION BEND SECTION TWO
F.C. NO. 375128, H.C.M.R. (TRACT 2)
SITUATED IN THE
MARTIN MORAN SURVEY, A-580
HARRIS COUNTY, TEXAS

FIELDED BY: JL	CHECKED BY: DG	JOB NO. 56690
DRAWN BY: AT	DATE: APRIL 2021	SHEET NO. 1 OF 9

1c

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Summit at Benavides Park (HTC #02009)

RECOMMENDED ACTION

WHEREAS, Summit at Benavides Park (the Development) received a 9% Housing Tax Credit (HTC) award in 2002 for the rehabilitation of 160 multifamily units in San Antonio, Bexar County;

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

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

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

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

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Summit at Benavides Park 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

Summit at Benavides Park received a 9% HTC award in 2002 for the acquisition and rehabilitation of 160 (120 low-income) multifamily units in San Antonio, Bexar County. In a letter dated December 8, 2021, Lee Zieben, representative for the Development Owner, requested approval to amend the HTC LURA related to the ROFR provision.

In 2002, the Housing Tax Credit application allotted five points to the Development Owner in exchange for a two-year ROFR period. Upon completion of the Development, the Owner entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits recorded in Bexar County on December 6, 2004, which was later amended and recorded on January 16, 2008.

The additional use restrictions in the current HTC LURA require, among other things, a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to a tenant organization or to the Department, if at any time after the 15th year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 18th year of the 30-year Extended Use Period. However, the Owner desires to exercise its rights under Tex. Gov't Code §2306.6726 to amend the LURA to allow for a 180-day ROFR period.

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

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a telephonic/video public hearing on the matter on December 10, 2021. No residents attended the public hearing, and no public comment was received regarding the requested amendment.

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

Summit at Benavides Park
1700 S. Hamilton
San Antonio, Texas 78207

December 8, 2021

VIA ELECTRONIC DELIVERY
Ms. Lee Ann Chance
Manager, Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 02009; Summit at Benavides Park (the "**Property**")

Dear Ms. Chance:

The undersigned, being the General Partner (herein so called) of ZGLVDM, LLC, a Texas limited liability company, and the current owner of the Property (the "**Owner**"). This letter constitutes request for a material LURA amendment in order to modify the two-year Right of First Refusal ("**ROFR**") period.

Request to Amend ROFR Period

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

LURA Amendment

In accordance with Section 10.405(b) of the Rules, the Owner, is delivering a fee in the amount of $3,000. In addition, the Owner commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. The Owner will proceed to set a date and time for the public hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Owner requests staff recommendation in support of this request to be considered at the next available TDHCA Board meeting.

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

Sincerely,

ZGLVDM, LLC,
a Texas limited liability company

By: ZG Real Estate Holdings, LP,
a Delaware limited partnership,
its Co-Managing Member

By: AHG Properties, LLC,
a Delaware limited liability company,
its General Partner

By: ______________________________
Lee Zieben
Sole Manager and Member

1d

BOARD ACTION REQUEST

BOND FINANCE DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action on Inducement Resolution No. 22-014 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority for The Rhett (#22611) in Austin.

RECOMMENDED ACTION

WHEREAS, a bond pre-application, as further detailed below, was submitted to the Department for consideration of an inducement resolution;

WHEREAS, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

WHEREAS, approval of the inducement will allow staff to submit an application to the Bond Review Board (BRB) for the issuance of a Certificate of Reservation associated with the Development;

NOW, therefore, it is hereby

RESOLVED, that based on the foregoing, Inducement Resolution No. 22-014 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for the pre-applications listed herein, is hereby approved in the form presented to this meeting.

BACKGROUND

General Information: The BRB administers the annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including, but not limited to, site eligibility and threshold, as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development.

This inducement resolution would reserve approximately $35M in private activity bond volume cap. Staff notes that the Department's set-aside for the 2022 program year is $170,523,859 and has been reserved with applications submitted as part of the 2022 Lottery. The pre-application listed below will be added to the Department's waiting list for a bond reservation.

22611 – The Rhett

New construction of 215 units is proposed for this multifamily development to be located at approximately 1000 East Yager Lane in Austin, Travis County. This transaction is proposed to be Priority 2, and will serve the general population. The development proposes 215 units, 65 of which will be rent and income restricted at 50% of Area Median Family Income (AMFI), with the remaining 150 units being rent and income restricted at 60% of AMFI. The Department received a letter of support from State Representative Celia Israel and no letters of opposition have been received.

Bond Inducement Amount: $35,000,000

RESOLUTION NO. 22-014

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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

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

WHEREAS, it is proposed that the Department issue its revenue bonds or notes in one or more series for the purpose of providing financing for the multifamily residential rental developments (the "Developments") more fully described in Exhibit A attached hereto. The ownership of the Developments as more fully described in Exhibit A will consist of the applicable ownership entity and its principals or a related person (the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, reconstruction or renovation of the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable, as applicable, obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for some or all of the costs associated with the Developments listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable, as applicable, obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable, as applicable, obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the "Board") has determined to declare its intent to issue its multifamily revenue bonds or notes for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

ARTICLE 1

OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds or Notes (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that the respective Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds or notes in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all or a portion of the costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction, reconstruction or renovation, as applicable, of its Development and listed on Exhibit A attached hereto ("Costs of the Developments") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation and equipping of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund certain reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum aggregate principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8. Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, rehabilitating, or reconstructing, as applicable, improving, equipping, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds or notes); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department ("Bond Counsel"), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments' necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Developments and Owners. The Board finds that:

(a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;

(b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;

(c) the Owners are financially responsible;

(d) the financing of the Developments is a public purpose and will provide a public benefit; and

(e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 13th day of January, 2022.

EXHIBIT "A"

Descriptions of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
The Rhett	The Rhett, LP, a Texas limited partnership	General Partner: The Rhett GP LLC, a to-be-formed Texas limited liability company (or other affiliate of Caritas of Austin, a Texas non-profit corporation)	$35,000,000
Costs: Acquisition/construction of a 215-unit affordable, multifamily housing development to be known as The Rhett, to be located at approximately 1000 East Yager Lane, Austin, Travis County, Texas 78753			

CELIA ISRAEL

STATE REPRESENTATIVE • DISTRICT 50

January 4, 2022

Teresa Morales
Texas Department of Housing and Community Affairs
Multifamily Finance Division
P.O. Box 13941
Austin, TX 78711-3491

Dear Ms. Morales,

My office received the public notification for The Rhett Development (TDHCA Application #22611), located in Texas House District 50, which I represent. This new community will bring critically needed supportive housing to North Austin individuals and families, and all of the new apartments will serve low-income residents. I applaud the partnership in place with Caritas of Austin to provide 17 units of housing and on-site services to individuals experiencing homelessness. I also look forward to the property synching up with future sidewalk improvements designated high and very high priority by the City of Austin along Yager Lane.

I am proud to lend my support to this development. This development is valuable to our Central Texas community, which is in desperate need of quality affordable housing. Thank you and your staff for your work that helps ease our housing crisis.

Sinceramente,

Celia Israel
Texas State Representative
House District 50

P.O. BOX 2910 • AUSTIN, TEXAS 78768-2910
(512) 463-0821 • FAX (512) 463-1199 • CELIA.ISRAEL@HOUSE.TEXAS.GOV

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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BOARD ACTION REQUEST

LEGAL DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Gateway Apartments (HTC 94093 / CMTS 1246)

RECOMMENDED ACTION

WHEREAS, Gateway Apartments, owned by Austin Gateway, Ltd. (Owner), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, a representative of Gateway has attended multiple informal conferences and signed prior Agreed Final Orders in 2015 and 2016;

WHEREAS, all violations under the prior Agreed Final Orders were resolved;

WHEREAS, TDHCA attempted a desk monitoring review in October of 2020, but Owner did not respond, resulting in an administrative penalty referral for failure to allow monitoring;

WHEREAS, Owner responded after intervention by the Enforcement Committee and the monitoring review was able to proceed;

WHEREAS, TDHCA identified new findings of noncompliance during the 2021 desk monitoring review and referred them for an administrative penalty when they were not timely corrected;

WHEREAS, there is one unresolved compliance finding for failure to provide documentation that household income was within prescribed limits upon initial occupancy for unit 103;

WHEREAS, on December 16, 2021, Owner's representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of $5,000 with $1,000 to be paid within 30 days of signature and the remaining $4,000 to be forgiven if all violations are addressed as specified in the Order and if Owner is not referred to the Enforcement Committee again during a two year probationary period; and

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

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order assessing an administrative penalty of $5,000, subject to partial forgiveness as outlined above, for noncompliance at Gateway Apartments (HTC 94093 / CMTS 1246), substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Austin Gateway, Ltd ("Owner") is the owner of Gateway Apartments (Gateway), a low income apartment complex composed of 12 units, located in Travis County. Records of the Texas Secretary of State list Gary Kersch as the only member or officer. CMTS lists Gary Kersch as the primary contact for Owner. The property is self-managed via a separate corporation called Doublekaye Corporation, also controlled by Gary Kersch.

The Property is subject to a Land Use Restriction Agreement (LURA) signed by owner in 1994 in consideration for a housing tax credit allocation in the amount of $25,404 to acquire, rehabilitate, and operate the Property.

Owner has previously attended multiple informal conferences and signed two Agreed Final Orders:

1. 2014 administrative penalty action. Gary Kersch attended an informal conference in 2014 for multiple properties that had been referred for an administrative penalty. For Gateway, the administrative penalty referral was for failure to submit an Annual Owner's Compliance Report (AOCR), and while reviewing the issues of noncompliance report, the Enforcement Committee Secretary found that the property had also failed to resolve Uniform Physical Condition Standards (UPCS) violations from 2012/2013. UPCS violations were minor and the violation list was short, but no corrections had been submitted. An informal conference was set and corrective documentation was submitted two days before the conference date, including UPCS corrections and delinquent annual reports. An Agreed Final Order was signed for a forgivable $500 administrative penalty and the findings were fully corrected as required. For the other related properties, Kersch was removed as the general partner. The limited partner took over and informally resolved all noncompliance for those properties. Gateway is the only TDHCA property that remains under Mr. Kersch.
2. 2016 administrative penalty action. Gateway was referred for an administrative penalty for failure to submit the 2015 AOCR, failure to affirmatively market, failure to collect an Annual Eligibility Certification for unit 106, failure to properly income qualify units 103, 106, and 206, and failure to execute required lease notices, including a Tenant Rights and Resources Guide for unit 206 and a Fair Housing Disclosure Notice for unit 106. During its deliberations, the Enforcement Committee found that the overall seriousness of the violations was low. It is a smaller property with only 12 units and there was a good tenant mix, so the affirmative marketing violation was not serious. File violations were technical; tenants in violation were all Section 8, but the files were missing income verifications. However, although these were minor violations and the Section 8 households were likely to qualify for occupancy, efforts to correct were late and minimal, failing to meet deadlines or follow instructions. Overall, the property was running fairly well and was in decent condition, but was not meeting program documentation obligations. Prior enforcement action did not provide adequate deterrence, so an Agreed Final Order was signed for a $1,500 administrative penalty,

with $1,000 potentially forgivable if all violations were corrected. The terms of the order were met.

The Compliance Division attempted a desk file monitoring review in October 2020, but Owner failed to submit documentation as required. A notification of noncompliance was sent, setting a corrective action deadline of January 24, 2021. No documentation was submitted, and Owner was referred to the Enforcement Committee for an administrative penalty for failure to allow monitoring. An informal conference with Owner took place on February 23, 2021. A partially forgivable administrative penalty of $10,000 was recommended, but settlement could not be achieved, in part because additional information was received revealing a negative net cash flow for the property due to Covid-19, which had not been considered by the Committee in its determination of an appropriate penalty amount. Respondent then submitted documentation to correct the finding of noncompliance on March 5, 2021, and the penalty referral was placed on hold pending completion of the remainder of the file monitoring review.

The second phase of the monitoring review was completed by requesting copies of tenant files. Tenant files were timely submitted as required, and violations of the LURA and TDHCA rules were identified. A notification of noncompliance was sent, setting a corrective action deadline of June 22, 2021.
An extension was permitted and multiple violations were resolved, however, the following violations were not resolved before the extended deadline of August 29, 2021, and were referred for an administrative penalty in November:

1. Failure to implement an updated and properly calculated utility allowance. For the Public Housing Authority (PHA) utility allowance calculation method used by Gateway, owners are responsible for periodically reviewing utility allowances and are required to implement changes within 90 days after the applicable PHA releases an updated utility allowance schedule. At the time of the monitoring review, Respondent was utilizing an outdated schedule, and did not properly calculate the allowance. This violation was corrected when an updated utility allowance was implemented on December 2, 2021, after intervention by the Enforcement Committee.

2. Failure to provide documentation that household income was within prescribed limits upon initial occupancy for unit 103, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income), 10 TAC §10.612 (Tenant File Requirements), and Section 4 of the LURA, which require screening of tenants at initial occupancy to ensure qualification for the program. At the time of initial occupancy, income for unit 103 was verified using the Department's Income Verification for Households with Section 8 Certificates form. However, the form was improperly signed by a nonprofit organization rather than a Public Housing Authority. The tenant receives funds from that nonprofit organization based upon his low income, but the Section 8 form may not be used in in this instance because the nonprofit is not a PHA. Income documentation was not retained by the nonprofit. The tenant is special needs and was previously homeless. Owner has been unable to subsequently collect required income verification documentation, and the tenant has been uncooperative.

During the 2021 informal conference, Owner acknowledged past failures to timely comply with TDHCA compliance monitoring requirements, and repeated failures to ensure tenant income qualification at initial occupancy. He understands that he must ensure income qualification prior to initial occupancy, when the property has leverage to compel document production by applicants. The Enforcement Committee analyzed the required statutory factors for determining an appropriate administrative penalty:

1. The seriousness, extent, and gravity of the violations: Failure to allow monitoring is serious. TDHCA is unable to determine the compliance status of a property if we are not able to complete a monitoring review. This is among the most severe violations possible as it impacts the effectiveness of the program's goals. Additionally, the Owner is well versed in the Housing Tax Credit program and has been involved with it for his entire career, but is not adhering to the most basic of requirements.

2. Hazard posed to the health or safety of the public by any of the current violations: None.

3. Risk to the public's economic welfare: Most of Gateway's current residents are special needs; with either mental or physical challenges, or were formerly homeless. This demographic is difficult to house and such persons are likely to be eligible, so the risk to the public's economic welfare caused by the possible household income violation is minimal. The Compliance Division indicates that the utility allowance violation did not create gross rent violations in this instance, so there is no economic impact for tenants.

4. Efforts made to correct the violations: Efforts were untimely and incomplete, requiring Enforcement Committee intervention on multiple occasions. Owner mentioned the pandemic as a factor, however, the lack of responsiveness is not unique to the pandemic period. With that said, extenuating circumstances relating to staffing do support a decreased penalty amount, including lost management staff in 2020, along with personal and management problems related to Covid-19 infections. A new property manager was then hired in October 2020, but he suffered unrelated health issues and missed multiple months of work in November and December 2020. In February, Owner committed to sending the property manager to training, and indicated that they would check CMTS biweekly going forward to ensure that correspondence from TDHCA is not missed.

5. As other matters that justice may require: Committee members were primarily concerned about failures to improve communication or responsiveness in the years since 2012. The units are in good condition and the tenants likely do qualify for occupancy, but the Owner has been chronically unresponsive since 2012. Responsiveness by Owner has improved since the February informal conference, however, and the property manager has attended training. Members did note, however, that Gateway primarily houses a population that can be difficult to place, which has value to the community and should be considered as a factor.

6. Amount necessary to deter future violations: Owner has acknowledged that any penalty will be paid from his own pocket because Gateway is not cash flowing due to

the pandemic. Current figures reflect a receivable balance of $29,651.65 because multiple households are not paying rent due to the pandemic. Tenants have not cooperated with documentation requirements for Covid housing assistance, but Owner does not intend to evict non-paying tenants at this time. Overall, Committee members felt that the noncompliance, though continuous was not egregious. Although past penalty amounts have not deterred violations, members are not certain there is a figure that will deter future violations while not also being so severe as to unnecessarily burden the property. If foreclosed, it will be lost from TDHCA's affordable housing portfolio. Gateway is among the most difficult properties that the Committee faces. It has large arrears, little cash flow, is a small property, and is focusing on an underserved population. Members unanimously agreed that they want to deter future violations but that too large of a penalty could cause the property to fail. To this end, they have recommended a partially forgivable penalty with a two-year probationary component.

Owner has indicated that he appreciates this creative solution, and that it will compel him to comply timely without Enforcement Committee intervention going forward. The recommended Agreed Final Order has the following terms:

1. A $5,000 administrative penalty, subject to partial forgiveness as indicated below;
2. Owner must submit $1,000 portion of the administrative penalty within thirty days of Board approval;
3. Owner must address the remaining file monitoring violation as indicated in the Agreed Final Order;
4. Owner must not be referred to the Enforcement Committee again during a two year probationary period;
5. If Owner complies with all requirements and addresses all violations as required, the remaining administrative penalty in the amount of $4,000 will be forgiven; and
6. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable. If referred again during the probationary period, TDHCA will send a demand letter for the remaining $4,000 to be paid within thirty days, and an informal conference will be set for consideration of the new referral.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, partially forgivable administrative penalty in the amount of $5,000 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the Owner.

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
AUSTIN GATEWAY, LTD. WITH RESPECT	§ §	TEXAS DEPARTMENT OF
TO GATEWAY APARTMENTS	§	HOUSING AND COMMUNITY
(HTC FILE # 94093 / CMTS # 1246)	§ §	AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 13th day of January 2022, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **AUSTIN GATEWAY, LTD.,** a Texas limited partnership (Respondent).

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

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

WAIVER

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

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 1994, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in the annual amount of $24,345 to acquire and rehabilitate Gateway Apartments ("Property") (HTC file No. 94093 / CMTS No. 1246 / LDLD No. 331).

2. Respondent signed a land use restriction agreement (LURA) regarding the Property. The LURA was effective March 6, 1997, and filed of record at Volume 13041, Page 0323 of the Official Public Records of Real Property of Travis County, Texas (Records).

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

Compliance Violations[1]:

4. Respondent has a history of violations and previously signed Agreed Final Orders on January 6, 2015 and January 19, 2016.

5. A desk file monitoring review was attempted by the Department in October of 2020[2], to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. Respondent failed to submit documentation as required. A notification of noncompliance was sent, setting a corrective action deadline of January 24, 2021. No documentation was submitted and Respondent was referred for an administrative penalty for failure to allow monitoring, a violation of 10 TAC §10.618 (Onsite Monitoring), which requires Respondent to permit the Department access to records in order to review documents supporting compliance with the Housing Tax Credit Program. After intervention by the Enforcement Committee, Respondent submitted documentation on March 5, 2021, to correct the finding of noncompliance.

6. The document submission enabled the Compliance Division to move forward with the second phase of the monitoring review by requesting copies of tenant files. Tenant files were submitted as required on March 19, 2021, and violations of the LURA and TDHCA rules were identified. A notification of noncompliance was sent, setting a corrective action deadline of June 22, 2021. An extension was permitted, however the following violations were not resolved before the extended August 29, 2021 deadline:

    a. Respondent failed to implement an updated and properly calculated utility allowance for the property, a violation of 10 TAC §10.614 (Utility Allowances), which requires all developments to establish a utility allowance. For the Public Housing Authority (PHA) calculation method used by Respondent, owners are responsible for periodically reviewing utility allowances and are required to implement changes within 90 days after the applicable PHA releases an updated utility allowance schedule. At the time of the monitoring review, Respondent was utilizing an outdated schedule and did not properly calculate the allowance. This violation was corrected when an updated utility allowance was implemented on December 2, 2021, after intervention by the Enforcement Committee.

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

[2] Due to pandemic precautions, the Department performed a desk monitoring review in lieu of on-site monitoring.

b. Respondent failed to provide documentation that household income was within prescribed limits upon initial occupancy for unit 103, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income), 10 TAC §10.612 (Tenant File Requirements), and Section 4 of the LURA, which require screening of tenants at initial occupancy to ensure qualification for the program. At the time of initial occupancy, income for unit 103 was verified using the Department's Income Verification for Households with Section 8 Certificates form. However, the form was improperly signed by a nonprofit organization rather than a Public Housing Authority. The tenant receives funds from that nonprofit organization based upon his low income, but the Section 8 form may not be used because the nonprofit is not a PHA. Income documentation was not retained by the nonprofit, and the tenant, who is special needs and was previously homeless, has been uncooperative in providing the required income verification documentation.

7. The following violations remain outstanding at the time of this order:
   a. Household income violation described in FOF #6.b;

CONCLUSIONS OF LAW

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

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

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

4. Respondent violated 10 TAC §10.618 in 2021, by failing to allow monitoring.

5. Respondent violated 10 TAC §10.614 in 2021, by failing to implement an updated and properly calculated utility allowance.

6. Respondent violated 10 TAC §10.611, 10 TAC §10.612, and Section 4 of the LURA in 2021, by failing to provide documentation that household income was within prescribed limits upon initial occupancy for unit 103.

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

8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or

the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

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

10. An administrative penalty of $5,000 is an appropriate penalty in accordance with 10 TAC 10 TAC Chapter 2.

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

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of $5,000, subject to partial deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay a $1,000 portion of the assessed administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" within thirty days of the date this Agreed Final Order is approved by the Board.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits, hereto, and submit full documentation of the corrections to TDHCA on or before February 14, 2022.

IT IS FURTHER ORDERED that Respondent must keep the property in compliance by timely submitting corrective documentation to fully resolve any future compliance violations found by TDHCA during a two-year probationary period, with the term beginning on the date this Agreed Final Order is fully executed by all parties and ending two years later.

IT IS FURTHER ORDERED that in the event of a Department-approved sale of either: (A) the property to an unaffiliated third party, or (B) general partner interests that results in a full change of the ownership structure and control of the property, the two-year probationary period shall terminate earlier, upon the date of sale consummation.

IT IS FURTHER ORDERED that timely correction of future compliance violations shall be determined in accordance with 10 TAC §10.602 (Notice to Owners and Corrective Action Periods), a copy of which is included at Exhibit 1. Any corrective documentation not submitted on or before a compliance monitoring deadline shall be considered untimely and will constitute a violation of this agreement provided that Respondent did not timely request and receive an extension in accordance with the rule.

IT IS FURTHER ORDERED that full resolution of future compliance violations will be determined by whether or not a timely submission includes all documentation that was requested in an annual report, file monitoring, or physical inspection letter that is sent to Respondent by the TDHCA Compliance Division via the Compliance Monitoring and Tracking System (CMTS).

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, and remaining in compliance for a probationary period of two (2) years, the satisfactory performance under this order will be accepted in lieu of the remaining assessed administrative penalty and the remaining $4,000 portion of the administrative penalty will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, or the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, then the remaining administrative penalty in the amount of $4,000 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

IT IS FURTHER ORDERED that in the event that the probated $4,000 portion of the administrative penalty becomes due as a result of future compliance violations that are not timely and fully resolved, those future violations may be referred for a separate enforcement action in accordance with normal monitoring and enforcement procedures at Tex. Gov't Code §§2306.041-.0504, 10 TAC Chapter 2, and 10 TAC Chapter 10.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System (CMTS) by following the instructions at this link: http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to inform her that the documentation is ready for review. If it comes due and payable, the penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	**If via USPS:**
TDHCA Attn: Ysella Kaseman 221 E 11th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 3, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on ___*January 13*___*, 2022.*

By: ______________________

Name: Leo Vasquez

Title: Chair of the Board of TDHCA

By: ______________________

Name: James "Beau" Eccles

Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 13th day of January, 2022, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 13th day of January, 2022, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF ____________________§

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

1. "My name is Gary L. Kersch, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of General Partner for Respondent. I am the authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. The Taxpayer ID for Respondent is 17427089994.
4. The mailing address for Respondent is ____.
5. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

AUSTIN GATEWAY, LTD., a Texas limited partnership

By: ______________________________

Name: Gary L. Kersch

Title: General Partner

Given under my hand and seal of office this _______ day of _____________, 2022.

____
Signature of Notary Public

____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____________

My Commission Expires:___________

Exhibit 1

Texas Administrative Code

TITLE 10	COMMUNITY DEVELOPMENT
PART 1	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10	UNIFORM MULTIFAMILY RULES
SUBCHAPTER F	COMPLIANCE MONITORING
RULE §10.602	Notice to Owners and Corrective Action Periods

(a) The Department will provide written notice to the Owner if the Department does not receive the Annual Owner Compliance Report (AOCR) timely or if the Department discovers through monitoring, audit, inspection, review, or any other manner that the Development is not in compliance with the provisions of the LURA, deed restrictions, application for funding, conditions imposed by the Department, this subchapter, or other program rules and regulations, including but not limited to §42 of the Internal Revenue Code.

(b) For a violation other than a violation that poses an imminent hazard or threat to health and safety, the notice will specify a 30 day Corrective Action Period for noncompliance related to the AOCR, and a 90 day Corrective Action Period for other violations. During the Corrective Action Period, the Owner has the opportunity to show that either the Development was never in noncompliance or that the Event of Noncompliance has been corrected. Documentation of correction must be received during the Corrective Action Period for an event to be considered corrected during the Corrective Action Period. The Department may extend the Corrective Action Period for up to six months from the date of the notice to the Development Owner only if there is good cause for granting an extension and the Owner requests an extension during the original 90 day Corrective Action Period, and the request would not cause the Department or the Owner to miss a federal deadline. Requests for an extension may be submitted to: compliance.extensionrequest@tdhca.state.tx.us. If an Owner submits evidence of corrective action during the Corrective Action Period that addresses each finding, but does not fully address all findings, the Department will give the Owner written notice and an additional 10 calendar day period to submit evidence of full corrective action. References in this subchapter to the Corrective Action Period include this additional 10 calendar day period.

(c) If any communication to the Owner under this section is returned to the Department as refused, unclaimed, or undeliverable, the Development may be considered not in compliance without further notice to the Owner. The Owner is responsible for providing the Department with current contact information, including address(es) (physical and electronic) and phone number(s). The Owner must also provide current contact information to the Department as required by §1.22 of this title (relating to Providing Contact Information to the Department), and ensure that such information is at all times current and correct.

(d) Treasury Regulations require the Department to notify Housing Tax Credit Owners of upcoming reviews and instances of noncompliance. The Department will rely solely on the information supplied by the Owner in the Department's web-based Compliance Monitoring and Tracking System (CMTS) to meet this requirement. It is the Owner's sole responsibility to ensure at all times that such information is current, accurate, and complete. Correspondence sent to the email or physical address shown in CMTS will be deemed delivered to the Owner. Correspondence from the Department may be directly uploaded to the property's CMTS account using the secure electronic document attachment system. Once uploaded, notification of the attachment will be sent electronically to the email address listed in CMTS. The Department is not required to send a paper copy, and if it does so it does as a voluntary and non-precedential courtesy only.

(e) Unless otherwise required by law or regulation, Events of Noncompliance will not be reported to the IRS, referred for enforcement action, considered as cause for possible debarment, or reported in an applicant's compliance history or Previous Participation Review, until after the end of the Corrective Action Period described in this section.

(f) Upon receipt of facially valid complaints the Department may contact the Owner and request submission of documents or written explanations to address the issues raised by the complainant. The deadline to respond to the issue will be specific to the matter. Whenever possible and not otherwise prohibited or limited by law, regulation, or court order, the complaint received by the Department will be provided along with the request for documents or Owner response.

Source Note: The provisions of this §10.602 adopted to be effective February 11, 2019, 44 TexReg 560; amended to be effective May 17, 2020, 45 TexReg 3036

Exhibit 2

File Monitoring Violation Resources and Instructions

Resources:

1. Refer to the following link for all references to the rules at 10 TAC §10 that are referenced below:

   http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y

2. Refer to the following link for copies of forms that are referenced below:

   http://www.tdhca.state.tx.us/pmcomp/forms.htm

3. Technical support and training presentations are available at the following links:

   Income and Rent Limits: http://www.tdhca.state.tx.us/pmcomp/irl/index.htm

   FAQ's: http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm

4. **All corrections must be submitted via CMTS:** See link for steps to upload documents http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf.

5. **Important notes -**

   i. Do not backdate any documents listed below.

   ii. A transfer of a qualified household from another unit is not sufficient to correct any findings. If there is a tenant income certification or household income above limit violation, a transfer from another unit will simply cause the finding to transfer to that unit.

Instructions:

6. **Household income above limit upon initial occupancy for unit 103:** Follow the instructions below and submit documentation depending on the applicable circumstance.

   Basic guidance regarding tenant file components, including proper usage of the Income Verification for Households with Section 8 Certificates form, are outlined at Exhibit 3.

Circumstance	**Instruction**
I. If unit is occupied by a qualified household	Recertify the household using current circumstances and submit: A. New application using current circumstances; B. New verifications of each source of income and assets, C. New Income Certification (TDHCA form); D. Lease and lease addendum; and E. Tenant Rights and Resources Guide Acknowledgment (TDHCA form). Remember that items A-C above must be dated within 120 days of one another. If the unit is vacant, the current tenant does not qualify, or the current will not cooperate due to special needs, follow alternate instructions below.

II. If unit is occupied by a nonqualified tenant with a non-expired lease (including if existing tenant refuses to cooperate)	A. Issue a nonrenewal notice* to tenant and provide a copy to TDHCA, along with a letter to TDHCA stating (1) the lease expiration date, (2) committing to occupying the unit with a new qualified household, and (3) committing to submit a full tenant file* as soon as the unit becomes available and is reoccupied. If the existing tenant is protected by another program such as Section 8 or USDA-RD and the property cannot issue a nonrenewal notice as a result, submit a letter stating which program protects the household and committing to occupying the unit with a new qualified household and submitting a full tenant file as soon as the unit becomes available; B. You must submit a full tenant file within 30 days of occupancy by a new qualified household*. Receipt of the full tenant file after 2/14/2022 is acceptable for this circumstance provided that Requirement A above is fulfilled by the deadline. **A full tenant file must include:* *A. Tenant application;* *B. Verifications** of all sources of income and assets;* *C. Tenant income certification;* *D. Lease and lease addendum;* *E. Tenant Rights and Resources Guide Acknowledgment; and* *F. A copy of the tenant selection criteria under which the household was screened.* *Remember that items A-C above must be dated within 120 days of one another.* ** If a notice of nonrenewal or notice of termination is sent to tenant, ensure that it complies with requirements of the rule at 10 TAC §10.802(g).* ***If the household is not Section 8, the TDHCA" Income Verification for Households with Section 8 Certificates" form cannot be used to verify income. See Attachment 3 for guidelines regarding how to verify income and assets.*

<u>Exhibit 3</u>

Tenant File Guidelines

The following technical support does not represent a complete list of all file requirements and is intended only as a guide. TDHCA staff recommends that all onsite staff responsible for accepting and processing applications sign up for First Thursday Training in order to get a full overview of the process. Sign up at http://www.tdhca.state.tx.us/pmcomp/COMPtrain.html. Forms discussed below are available at: http://www.tdhca.state.tx.us/pmcomp/forms.htm.

**Important Note* The application, verifications of income and assets, and Tenant Income Certification (1 – 5 below) must be signed within 120 days of one another. If one component is outside of that time frame, you must recertify.*

1. **<u>Intake Application:</u>** Each adult household member must complete their own application in order to be properly screened at initial certification. A married couple can complete a joint application. The Department does not have a required form to screen households, but we make a sample form available for that purpose. All households must be screened for household composition, income and assets. Applicants <u>must</u> complete all blanks on the application and answer all questions. Any lines left intentionally blank should be marked with "none" or "n/a." The application must be signed and dated by all adult household members, using the date that the form is actually completed. If you use the Texas Apartment Association (TAA) Rental Application, be aware that it does not include all requirements, but they have a "Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs" that includes the additional requirements. TDHCA also has an application form that you can use; using our form is not required for the application, but it does screen for all requirements.
2. **<u>Release and Consent</u>**: Have tenant sign TDHCA's Release and Consent form so that verifications may be collected by the property.
3. **<u>Verify Income:</u>** Each source of income must be documented for every adult household member based upon the information disclosed on the application. There are multiple methods:
    a. **Income Verification for Households with Section 8 Certificates (HTC only):** If you correctly use this form, you do not need to further verify income, but you do need to collect all other components of the tenant file. This form is signed by the Public Housing Authority, verifying that the household is eligible at initial occupancy or at recertification. It may not be signed by any other entity type. The form may only be used if the housing authority performed an income certification or recertification within 120 days of the effective date of the application that you collect (step 1 above) and the Income Certification form that is signed (step 5 below). If outside of that period, you must verify income yourself.
    b. **First hand verifications (required for HOME, NHTF, NSP, and TCAP RF):** Paystubs or payroll print-outs that show gross income. If you choose this method, ensure that you consistently collect a specified number of consecutive check stubs as defined in your management plan (at least two months' worth of check stubs for HOME, NHTF, NSP, and TCAP RF);
    c. **Employment Verification Form**: Part 1 must be completed by you and signed by the tenant. Part 2 must be completed by the employer. To prevent fraud, you must submit the form directly to the employer and must not allow the tenant to handle it. You should ensure that the person completing the employer portion has authority to do so and has access to all applicable information in order to verify the employment income. If

you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it;

   d. **Verification of non-employment income:** You must obtain verifications for all other income sources, such as child support, social security, and/or unemployment benefits. Self-certification by the household is not acceptable. Examples: benefit verification letter(s) would be acceptable for social security and/or employment benefits. Acceptable verifications for child support could include documents such as divorce decree(s), court order(s), or a written statement from the court or attorney general regarding the monthly awarded amount;

   e. **Telephone Verifications**: These are acceptable *only* for clarifying discrepancies and cannot be used as primary form of verification. Include your name, the date, the name of the person with whom you spoke, and your signature. These are appropriate if there is an unusual circumstance relating to the tenant file;

   f. **Certification of Zero Income:** If an adult household member does not report any sources of income on the application, this form can be used to document thorough screening and to document the source of funds used to pay for rent, utilities, and/or other necessities.

4. **<u>Verify Assets:</u>** Regardless of their balances, applicants must report all assets owned, including assets such as checking or savings accounts. Each source must be documented for every adult household member. The accounts are typically disclosed on the application form, but you must review all documentation from the tenant to ensure proper documentation of the household's income and assets. For instance, review the credit report (if you pull one), application, pay stubs, and other documents to ensure that all information is consistent. Examples of ways to find assets that are frequently overlooked: Review pay stubs for assets such as checking and retirement accounts that the household may have forgotten to include in the application. These accounts must also be verified. Format of verifications:

   a. **Under $5000 Asset Certification Form (HTC only):** If the total cash value of the assets owned by members of the household is less than $5,000, as reported on the Intake Application, the TDHCA Under $5,000 Asset Certification form may be used to verify assets. If applicable, follow the instructions to complete one form per household that includes everyone's assets, even minors, and have all adults sign and date using the date that the form is actually completed.

   b. **First hand verifications (required for HOME)** such as bank statements to verify a checking account. Ensure that you use a consistent number of consecutive statements, as identified in your management plan (at least six months' worth of bank statements for HOME and HTF).

   c. **3rd party verifications** using the TDHCA Asset Verification form. As with the "Employment Verification Form" discussed above, Part 1 must be completed by you and signed by the tenant. Part 2 must be completed by the financial institution. To prevent fraud, you must submit the form directly to the employer and must not allow the tenant to handle it. You should ensure that the person completing the financial institution's portion has authority to do so and has access to all applicable information in order to verify the asset(s). If you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it.

5. **Tenant Income Certification Form:** *TDHCA form.* Upon verification of all income and asset sources disclosed on the application and any additional information found in the documentation submitted by the tenant, the next step is to annualize the sources on the Income Certification Form, add them together, and compare to the applicable income limit for household size which can be found at http://www.tdhca.state.tx.us/pmcomp/irl/index.htm. Be sure to include any income derived from assets. The form must include all household members, and be signed by each adult household member.

6. **Lease:** Must conform with your LURA and TDHCA requirements and indicate a rent below the maximum rent limits, which can be found at http://www.tdhca.state.tx.us/pmcomp/irl/index.htm When determining the rent, ensure that the tenant's rent, plus the utility allowance, plus any housing subsidies, plus any mandatory fees, are below the maximum limits set by TDHCA. 10 TAC §10.613(a) prohibits the eviction or termination of tenancy of low income households for reasons other than good cause throughout the affordability period in accordance with Revenue Ruling 2004-82. In addition, 10 TAC §10.613(e) prohibits HTC developments from locking out or threatening to lock out any development resident, or seizing or threatening to seize personal property of a resident, except by judicial process, for purposes of performing necessary repairs or construction work, or in case of emergency. The prohibitions must be included in the lease or lease addendum. Additionally, certain programs must include a Lead Warning Statement and the TDHCA VAWA lease addendum, per 10 TAC 10.613(f) and (h). TAA has an affordable lease addendum that has incorporated this required language. If you are not a TAA member, you can draft a lease addendum using the requirements outlined above. For Section 811 units, you must use the HUD Model Lease, HUD form 92236-PRA.

7. **Tenant Selection Criteria:** In accordance with 10 TAC §10.610(b), you must maintain written Tenant Selection Criteria and a copy of those written criteria under which an applicant was screened must be included in the household's file.

8. **Tenant Rights and Resources Guide:** *TDHCA form.* In accordance with 10 TAC §10.613(l), you must customize the guide for your property and post a laminated copy in a common area of the leasing office. Development must also provide a copy of the guide to each household during the application process and upon any subsequent changes to the items described at paragraph b) below. The guide includes:

   a) Information about Fair Housing and tenant choice; and
   b) Information regarding common amenities, unit amenities, and services.

   Additionally, a representative of the household must receive a copy of the guide and sign an acknowledgment of receipt of the brochure prior to, but no more than 120 days prior to, the initial lease execution date.

Exhibit 4:
Texas Administrative Code

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

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

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

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

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

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

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

(c) General Requirements.

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

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

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

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

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff will refer the matter to the Enforcement Committee for debarment consideration pursuant to §2.401 of this title (relating to Enforcement, Debarment from Participation in Programs Administered by the Department). In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

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

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

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

(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA. If the transferee has been certified as a CHDO by TDHCA prior to 2016 or has not previously been certified as a CHDO by TDHCA, a new CHDO certification package must be submitted for review. If the transferee was certified as a CHDO by TDHCA after 2016, provided no new federal guidance or rules concerning CHDO have been released and the proposed ownership structure at the time of review meets the requirements in 24 CFR Part 92, the CHDO may instead submit a CHDO Self-Certification form with the Ownership Transfer package.

(3) Exceptions to paragraphs (1) and (2) of this subsection may be made on a case by case basis if the Development (for MFDL) is past its Federal Affordability Period or (for HTC Developments) is past its Compliance Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this subchapter. The Board must find that:

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

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

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

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

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

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

(2) Ownership transfer information, including but not limited to the type of sale, terms of any new financing introduced as a result of the transfer, amount of Development reserves to transfer in the event of a property

sale, and the prospective closing date;

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

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

(5) Previous Participation information for any new Principal as described in §11.204(13)(B) of this title (relating to Required Documentation for Application Submission);

(6) Agreements among parties associated with the transfer;

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

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

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

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

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

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

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

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

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring) and Subchapter G of this chapter (relating to Affirmative Marketing Requirements and Written Policies and Procedures). The Development Owner on record with the Department will be liable for any penalties or fees imposed by the Department (even if such penalty can be attributable to the new Development Owner) unless an ownership transfer has been approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PNA or SCR, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer. A PNA or SCR may be requested if one has not already been received under §10.404 of this section (relating to Reserve Accounts).

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

Source Note: The provisions of this §10.406 adopted to be effective February 5, 2020, 45 TexReg 722

Report Items

2a

TDHCA Outreach and Media Analysis, November 2021

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print and broadcast news, and social media reporting for the time period of November 1 through November 30, 2021 (news articles specifically mentioned the Department and/or Texas Rent Relief Program).

Total number of articles referencing TDHCA: 451
Breakdown by Medium:[1]

- Print: 10 (Editorials/Columnists = 3)
- Broadcast: 36
- Trade, Government or Internet-Based Publications: 405

Figure 1 News Tone

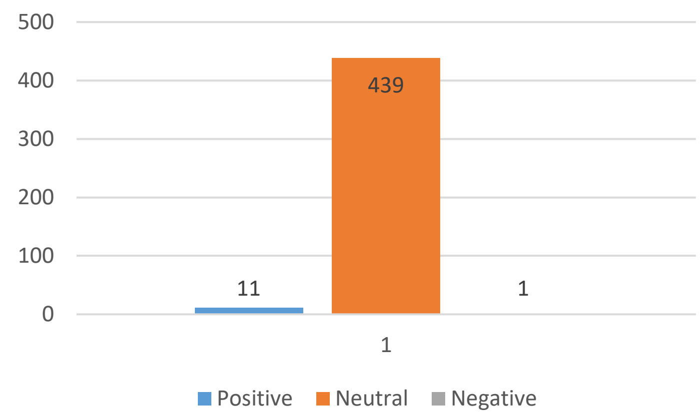
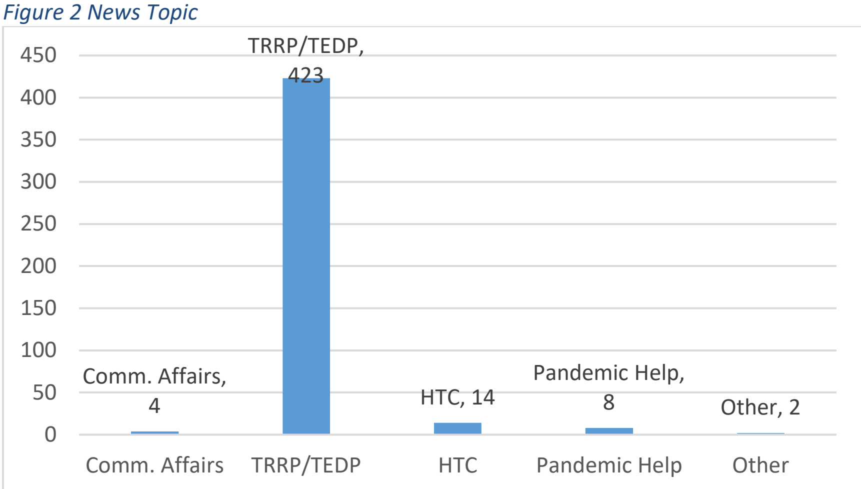
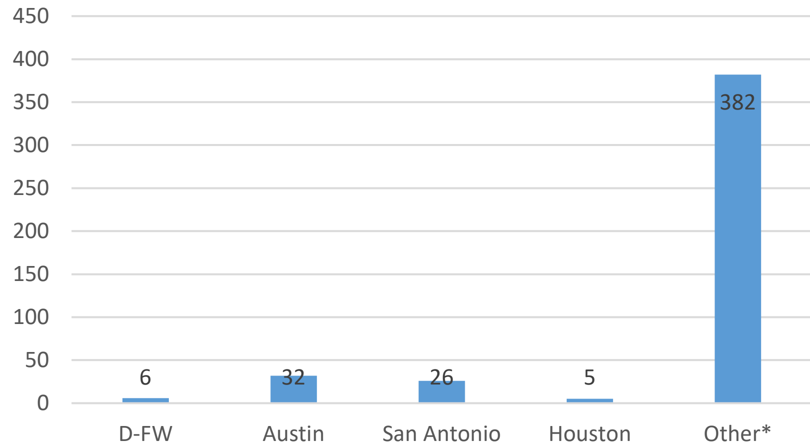


Figure 2 News Topic



[1] *Broadcast numbers may represent instances in which TDHCA was referenced on a television or radio station's website, rather than in a specific broadcast news segment*

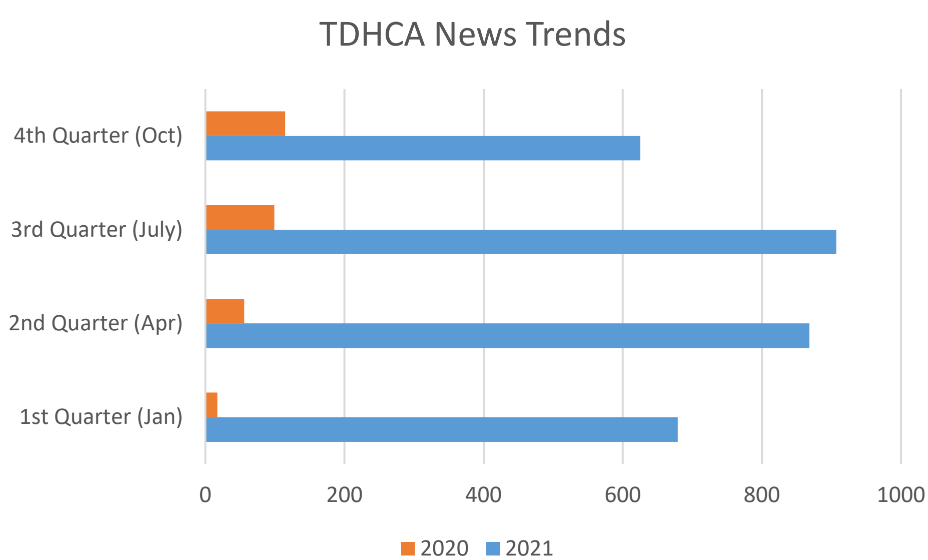
Figure 3 Media Market



Summary:

Reporting on Department activities by the news media totaled 451 references in November 2021. Positive news mentions spotlighted HTC awardees' ribbon cuttings and ground breakings and an editorial mentioning TDHCA's Housing Stability Services Program funding to help veterans connect with housing stability. A majority of the news articles were reprints of an Associated Press news story related to states' Emergency Rental Assistance funds having nearly reached full disbursement.

The following table illustrates the number of news mentions during each quarter of 2021 compared to 2020. There were 451 news articles mentioning TDHCA and/or the Texas Rent Relief Program in the second month (November) of the fourth quarter of 2021.



Social media:

Through November 2021, TDHCA has gained more than 3,100 followers to its Twitter account and more than 6,400 followers to its Facebook account. TDHCA's YouTube views totaled more than 15,000 views in November. The following is a summary analysis of TDHCA's efforts to engage stakeholders and the public on federal and state resources, initiatives and programs.

Month/Yr	Posts	Clicks	Engagements	Shared posts	Liked posts
January 2021	50	20	56	20	18
February 2021	52	193	2,609	1,163	18
March 2021	71	322	355	144	55
April 2021	57	70	4,155	1,152	30
May 2021	60	211	2,861	766	39
June 2021	80	224	10,688	3,303	45
July 2021	101	649	8,443	2,440	62
August 2021	54	650	9,292	2,345	707
Sept. 2021	58	144	4,316	1,105	50
Oct. 2021	46	216	4,526	1,039	124
November 2021	43	17	882	239	106

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month/Yr	Tweets	Clicks	Engagements	Retweets	Liked posts
January 2021	52	224	13	4	7
February 2021	61	186	92	38	39
March 2021	80	313	77	20	37
April 2021	95	144	418	159	218
May 2021	64	282	72	24	30
June 2021	97	352	79	33	34
July 2021	102	520	46	15	24
August 2021	53	818	44	12	27
Sept. 2021	61	105	81	12	30
Oct. 2021	45	89	68	11	47
November 2021	47	189	29	5	12

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month	Views	Watch time (hours)	Avg. view duration	Impressions	Impressions click-through rate
January 2021	684	105.8	9:16	7,760	2.2%
Feb. 2021	11,479	1,174	6:08	91,326	1.8%
March 2021	34,663	990.5	1:42	53,853	5.6%
April 2021	29,652	623.6	1:15	41,923	6.3%
May 2021	25,522	617.7	2:14	44,358	6.1%
June 2021	32,719	833.2	1:31	47,805	5.5%
July 2021	37,996	864.4	1:21	54,038	5.9%
August 2021	45,140	1,044.4	1:23	71,161	5.6%
Sept. 2021	18,200	658.4	2:09	63,000	5.5%
October 2021	18,280	734.9	2:24	66,979	5.5%
Nov. 2021	15,032	514.9	2:03	57,178	4.9%

November 2021

Video	Views ↓		Watch time (hours)		Subscribers		Impressions	Impressions click-through rate
Total	**15,032**		**514.9**		**175**		**57,178**	**4.9%**
Texas Rent Relief Program Completing Application Tutorial	4,036	26.9%	44.0	8.5%	40	22.9%	4,480	7.5%
Texas Rent Relief Program Registration Tutorial	1,894	12.6%	15.1	2.9%	24	13.7%	1,181	2.6%
Texas Rent Relief Program Tutorial – Setting Up Bill.com Account f...	1,778	11.8%	33.1	6.4%	26	14.9%	2,073	9.5%
Texas Rent Relief Program Landlord Tips	570	3.8%	11.6	2.3%	6	3.4%	4,830	3.9%
Texas Rent Relief Program Landlord Application Tutorial	535	3.6%	20.4	4.0%	2	1.1%	3,300	4.0%
Texas Eviction Diversion Program Overview – September 9, 2021	418	2.8%	32.4	6.3%	3	1.7%	3,118	6.0%
Housing Stability Services Reporting and Housing Contract System...	107	0.7%	19.2	3.7%	0	0.0%	1,280	3.0%
TERAP Webinar on Monthly Reporting and Duplication of Benefits	99	0.7%	15.7	3.1%	2	1.1%	1,570	3.4%
Housing Stability Services Contract Implementation Webinar	98	0.7%	23.0	4.5%	2	1.1%	860	4.7%
Texas Community Resiliency Program (CRP) NOFA & Application W...	92	0.6%	19.2	3.7%	2	1.1%	856	2.8%
Texas Emergency Mortgage Assistance Program TEMAP Webinar -...	91	0.6%	10.8	2.1%	0	0.0%	830	4.5%
Introduction to the Low Income Water/Wastewater Assistance Pro...	78	0.5%	6.9	1.4%	1	0.6%	2,327	2.1%
20 IncomeDeterminationTraining	52	0.4%	0.9	0.2%	0	0.0%	66	10.6%
Como Completar Su Aplicación para el Programa de Asistencia de ...	40	0.3%	0.4	0.1%	0	0.0%	188	5.3%
TEMAP NOFA 2 Implementation Workshop	37	0.3%	4.2	0.8%	0	0.0%	665	3.0%
Fair Housing 101: The Basics of Fair Housing in Texas	34	0.2%	7.3	1.4%	2	1.1%	315	6.0%
TEMAP Implementation Workshop - June 8, 2021	34	0.2%	4.6	0.9%	0	0.0%	517	1.9%
Como Registrarse Para el Programa de Asistencia de Pago de Rent...	27	0.2%	0.4	0.1%	1	0.6%	226	4.4%
Fair Housing Special Topics: Reasonable Accommodations, Modifi...	26	0.2%	5.3	1.0%	0	0.0%	445	3.8%
Fair Housing Special Topics: How to Create an Affirmative Marketin...	25	0.2%	4.0	0.8%	0	0.0%	207	4.8%
Housing Contract System and TEMAP Monthly Reporting Webinar ...	24	0.2%	3.0	0.6%	0	0.0%	592	1.5%
Overview of Updates to Compliance, Affirmative Marketing and Writ...	19	0.1%	0.9	0.2%	0	0.0%	83	2.4%
Accessing Texas Department of Aging and Disability Services	17	0.1%	1.2	0.2%	0	0.0%	294	4.4%
TERAP Implementation Workshop	17	0.1%	5.7	1.1%	0	0.0%	217	2.3%
Consejos para la solicitud del propietario	16	0.1%	0.2	0.0%	0	0.0%	327	3.1%
Fair Housing Special Topics: The Violence Against Women Act in F...	16	0.1%	4.6	0.9%	1	0.6%	288	2.8%
TERAP Application Workshop	16	0.1%	0.7	0.1%	4	2.3%	439	2.5%

TEMAP Monthly Reporting Webinar for Part C Programs - October ...	16	0.1%	1.1	0.2%	0	0.0%	605	1.3%
TDHCA's Multifamily Direct Loan Training - Sept. 24, 2020	15	0.1%	2.8	0.6%	1	0.6%	175	2.9%
Fair Housing Special Topics: Assistance Animals, Service Animals, ...	14	0.1%	4.6	0.9%	1	0.6%	405	2.0%
Consejos para la solicitud de inquilinos	12	0.1%	0.3	0.1%	0	0.0%	317	1.6%
Utility Allowance Training - May 5, 2021	11	0.1%	2.2	0.4%	0	0.0%	229	2.2%
TERAP Demographics Reporting Update Workshop	11	0.1%	2.0	0.4%	0	0.0%	346	0.9%
TDHCA Governing Board meeting - July 22, 2021	8	0.1%	2.1	0.4%	0	0.0%	181	0.6%
TDHCA Utility Allowance Roundtable - Oct. 13, 2020	6	0.0%	1.8	0.4%	0	0.0%	141	1.4%
TDHCA Governing Board meeting - July 8, 2021	6	0.0%	0.0	0.0%	0	0.0%	210	0.5%
TEMAP Reporting Webinar	5	0.0%	0.2	0.0%	0	0.0%	192	1.0%
Section 811 PRA Updates for Referral Agents	4	0.0%	0.7	0.1%	0	0.0%	45	6.7%
TERAP Monthly Reporting Workshop - March 1, 2021	4	0.0%	0.1	0.0%	0	0.0%	94	1.1%
Average Income Webinar - Sept. 2, 2020	4	0.0%	0.9	0.2%	0	0.0%	86	2.3%
TDHCA Board Audit & Finance Committee - June 17, 2021	3	0.0%	0.0	0.0%	0	0.0%	150	2.0%
Texas Rent Relief Program - Managing Fraud Risk and Case Review...	3	0.0%	0.0	0.0%	0	0.0%	0	–
TEMAP Reporting Webinar Program Part C	3	0.0%	0.1	0.0%	0	0.0%	202	0%
Digital Outreach Webinar	3	0.0%	0.0	0.0%	0	0.0%	68	1.5%
TDHCA Governing Board meeting - June 17, 2021	2	0.0%	0.0	0.0%	0	0.0%	262	0.4%
Compliance Round Table - April 21, 2021	2	0.0%	0.6	0.1%	0	0.0%	67	1.5%

TDHCA Outreach November 2021

A compilation of outreach activities such as meetings, trainings and webinars.

Department Name	Meeting Date	Meeting Title	Attendees (includes organizer)
LIHWAP	Nov 10, 2021	Low Income Household Water Assistance Program (LIHWAP) Follow-up Training	158
Community Affairs	Nov 16, 2021	Income Determination Training	77
Coronavirus Relief Bill Rental Assistance (CRBRA); Texas Rent Relief	Nov 17, 2021	Ignite the Connection: Pathways to Affordable Housing-TDHCA Prog	78
Amy Young Barrier Removal Program (AYBR)	Nov 18, 2021	AYBR - Procurement & Inspectors, Golden Crescent HfH	6

Community Affairs	Nov 18, 2021	Housing Tax Credit Training	66
AYBR	Nov 22, 2021	AYBR Stage 1 Training, Smith Co HfH	7
AYBR	Nov 23, 2021	AYBR Application TA, Ft. Hood HfH	4
LIHWAP	Nov 30, 2021	Low Income Household Water Assistance Program (LIHWAP) Follow-up Training-	165

2b

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives
Report for January 13, 2022

This report has now been updated to include other one-time or temporary federally awarded allocations of funds, in addition to those funds reflected in this report in the past that were focused specifically on the programs TDHCA has targeted to assist with Texas' response to COVID-19. Programs reflected include those that were reprogramming of existing funds and those awarded through the administration of federal bills.

Shaded rows reflect completed programs for which assistance is no longer available.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
EARLY REPROGRAMMING OF EXISTING TDHCA PROGRAM FUNDS								
HOME Program Tenant Based Rental Assistance (TBRA) for COVID-19 DR	NA: Reservation Agreements	3-6 months of rental assistance made available through existing or new HOME subrecipients *Geography:* Was available where subrecipients applied. 23 administrators covered 120 counties *Income Eligibility:* Households at or below 80% AMFI based on current circumstances	All necessary waivers for this activity were authorized by the OOG and HUD via HUD's mega-waiver of April 10, 2020. The HUD waivers were extended by HUD in December 2020 to expire September 30, 2021.	Amount obligated exceeds original program funding because other previously deob-ligated available HOME funds have been used to allow eligible households to access a full 6 months of assistance.	No added TDHCA staffing No added admin funds	2,612 Includes active, pending PCR, and closed activ-ities	Up to $11,290,076 $11,299,354* 100.08% $11,022,419 97.55%	All originally programmed funds are obligated 2,612 (households) activities submitted, including total served * Amount Reserved
Reprogram 2019 and 2020 CSBG Discretionary and Admin. Funds	• Board approval March 2020 • Recipients contracts were effective March 26, 2020 • Expenditure Deadline was August 31, 2020	Used the existing network of Community Action Agencies to provide direct client assistance to low income households economically impacted by COVID-19 *Geography*: Available statewide (excluding CWCCP and CSI) *Income Eligibility*: 200% poverty (normally is 125%)	None	**COMPLETED** 100% expended	No added TDHCA staffing No added admin funds	9,468 persons	$1,434,352 1,434,352 100% $1,434,352 100%	38 CAA subs

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Recaptured 2018/2019 HHSP	• Board approval March 2020 • 2018 had to be spent by August 31, 2020; 2019 had to be spent by December 31, 2020	Allow subrecipients to perform HHSP eligible activities in addressing homelessness and those at risk of homelessness *Geography*: Available 9 largest metro areas *Income Eligibility*: Generally 30% AMFI if applicable	Approval from Comptroller granted	**COMPLETED** 100% expended	No added TDHCA staffing No added admin funds	462 persons	$191,939.53 $191,939.53 100% $191,939.53 100%	9 subs
CARES ACT FUNDS								
CSBG CARES	• Board approved April 2020 • Must expend 90% by August 31, 2022 • 45 day closeout period	90% to CAAs using regular CSBG formula for households affected by COVID-19; 2% ($949,120) to Texas Homeless Network[1]; 7% for an eviction diversion pilot program; 1% for state admin *Geography*: Available statewide *Income Eligibility*: 200% of poverty (normally is 125%)	The flexibilities allowed by USHHS have been accepted	All contracts are in progress. The Eviction Diversion program has been completed	1 Art. IX FTE for CSBG reporting 1% admin ($474,560)	126,626 persons	$48,102,282 $48,102,282 100% $41,340,195 86%	40 CAA subs CSBG-CV Discretionary has various deadlines
LIHEAP CARES	• Board approved April 2020 • Must expend by September 30, 2021 • 45 day closeout period	99% to CEAP subs for households affected by COVID-19; 1% for state admin (no weatherization) *Geography*: Available statewide *Income Eligibility*: 150% of poverty	The flexibilities allowed by USHHS have been accepted	Approximately $30,341,506 is expected to be unexpended by subrecipients and was not able to be absorbed by others subrecipients. Remaining funds will be returned to HHS. Amount is still pending final close-out.	1 Art. IX FTE for CEAP TA/capacity (1 Filled) 1% admin ($892,670)	181,215 persons	$94,023,896 $93,483,658 99% $64,585,200 69%	37 subs with all contracts executed. No subs declined funds. Added program flexibilities to improve assistance to households impacted by Winter Storm Uri.

[1] The award to THN is to address homelessness and those at risk of homelessness as a result of COVID-19.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CDBG CARES – Phases I, II and III	Board approved general use of the funds for CDBG Phase I in April 2020 and Plan Amendments in October 2020, January 2021, and July 2021 80% of funds must be expended by November 3, 2023; remaining 20% by November 3, 2026 90-day closeout period	Planned Usage: rental assistance in 40 cities/counties; mortgage payment assistance in 40 counties; legal services; assistance for providers of persons with disabilities; food expenses; community resiliency activities; and possible HMIS data warehouse funds. *See Also Attached Report.* *Geography:* Varies by activity type.	HUD agreement executed November 3, 2020. All Plan Amendments approved.	*See Attached Report.* Staff has been receiving technical assistance from HUD's TA provider.	CDBG Director position filled. 7 other positions filled. All FTES are Art. IX Up to 7% admin and TA budget ($9,929,238)	8,918 house-holds	1st allocation: $40,000,886 2nd Allocation: $63,546,200 3rd Allocation: $38,299,172 Total: $141,846,258 $101,035,350* 71% $35,945,070* 25.34%	*Income Eligibility:* For households at or below 80% of AMI. * Figure includes TDHCA admin funds.
ESG CARES – Phase I	• Board approved programming plan on April 2020, and conditional awards on July 23, 2020 • Expend by September 30, 2022 • 90 day closeout period	• Four streams: • Existing subs were offered 100% to 200% of current contract amount (~$12.5M) • ESG Coordinators decided via local process for their CoC, and awards made in three areas without ESG Coordinators by offering funds to CoC awardees (~$17.2M) • Legal/HMIS ($1.9M) • *Geography:* Locations of all funded grantees • *Income Eligibility*: 50% AMI for homeless prevention	• HUD mega-waivers accepted • One-Year Plan/ Con Plan amendment to HUD on May 8, 2021 • Additional OYAP/Con Plan amendment to HUD on September 16, 2021 to accept additional flexibilities (CPD notice 21-08)	• Signed grant agreement May 2020 • 101 contracts executed • 3 legal service providers • Actively evaluating providers for contract performance • Obligated balance updates in process due to reallocation of funds	4 Art. IX FTE (for all phases of ESG) 5 % admin ($1,682,448)	50,613 persons	$33,254,679 $32,480,681 97.67% $26,081,386.28 78.43%* *Does not include TDHCA admin drawn as this is not separated from ESG CARES II admin in HUD systems	This is the first $1B of national ESG. HMIS/Coordination funds totaling $417,949 was awarded to the 8 ESG Coordinators.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
ESG CARES – Phase II	• Board approved awards January 14, 2021. • Expend by September 30, 2022 • 90 Day closeout period	Two streams: • $61,031,041 for Homelessness Prevention and Rapid Rehousing. • $274,649 for ESG CARES and HMIS Coordination through each Continuum of Care. Amendment processed allowing greater flexibility upon request on eligible uses.	ESG Guidance issued by HUD on September 1, 2020. Plan Amendment submitted to HUD October 21, 2020. HUD signed grant agreement on October 27, 2020.	All contracts are in effect. Actively evaluating providers for contract performance.	FTEs noted under ESG CARES Phase I will be utilized for both phases. 5% admin ($3,232,247)	11,694 persons	$64,537,937 $64,537,937 100% $17,001,444 26.34%* *Does not include TDHCA admin drawn as this is not separated from ESG CARES I admin in HUD systems	This is the state's share of the second (final) allocation of $2.96 billion.
Housing Choice Voucher Program Admin	Expend by December 31, 2021 1st Award: $117,268 2nd Award: $140,871 (8/10/2020)	• Software upgrades with Housing Pro to allow more efficient remote interface • Landlord incentive payments • Ordered 3 tablets for inspections • October 2020 Board approved use of funds for retention payments to existing owners to ensure their ongoing participation in the program	Received HUD interpretation that using funds for software upgrades are acceptable. $11,620 was paid for the system purchase.	The full amount of these admin funds was not utilized. Unused admin is returned to HUD as it is not allowed to be used for any household assistance. Amount to be returned still being reconciled.	No added TDHCA staffing.	165 Land-lord renewals 17 new landlord s added	$258,139 $82,074 31.80% $37,012 14.3%	$380M nationally. Purchases of Housing Pro upgrades complete. Training underway. Materials for landlord incentives completed.
Housing Choice Voucher Program MVP	Have to issue vouchers by December 31, 2021. Orig. Alloc.: $105,034*	15 additional MVP vouchers consistent with our award of MVP, which for TDHCA is for Project Access households. * A supplemental allocation from HUD is provided each quarter to support the 15 vouchers (amounts vary by quarter).	None needed.	Received award from HUD. Issued the 15 vouchers on May 22, 2020. All are leased. After the 12/31/21 deadline, amount approved for rents will be rolled into TDHCA's regular yearly budget authority award.	No added TDHCA staffing. No added admin funds.	15 families in current leases	$110,302 HAP Paid $53,664 48.65%	NA

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CORONAVIRUS RELIEF BILL – PART OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2021								
Texas Rent Relief (TRR) Program (Funded with ERA1 and ERA2)	The program dedicates funds through Treasury specifically for rental and utility assistance. The first allocation through the Consolidated Appropriations Act is called ERA1. The second allocation from the American Rescue Plan Act, Section 3201, is called ERA2. ERA1: Required to expend all funds by September 30, 2022. ERA2: Required to expend all funds by September 30, 2025.	Program provides up to 15 months of rental and utility assistance including arrears for ERA1 (up to 18 months for ERA2). Households must reapply every 3 months. Program is run by the state with no subrecipients. 10% of funds are for Housing Stability Services (see following row). Established a 10% set-aside for eviction diversion; households facing eviction and utility disconnections are prioritized for processing. Treasury has provided periodic updated FAQs as informal guidance – most recently August 25, 2021. *Geography:* Statewide. *Income Eligibility:* For households at or <80% AMI.	*Treasury Reallocation*: Based on performance, TRR is eligible to receive additional funds recaptured from other ERA grantees. To date, TRR has received $31M in reallocated funds from Combined Collin & Montgomery Counties & Frisco City. Awaiting additional reallocation decisions.	TRR began using funds from ERA2 in mid-October 2021. System closed to any new applications on November 5, 2021. On Dec. 18, 2021 applicants with outstanding applications were notified they were either “in line” or “not likely to be processed” based on the fact 95% of all assistance funds were already obligated.	Positions filled include Director and 20 positions. Staffing now includes a team for the Housing Stability Services activity. All FTES are Art. IX *Admin Allowed*: 10% ERA1 15% ERA2 $297,449,368	310,168 (As of 12/16/21)	Allocations ERA1: $1,308,110,629 ERA2: $1,079,786,857 Reallocated: $31,135,178 Available for Rent/Utility Payments* $1,995,888,421 Expended** $ 1,967,789,867 98.6% Admin. Expended*** $74,350,281 25%	* Amount is total allocation less funds for HSS and Adm. **Expended and per Internal Report Dec. 27, reflect all payments made, plus payments in process. *** Figure is per Internal Report as of 12/23/21.
Housing Stability Services (HSS) Program (funded by ERA1 and 2)	These funds are a subset of the ERA funds in the row above. Up to 10% of the funds from ERA1 and ERA2 are authorized for housing stability. ERA1: Expend funds by September 30, 2022 ERA2: Must expend funds by September 30, 2025	Program provides funds to local communities or nonprofits for them to provide eligible Texans with a variety of services that help household maintain or obtain stable housing including legal services, outreach services, shelter services, community services, and services offered at permanent supportive housing properties *Geography:* Available where Subrecipients are located. *Income Eligibility:* For households at or below 80% AMI.	Treasury has provided periodic updated FAQs as informal guidance – most recently August 25, 2021. As they are released, HSS policies are adjusted.	All ERA1 contracts are executed with Subrecipient service providers. MOU with TVC executed. ERA2 contract with the Texas Homelessness Network executed to support work on EHV program. NOFA for ERA2 HSS was released November 12, 2021, making $84,000,000 available to eligible organizations. Applications are due January 7, 2022.	See above	6,521 house-holds served 143,567 meals served	Total (est) $163,552,903 HSS ERA1 Avail: $71,552,903 Obligated: $71,363,823 99.7% Expended: $6,361,620 8.9% HSS ERA2 Avail: $105,328,160 Obligated: $750,000 0.7% Expended: $0 0	

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Low-Income Household Water Assistance Program (LIHWAP1)	Part of the appropriation bill; provides dedicated funds through HHS for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program Must obligate and expend funds by: September 30, 2023	Program provides funds to assist low-income households by providing funds to owners/operators of public water and treatment systems to reduce arrearages charged. HHS has encouraged that grantees model the LIHEAP program and utilize their LIHEAP networks of subs. *Geography:* Statewide *Income Eligibility:* TBD	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021.	Contracts have not been released as of December 30th. CA Contract System is under revisions to accommodate for the new program.	3 Art. IX FTEs Admin 15% Any FTES will be Art. IX	0	$51,801,876 $0 0% $0 0%	$638M Nationally
AMERICAN RESCUE PLAN (ARPA) – Public Law 117-2								
HOME ARP Program	Passed as Section 3205 of the American Rescue Plan, the program dedicates funds through HUD allowing flexible uses that can include typical HOME activities as well as homeless services and non-congregate shelter Must expend funds by September 30, 2030	Funds can be used for tenant based rental assistance, development of supportive rental housing, supportive services, non-congregate shelter, and operating costs/capacity building for eligible nonprofit organizations. *Geography:* Available where Subrecipients are located *Households Eligibility: (See Other Notes)*	The existing waiver from the Governor relating to limits on using the funds in rural areas will be utilized to allow the funds to assist homeless persons in urban and rural areas.	HUD released guidance September 13, 2021. Grant agreement signed on September 23, 2021 and now have access to an initial 5% of funds. Consultations were held October 7 to 22. Draft plan is under development and will be presented to the Board before its release for public comment.	A HOME-ARP Division has been established and positions are being filled. All FTES are Art. IX Up to 15% for admin/planning ($19,945,372)	0	$132,969,147 $0 0% $0 0%	$5B nationally Eligibility: homeless, at risk of homelessness with incomes up to 50% AMI, those fleeing Domestic Violence, populations with housing instability
LIHEAP	Passed as Section 2911 of the American Rescue Plan, dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2022	99% of funds were programmed in April 2021 to CEAP subs using a modified formula; 1% for state admin. *Geography*: Available statewide *Income Eligibility*: 150% of poverty	None needed.	Contracts have now been executed.	FTEs noted under CARES LIHEAP will be utilized for both allocations. 1% admin (TBD)	15,956	$134,407,308 $134,407,308 100% $5,993,601 4.45%	$4.5B nationally.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Homeowner Assistance Fund (HAF)	Passed as section 3206 of the American Rescue Plan, dedicates funds through Treasury specifically for preventing mortgage delinquencies, defaults, foreclosures, loss of utilities and displacement. Must expend funds by September 30, 2026	The HAF Plan submitted to Treasury includes: 1) a Reinstatement Program to reinstate delinquent mortgage loans, including principal and interest, as well amounts advanced by the servicer for property charges (taxes, insurance, condo and homeowner association fees, and other related expenses advanced to protect lien position, 2) a Loan Modification with HAF Contribution Program to reduce the monthly PITI for delinquent mortgage loans, and 3) a Property Charge Default Resolution Program, to bring current delinquent property charges, including past due property taxes, insurance premiums, condo and homeowner association fees, and cooperative maintenance or common charges, including up to 90 days of upcoming property charges. (*Cont. under Waivers)*	TDHCA submitted a grant agreement to Treasury by the April 23 deadline. TDHCA submitted its HAF plan to Treasury September 30, 2021. On December 20, TDHCA submitted responses to questions, and a revised HAF Plan, to Treasury. *(Continued from Planned Activities)* Additional programs may be submitted to Treasury in the future. *Geography:* Statewide *Income Eligibility:* Household income at or below greater of 100% AMI or 100% of national median income.	To receive funds beyond the initial 10%, TDHCA's HAF Plan must be approved by Treasury. On December 6, TDHCA released a limited pilot program, and the next phase of the pilot is expected to be released early to mid-January.	4 positions filled including the Director, 2 program managers, and the outreach manager. All FTES are Art. IX Up to 15% ($126,332,101) for admin, planning, community engagement and needs assessment	16 *(Pilot Phase in Process)*	$842,214,006 Only 10% of Funds have been received; pilot phase in process. $ N/A % N/A $432,214 % N/A	$9.9B nationally. Treasury encourages states to use initial disbursement of 10% of funds for creating or funding pilot programs to serve targeted populations, and focus on rapid assistance options such as mortgage reinstatement programs.
LIHWAP2	Passed as Section 2912 of the American Rescue Plan, dedicates funds through HHS for home water costs Must obligate and expend funds by: September 30, 2023	See LIHWAP1 above. HHS will administer LIHWAP1 and 2 under one LIHWAP Plan. Because of the different funding sources, separate contracts will be required *Geography:* Statewide *Income Eligibility:* TBD	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021	Plan approval from HHS received on October 22, 2021. Contracts with providers approved by the Board in June 2021. Contracts to be released based on Subrecipient performance on LIHWAP1.	FTEs noted under Appropriation Act LIHWAP will be utilized for both allocations. Admin % not yet known	0	$40,597,082 $0 0% $0 0%	$500M Nationally

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Emergency Housing Vouchers (EHV)	Passed as Section 3202 of the American Rescue Plan, dedicates vouchers through HUD for emergency rental assistance. HUD Authority to Recapture May Occur as Early As: 1 Year from Funding (if vouchers are unissued) Initial Funding Term Expires: Dec. 31, 2022 Can Reissue EHV until: Sept. 30, 2023 Renewal Funds Available for 'Occupied Units' through: Sept. 30, 2030	TDHCA is receiving 798 vouchers. The award includes funds for the vouchers ($7,933,560) plus funds to provide services ($2,793,000) and funds for admin ($763,788). Vouchers are for households who are: (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. *Geography*: TDHCA is working with CoC partners and HUD to make a final service area determination based on the number of vouchers allocated to the Department and input from CoC partners *Income Eligibility*: Not to exceed 50% of AMI	Significant waivers have been authorized by HUD. TDHCA will seek to maximize its use of these waivers, however the waivers are time-limited so TDHCA will be cautious not to authorize households based on waivers that, when expired, would make the household ineligible at renewal. TDHCA is required to update its PHA Admin Plan to reflect our plan for the service fee (see last column) and other program elements.	Contracts for Continuums of Care (CoCs) to provide referrals and services were approved at the July 8 Board meeting. The contract with the Waco CoC has been executed. Wichita Falls has withdrawn. Collaboration with the Balance of State (BoS) CoC is underway.	Program is being administered jointly by the Section 8 and Section 811 areas due to the unique nature of the program. 3-4 positions to be filled. To be paid for by EHV Admin and CSBG Admin. FTES are Art. IX Admin fee structure is complex, variable and tied to timing of household having found a unit, hence the use of CSBG Admin to support the positions.	0	Total $11,490,348 <u>Rent Payments</u> Avail: $7,933,560 Obligated: $0 0% Expended: $0 0% <u>Service Contracts</u> Avail: $2,793,000 Obligated: $175,000 6.3% Expended: $0 0%	$5 billion Nationally A service fee of $3,500 per unit is authorized separate from the rental assistance payment. The fee total is not tied to each voucher, but is a combined total of funds for services. Services may include: housing search assistance; deposits, holding fees, and application fees; owner-related uses; and other eligible uses.
INFRASTRUCTURE INVESTMENT AND JOBS ACT – Public Law 117-58								
LIHEAP	Passed as Section 501 of the Infrastructure Investment and Jobs Act, dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2026	Funds nationally to be released in annual increments of $100 million each year for the next 5 years. These funds will be made available to each state as part of its annual LIHEAP allocation; the Department therefore will handle these as part of our annual allocation. *Geography*: Available statewide *Income Eligibility*: 150% of poverty	Not yet known.	Not yet available.	No FTEs will be added as these funds will be part of a regular annual administration of the LIHEAP. 1% admin (TBD)	0	TBD	$500 million nationally

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
DOE WAP	Passed as Section 40551 of the Infrastructure Investment and Jobs Act, dedicates funds through Department of Energy for home weatherization. Law has no date by which funds must be expended; DOE may proscribe this, but has not yet	Formula by which DOE will release the funds is still to be determined. Staff's rough estimate is that the Texas allocation may be around $200 million, which is 25 times our typical allocation of roughly $8 million. In anticipation of this significant increase staff obtained Board authority in December 2021 to procure a statewide DOE WAP administrator to augment the work of the network. *Geography*: Available statewide *Income Eligibility*: 200% of poverty	Not yet known.	Not yet available.	FTEs will be added once further guidance and information is available from DOE Admin. TBD	0	$ TBD (amount per state not yet determined by DOE)	$3.5 billion nationally

ACTION ITEMS

3a

Oral Presentation

3b

Texas Department of Housing and Community Affairs
2023 QAP Development Plan
January 13, 2022

Introduction and Background

This document describes the plan TDHCA will use to develop the 2023 Qualified Allocation Plan (QAP). A survey was released to garner input on the ideas in this plan; surveys were able to be completed from November 12, 2021, to November 30, 2021. Fifty-three survey responses were received. In each section below there is reference to the survey results associated with that topic area. The steps, methods, and timeframes reflected in this plan are subject to change.

Part I. Approach for Research and Input Phase

TDHCA will use the following approach to performing research and gathering input from January to May of 2022. When presented this concept, 41 of 47 (87%) respondents who answered were neutral or supportive of this proposal, and no respondents had suggestions for other approaches. All of the engagement methods below will be announced on the Department's listserv and open to anyone.

- Research and Data Analysis: TDHCA staff will perform research and data analysis on specific pre-determined items (actual topics covered in following section). Periodically, research or data results will be released, and input/feedback requested using the Department's TDHCA Forum or through a survey.
- Virtual Intensive Work Groups: Between two to three special topic virtual work groups will be established to convene multiple times in a GoToMeeting format for in-depth discussion and drafting focused on specific themes or subjects. Results of these Work Groups are intended to result in released revisions through the TDHCA Forum and/or be discussed at the Roundtables. TDHCA is committed to being inclusive in all outreach and these Work Groups are open to anyone; however, it should be noted that as the number of attendees increases, conversation and productive engagement dialogue may be reduced, affecting the ultimate products that may result from the Work Groups.
- Staff Micro-Revisions: TDHCA staff will draft preliminary language on very specific and narrow sections/items to be released, and input/feedback will be requested using the Department's TDHCA Forum or surveys.
- Roundtables: TDHCA staff will host three in-person roundtables to discuss various topics and themes with an agenda released in advance. Roughly 20% of survey respondents felt that 2-3 round tables was too few; staff understands that perspective, however in light of trying to release a first draft in early summer and, as requested by respondents not starting round tables until after 2022 9% applications are due, there is limited time to add more roundtables. All roundtables will be held in Austin (there was 100% support for Austin as the location).
- Surveys: Surveys may be used to identify preferences, specifically for items that seem challenging to garner consensus on; as follow-up from discussions in Virtual Intensive Work Groups or Roundtables at which comment is varied and no conclusions reached; and/or to garner input on content posted on the Forum.

Part II. QAP Drafts and Schedule

To improve TDHCA's ability to be responsive to comments, and limit the extent to which suggestions are deferred to the subsequent year's QAP, TDHCA will do two iterations of the 2023 Draft QAP each with a comment period. Staff's hope is that this approach will allow for more impactful changes, and give staff the opportunity to better respond to and integrate critiques and feedback. When presented this concept in the survey, 45 of the 52 (87%) respondents who answered the question were neutral or supportive of the two-draft approach. The timeline for this project was also presented in the survey and 43 of 50 (86%) who answered the question were supportive of the timeline. The schedule below has tried to be as responsive as possible to comments received on the scheduling of the round tables including waiting to do round tables until after most school/college spring breaks have occurred and waiting until after the 2022 9% applications are due.

The timeline that will be utilized for the development of the 2023 QAP is provided below.

Time Period	Process
January to mid-March	Staff will focus on research and data analysis and some crafting of possible revisions
Early March	Virtual Workgroup Dates/Times announced
Mid-March to End of May	Virtual Workgroups, Releases of Micro-Revisions, Surveys
End of March	First Round Table
End of April	Second Round Table
End of May	Third Round Table
June 2022	Staff Drafts Preliminary Draft QAP
Early to Mid-July 2022	Preliminary Draft QAP Released for Public Comment (*This draft will be approved by the Executive Director, but is not expected to be presented to the Board. The Draft will not be published in the Texas Register and no hearings will be held. Comment will be accepted in writing*.)
Early August 2022	Deadline for Comment on Preliminary Draft QAP
Processes Beyond This Point are Consistent with Past Timeframes and are Consistent with Statute	
August 2022	Staff drafts the formal Draft QAP (*This draft will be based on the comments received on the Preliminary Draft. Formal reasoned response will not be included from the first round of comments, but responsive changes will have been considered. This draft will be presented to the Board and go through the formal rule making process through the Texas Register and there will be a public comment period.)*
September 1, 2022	Draft QAP Approved by the Board for Public Comment
October	Public Comment Period
November 10, 2022	Final QAP Approved by the Board

Note: The other associated MF rules (MFDL, Bonds, Asset Management, Compliance) will not necessarily go through this same iterative process.

Part III. Topics for Potential 2023 QAP Discussion

TDHCA staff compiled a list of topics, many of which were items provided as comment for the 2022 QAP that staff noted it would consider for the 2023 document. It should be emphasized that this list is not definitive and other items may be added later in the process. It should be noted that not all topics on the list below will be covered at round tables or in Virtual Work Groups; to maximize the time spent in

Roundtables and Work Groups to a smaller pool of topics, other topics may be presented only through the TDHCA Forum or via survey.

Topics for Virtual Work Groups

The survey asked respondents to identify the top three items they felt should be designated for a Virtual Intensive Work Group. Responses were quite varied. The topics that received the most comments were ranked and staff will proceed with Virtual Work Groups on the following three topics:

1. Proximity to Jobs Points
2. Underserved and Tax Credit Density Points
3. Tenant Right of First Refusal

Section A. Topics for Research and Data Analysis

These are items that have a particular quantitative focus – either correlated with trends on performance of past scoring items or needing analysis of data sets. This list was provided in the survey and respondents were asked to identify the topics they found most important for possible research and data analysis. The items listed below are listed in descending order from those that had the most interest to those with the least interest. Any new items suggested are also noted at the bottom of the list.

1. Cost Per Square Foot – evaluate whether the costs are lagging and how to adjust including considering an annual adjustment factor.
2. Proximity to Jobs – possible revisit of this item overall, other ways to meet same intent and possibly looking at jobs in certain income ranges.
3. School Mitigation – Have school mitigation requirements presented at application actually resulted in schools having an acceptable rating by placement in service, alternative approaches to this issue.
4. Tax credit density per tract – evaluate possible use as an alternative or addition to other items, consider proximity to population growth.
5. Readiness to Proceed – Have RTP deals placed units into service earlier than non-RFP deals.
6. Unit Sizes (Square Footage requirements) – possible adjustment for market changes.
7. Average Credits per LI Unit Caps – look for greatest outliers, excessive soft costs.
8. Tie Breakers – effectiveness in achieving goals in actual awarded deals.
9. Crime Mitigation – Have mitigations for high crime where local law enforcement said crime was going down, actually resulted in crime going down.
10. Capture Rate metrics – reevaluate urban and rural captures rates.
11. Resident retention – evaluate which scoring items lead to long-term household retention, if possible.
12. Rehabilitation Costs – Evaluate whether there is a correlation between costs per rehab unit and eventual UPCS scores.
13. Income increases – evaluate whether jobs proximity and/or opportunity index points are correlated with a higher-than-average annual increase in household income.

Added Item

14. Evaluate relationship between DCR, developer fee and long term viability - consider allowing a higher DCR if developer fee is less.

Section B. Topics for Eligibility, Credit Allocation Issues and Threshold Related Items

These are items relating generally to De-Concentration Factors, Request and Award Limits, Set-Asides, Tie Breakers and Threshold that are either currently in the QAP and proposed for possible policy changes, or have been suggested as new provisions. This list was provided in the survey and respondents were asked to identify any topics they thought should be added, which are now included in the list below. Some respondents noted the items they felt were most important and items below are in descending order based on how much comment they received.

1. Minimum energy efficiency standards for overall energy use as threshold, consider alternate minimum requirements for rehabs
2. Set-Aside for Permanent Supportive Housing developments or Youth Aging out of Foster Care
3. Tie Breakers overall revisit of item, possibly adding tax credits per unit, total units provided, or lowest average unit set-asides as tie breaker, and whether different for At-Risk and USDA
4. Threshold Item requiring Right of First Refusal (ROFR)
5. Revisit Categories for Basis Boosts and possible applicability for elderly
6. Possible new tax credit cap per unit
7. Consider connecting per deal cap increases above $1.5M to additional 30% units or some other measure
8. Restrictions or limitations on allowing use of the Income Averaging election
9. Threshold affordability terms of 50 years
10. Clean up of energy efficiency threshold items that also qualify for points
11. One award per census tract and possible applicability to Rural
12. Clear guidance throughout the QAP on how scattered site will be considered for distances in scoring and ties
13. Clear guidance throughout the QAP on how properties that fall in both a city and an ETJ/county will be handled for resolutions
14. Improve clarity and brevity on Neighborhood Risk Factors – consider revisiting approach when poor performing schools result in ineligibility
15. Unit Sizes (minimum SF) reevaluation for more current market considerations
16. Ineligible Applicants to include those in portfolio with poor inspection scores for >2 years
17. Policy on eligibility and/or threshold items and whether all rehabs should be treated the same (properties already in the TDHCA portfolio vs. properties with no current TDHCA restrictions)
18. Consistency regarding language requirements in various resolutions that don't have specific language requirements in statute (i.e. support, don't object, consistent with obligation to AFFH, etc.).
19. Minimum Rehabilitation Requirements – is the minimum per unit the best approach, should some minimum improvements always be required

Added Items

20. Elimination of resolution of no objection threshold requirement

Section C. Scoring Items

These are items that are either currently in the QAP and proposed for possible policy changes, or have been suggested as new items. Novogradac provides an interesting read on balancing considerations in QAP scoring and provides a nice list of many of the criteria used in QAPs across the country. This list was provided in the survey and respondents were asked to identify the topics they thought should be added, which are now included in the list below. Some respondents noted the items they felt were most important and items below are in descending order based on how much comment they received.

1. Community revitalization, consider mutually exclusive of Opportunity Index and suggestions of adjustments for rural including allowing rural new construction
2. Underserved item, changes for rural and possible shift toward tax credit density per tract*
3. Rents and Income - increasing the percentage of units that must meet specific rent levels
4. More 2 and 3 bedroom units
5. Affordability periods up to 55 year
6. Properties that build to the 2021 IECC standard
7. Points for waiving right to the qualified contract process
8. Opportunity Index - including reducing distances to amenities and increasing total points
9. Expanding readiness to proceed to statewide

10. Historic preservation - base on the proportion of the space that is historic
11. Projects intended for eventual tenant ownership (Tenant Right of First Refusal) – revisions and increase of points and how will operationalize
12. Assisting youth aging out of foster care
13. Unit Sizes (SF for points) reevaluation for more current market considerations
14. Special Needs - lengthen applicability of homeless special needs units, possible reentry incentives
15. Proximity to Jobs - split to Urban/Rural and distances* and interplay with Opportunity Zones
16. Items not in the QAP, but require a preference by §42: PHA Waiting list, Households with Children

Added Items

17. Points for having zoning as MF
18. Preservation of affordability

* These items are also noted under Research and Data Analysis

Section D. Procedural, 4%, MFDL and Administrative

These are items that are either currently in the QAP and proposed for possible policy changes, or have been suggested as new items. This list was provided in the survey and respondents were asked to identify the topics they thought should be added, which are now included in the list below. Some respondents noted the items they felt were most important and items below are in descending order based on how much comment they received.

1. Developer Fees for identity of interest, based on units rather than costs
2. Request for Administrative Deficiency process
3. Administrative Deficiencies streamlining all language into one location in the rule and improving language consistency

Added Items

4. Efficient use of bond proceeds - limiting bond reservations to 5% over federal requirement

Section E. Compliance, Asset Management or Underwriting

These are items that are either currently in the Compliance, Asset Management, or Underwriting rules and proposed for possible policy changes, or have been suggested as new items. This list was provided in the survey and respondents were asked to identify the topics they thought should be added, which are now included in the list below. Some respondents noted the items they felt were most important and items below are in descending order based on how much comment they received.

1. Guidance related to the average income set-aside

Added Items

2. Streamlining of compliance and reporting to improve time spent by property management
3. Rely more on investors/lenders for underwriting
4. Cash out on identity of interest sales needs to be re-evaluated for Rehab or Reconstruction
5. Post activities manual (Asset Management) needs to be updated to include language/guidance for tenant ownership ROFR

4

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

5

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

6

BOARD ACTION REQUEST

TEXAS HOMEOWNERSHIP ASSISTANCE FUND DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action on delegation of authority to the Department's Executive Director or designee to make up to $10,000,000 in awards to HUD-Approved Housing Counseling Agencies to provide housing counseling and homebuyer education services for the Homeowner Assistance Fund

RECOMMENDED ACTION

WHEREAS, on March 11, 2021, the President of the United States signed the American Rescue Plan Act, which includes the Homeowner Assistance Fund (HAF), into law;

WHEREAS, the State of Texas will receive $842,214,006 from the HAF, and the Texas Department of Housing and Community Affairs (the Department) has been designated as the entity to administer the HAF for the state;

WHEREAS, the U.S. Department of the Treasury (Treasury) is administering HAF, and published Homeowner Assistance Fund Guidance on April 14, 2021, and on August 2, 2021 (the HAF Guidance), which required the Department to submit to Treasury a HAF Plan;

WHEREAS, Treasury has stated that the purpose of the HAF is to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship due to COVID-19. Funds from HAF may be used for assistance with mortgage payments, homeowner's insurance, utility payments, and other specified purposes;

WHEREAS, the Department, in accordance with Treasury, will use the funding to address the needs of financially distressed homeowners in the state of Texas. In order to effectively reach and serve eligible homeowners throughout the state, including those in more rural areas and in areas with concentrations of non-traditional mortgage loans, the Department will contract with HUD- Approved Housing Counseling Agencies to serve as local housing counselors who will provide housing counseling and homeowner education courses to homeowners within the HAF program; and

WHEREAS, the Board wishes to authorize the Executive Director or designee to make up to $10,000,000 in awards to eligible organizations to provide housing counseling and homeowner education courses for homeowners' receiving assistance from the HAF program, subject to a satisfactory Previous Participation Review and conditioned on an acceptable recommendation or a recommendation with conditions by the Executive Award Review and Advisory Committee (EARAC) being confirmed prior to execution, and conditioned on subsequent report of such contracts to the Board;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director or designee is hereby authorized, empowered, and directed, for and on behalf of this Board, to make up to $10,000,000 in awards to eligible organizations to provide housing counseling and homeowner education for the Homeowner Assistance Fund, subject to a satisfactory Previous Participation Review and conditioned on an acceptable recommendation or a recommendation with conditions by the Executive Award Review and Advisory Committee (EARAC) being confirmed prior to execution, and conditioned on subsequent report of such contracts to the Board.

BACKGROUND

President Biden signed the American Rescue Plan Act into law on March 11, 2021, which will provide Texas with $842,214,006 in HAF funds that must be expended by September 30, 2026. On April 14, 2021, and August 2, 2021, Treasury published HAF Guidance, setting forth the purpose of the HAF, defining Qualified Expenses, Eligible Homeowners, and targeting requirements for funds received.

The Department intends to identify and contract with HUD-Approved housing counseling agencies to serve homeowners within the HAF program. The primary objective for these organizations will be to educate homeowners on methods to improve their housing situation and meet the responsibilities of homeownership on a long-term basis. Participating counselors will also help borrowers avoid inflated appraisals, unreasonably high interest rates, unaffordable repayment terms and other conditions that can result in a loss of equity, increased debt, default, and possible foreclosure. Participating counselors who are certified in this area may also provide reverse mortgage counseling to elderly homeowners who seek to convert equity in their homes to pay for home improvements, medical costs, living expenses, or other expenses. Additionally, housing counselors may also be a resource for information concerning Fair Housing and Fair Lending. Successful organizations will utilize their established community ties to provide homeowners with housing counseling services and must meet the minimum requirements as shown below:

Minimum Requirements for Eligible Organizations

- Eligible organizations are nonprofit and governmental entities. “Non-profit” means having a 501c (3) tax exemption notice from the IRS.
- Eligible Organizations must be a HUD-Approved Housing Counseling Agency.
- The organization must have relevant experience with housing counseling including employing staff with housing counseling expertise of at least one-year.
- Applicants must demonstrate significant experience providing housing counseling and homeowner education services to a diverse population, especially low-income households and households with young children.
- Applicants must have submitted their most recent Single Audit to the Federal Audit Clearinghouse (if applicable) or if the Single Audit Act is not applicable provide their most

recent two years audited financials, or financial statements prepared by a CPA.

- Applicant must demonstrate that they have the staffing and resources to provide the required for the housing counseling services, or provide a capacity building plan to accommodate the required capacity, as further detailed in the contract.
- The housing counseling agency must demonstrate that it has established working relationships with private and public community resources to which it can refer clients who need help the agency cannot offer. A description of these working relationships and partnerships must be documented in the agency's application.
- The organization must have housing counselor(s) who are fluent in the language of the clients they serve, or the housing counseling agency must use the services of an interpreter, or the agency must make a reasonable effort to refer the client to another agency that can meet the client's needs.
- Must have or create a Language Access Plan to assist homeowners in English, Spanish, and any appropriate language, based on the needs of the service area.
- The housing counseling physical facilities must meet the following criteria:
    - Have a clearly and properly identified office, with space available for the provision of housing counseling services. There must be permanent signage identifying the housing counseling office.
    - The office should operate during normal business hours and offer extended hours when necessary. However, an exception to this requirement is allowed for certain branch offices that only have the resources to operate on a part-time basis but these their services are critical to the community in which they are located.
    - Provide privacy for in-person counseling and confidentiality of client records;
    - Provide accessibility features or make alternate accommodations for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), 24 CFR parts 8 and 9, and the Americans with Disabilities Act (42 U.S.C. 12101 et seq.).

Primary Audience

The selected organization will target Homeowners who:

- Own and occupy their home in Texas as their primary residence
- Meet program requirements around household income
- Have experienced a Qualified Financial Hardship after January 21, 2020, such as lost income or increased expenses due to the pandemic
- Have a household income at or below 100% Area Median Income (AMI)
- Can submit a copy of a mortgage statement, property tax statement, property insurance statement, and/or HOA/condo fee statement showing that they are behind on their payments
- Provide all required information and documents in the application

Anticipated Contract Type

The Department expects to negotiate, on a contract-by-contract basis, a contract with the selected organization that will include (1) a capacity building budget, (2) a counseling, education and outreach activities budget, and (3) a fixed fee schedule for counseling and homeowner education services including, but not limited to:

- Resolving or preventing mortgage delinquency or default;
- Home maintenance and financial management;
- Reverse mortgage counseling; and
- Individual counseling, Group counseling and Virtual counseling.

Contracts are expected to have an initial term of approximately 18 months, with the ability to extend or renew, based upon performance and need. The maximum value of contracts to be awarded is $10,000,000, which amount is allotted in the HAF Budget.

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BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.1003(b) of the 2022 Qualified Allocation Plan relating to the Maximum Supplemental Request Limit for The Villas at Pine Grove (#19364) in Lufkin

RECOMMENDED ACTION

WHEREAS, an award of competitive 9% housing tax credits (HTC) to an Application for the development of The Villas at Pine Grove (the Development) was approved by the Board in July 2019, for the construction of 68 multifamily units in in Lufkin, Angelina County;

WHEREAS, the Applicant has represented to the Department that increased construction costs as well as complications related to the pandemic and the severe weather experienced in February 2021 have resulted in the completion of the Development being infeasible without additional funding;

WHEREAS, the 2022 Qualified Allocation Plan (QAP) allows for additional supplemental credit awards to be made to applications from the 2019 and 2020 competitive HTC rounds with a demonstrated need for additional funding, with a limit set at seven percent of the original award amount; and

WHEREAS, the applicant has represented that a supplemental award of 15.27% of the original award amount is necessary to make construction feasible, and the waiver request does not demonstrate that granting the waiver better serves the policies and purposes of the Department.

NOW, therefore, it is hereby

RESOLVED, that the waiver of 10 TAC §11.1003(b) of the 2022 QAP concerning the Maximum Supplemental Request Limit for The Villas at Pine Grove is hereby denied.

BACKGROUND

The Villas at Pine Grove is a 2019 competitive HTC award of $1,005,299 which proposed the construction of 68 multifamily units serving the elderly population in Lufkin, Angelina County. Of the 68 units, eight are market-rate and 60 are affordable, with income and rent restrictions ranging from 30% to 60% of AMFI.

In response to increased construction costs resulting from the ongoing pandemic, the 2022 QAP includes a new Subchapter F which allows for 2019 and 2020 competitive HTC awards to request additional supplemental HTC funding of up to seven percent of the initial award. $5,000,000 was allowed from the 2022 HTC ceiling to fund these requests, and the Department received requests totaling $2,813,227. The requests are currently under review, and any remaining funds from the allowed $5,000,000 will be available during the 2022 round for other HTC applications.

On December 7, 2021, the Department timely received a waiver request from the applicant for The Villas at Pine Grove. The request details the difficulties and cost increases that the applicant has encountered during construction. Specifically:

> The increased construction costs and disruptions in construction were all caused for a variety of reasons beyond the control of Owner including, but not limited to, overall construction price increases, suspended site inspections, broken supply chains for materials, local suspensions on construction, and local restrictions regarding social distancing on construction sites. As a result of the above issues caused by COVID-19, the general contractor has been forced to cease construction at this time.

Based on the original award amount of $1,005,299, the allowable limit for the supplemental request is $70,370; however, updated financial documents submitted by the applicant indicate that an additional award of $153,500, or 15.27% of the initial amount, is necessary for feasibility. The applicant did apply for Multifamily Direct Loan funding from the Department to close this gap, but was ineligible for an award of these funds due to federal environmental regulations. The request states that the applicant has exhausted all other options to raise the additional funding, and that without this waiver, the Development will be terminated.

Waiver request requirements are established in 10 TAC §11.207. Among these, waiver requests must establish how granting the waiver better serves the policies and purposes articulated in Tex. Gov't Code Chapter 2306. Tex. Gov't Code §2306.6701(2) requires that the Department administer the low income housing tax credit program to, "maximize the number of suitable, affordable residential rental units added to the state's housing supply." The 7% limit for supplemental allocations was established by working with the development community and through the rulemaking process with the intention of disrupting the 2022 application round as minimally as possible. Exceeding this limit appears contrary to the Department's purposes of maximizing the number of affordable units added to the state's housing supply, and therefore staff recommends that the waiver be denied.

Shackelford
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

Michelle J. Snedden
9201 N. Central Expressway
Fourth Floor
Dallas, Texas 75231
(214) 780-1413 (Direct)
(214) 780-1401 (Fax
msnedden@shackelford.law

December 7, 2021

***Via E-mail:* cody.campbell@tdhca.state.tx.us**
Cody Campbell
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
211 E 11th Street
Austin, Texas 78701

RE: TDHCA Application No. 19364 – Villas at Pine Grove Waiver Request

Dear Mr. Campbell,

In 2019 Villas Cedar Grove, Ltd. (the "***Owner***") received an allocation of Housing Tax Credits from the Texas Department of Housing and Community Affairs ("***TDHCA***") for the construction of the Villas at Pine Grove, a 68-unit affordable senior housing development located in Lufkin, Texas (the "***Development***"). Since the Development closing in March 2020, the construction industry has experienced extreme conditions due to the COVID-19 pandemic and Texas winter storms, which have created a significant financial impact to the Development. These unforeseen conditions have led to the following factors that were beyond the reasonable control of Owner and could not have been reasonably anticipated at the time of application submission. As a result, Owner must raise additional sources of funding to bridge the gap to complete the project.

BACKGROUND

At application in March 2019, Owner conservatively projected a typical 14-month construction build schedule for 68-units along with construction costs based on previously completed projects. After the project closed in March 2020 with the Notice to Proceed given to the General Contractor shortly thereafter, construction began in April 2020. Unfortunately, as soon as the project closed and construction commenced, President Trump ordered a complete shutdown of the country due to the COVID-19 pandemic and ordered that all citizens "shelter in place". As deemed a national emergency, which resulted in the required shut-down, COVID-19 caused extreme shortages first in the lumber market as a result of the shutdown of lumber mills. As we all know by now this resulted in sharp increases in lumber prices of upwards of 40%-50% over the prices pre-COVID-19 in 2019. Additionally, these shortages then trickled down to most all other major construction related supplies including drywall, windows, hardi-plank, insulation, steel, concrete, etc. As construction materials became scarce, their prices continued to rise throughout the year of 2020 to such unprecedented levels that projects such as the Development have become infeasible.

Shackelford, Bowen, McKinley & Norton, LLP
Dallas Nashville Austin Fort Worth Frisco Houston Baton Rouge

The Development like all others that were competitive in the 2019 application round, elected to select the construction cost related points per §11.9(e)(2)(B) of the 2019 Qualified Allocation Plan ("2019 QAP") in order to get the Development built within TDHCA's construction cost parameters. When Owner filed its application in 2019, a year prior to the COVID-19 Pandemic, it was impossible for Owner to predict that 1) a Pandemic would occur resulting in a "shut-down" of the American economy; 2) the shut-down would cause extreme shortages in construction materials resulting in cost increases of over 30% by the time the project was under construction; 3) the material shortages would result in extreme timing delays as construction materials in many instances had to be scheduled anywhere from 30-120 days out, assuming the materials could be made available at all and; 4) the construction industry would also experience a severe shortage in construction labor workforce as a result of the "shelter in place" requirement resulting from COVID-19, as well as many of the sub-contractors contracting the virus which in turn wiped out the entire crew for 14 days at a time due to the quarantine executive order requirements.

Furthermore, the winter storms of February 2021 also had a notable and long-lasting effect on the construction market as well. The current projects in progress came to a halt during this time and a considerable portion of the already reduced local construction workforce left for more lucrative emergency repair work to repair the extensive damages caused by this unprecedented freeze event. The labor shortages along with the inability to timely receive construction materials has drastically affected local contractors exponentially on both current and upcoming projects.

The Internal Revenue Service ("IRS") Revenue Procedure 2014-49 and 2014-50, provides latitude to TDHCA to approve relief to the placed in service requirements for projects located in a Major Disaster Area, defined as any city, county, or other local jurisdiction for which a Major Disaster has been declared by the President and which has been designated by the Federal Emergency Management Agency ("FEMA") as eligible for individual and public assistance, or both. TDHCA may approve such relief only for projects whose owners cannot reasonably satisfy the deadline of §42(h)(1)(E)(i) because of an event that led to a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

As the pandemic continued, TDHCA and the Board made a good faith effort to address the need expressed by Low Income Housing Tax Credit (LIHTC) applicants for gap financing to cover increased costs of construction caused by these unforeseen disasters by initially approving publication of the Multifamily Direct Loan (MFDL) NOFAs. Like other developers, Owner completed all required documentation along with the MFDL application and submitted it to the TDHCA MFDL department on August 19, 2021. During the underwriting process, TDHCA's staff sent multiple questions regarding the financing through TDHCA's deficiency process, and all questions had been answered satisfactorily and it appeared that the Development would be able to cover the increases via a Direct Loan. However, shortly thereafter, the Owner received word from TDHCA that unfortunately their environmental specialists stated that the HUD related loan programs would not allow for funding on this Development due to the Environmental Clearance process and the fact that there were wetlands located onsite even though they had all been properly mitigated in accordance with permits. Accordingly, the only other alternate source available to Owner for funding is equity from the sale of supplemental federal tax credits.

In support of Owner's request below, please find a letter from Hunter Botts, Vice President, Affordable Housing Partners, Inc., in which Mr. Botts affirms the challenges Owner has endured on the Development and, more importantly, he states, "AHP has both the ability and willingness to invest the additional equity should the Partnership be successful with its request." If Owner's request is granted, AHP would contribute an additional $1,331,479 in equity to the Development.

WAIVER REQUEST

Owner hereby requests TDHCA to permit Owner to request in excess of 7% (the cap as provided in Section 11.02 of the 2022 Qualified Action Plan (the "2022 QAP") of the amounts of credits than requests in its original application. 10 TAC_§ 11.207 sets forth the requirements for a rule waiver. In particular, the requesting party must show the following:

1. The need for the waiver was neither foreseeable nor preventable by Owner. As a direct result of COVID-19 and the mandated shutdown, the Development's general contractor was faced with increased construction costs as well as unexpected and unavoidable delays and eventually forced to cease all work. The increased construction costs and disruptions in construction were all caused for a variety of reasons beyond the control of Owner including, but not limited to, overall construction price increases, suspended site inspections, broken supply chains for materials, local suspensions on construction, and local restrictions regarding social distancing on construction sites. As a result of the above issues caused by COVID-19, the general contractor has been forced to cease construction at this time.

2. Granting the waiver better serves the policies and purposes of serving low income tenants as set forth in Tex. Gov't Code, §§2306.001, 2306.002, 2306.359, and 2306.6701. If approved, the Development will be completed which will provide for 68 senior housing units containing one and two bedroom units for the residents of Lufkin. Therefore, by allowing this waiver TDHCA most assuredly satisfies the requirement set forth in §11.207(2) of the 2022 QAP.

Due to the Development being located in a Major Disaster Area and suffering from the spiraling construction cost increases, Owner cannot reasonably satisfy the completion of construction with the maximum supplemental request limit stated in §11.1003(b) of the 2022 QAP. Per the rule, "an applicant may not request more than 7% more credits than their original allocation". This Development originally received $1,005,299 in credits therefore it is restricted to a maximum supplemental request of $70,370.93. As shown on the attached proforma, the total amount of additional credits needed to complete the project is $153,500 which is 15% of the original allocation. (Previously the maximum set out by staff for these requests was 15%). Per §11.1003(a) of the QAP, the maximum amount available for allocation of Supplemental Credits is $5,000,000 and according to the 2022 Supplemental 9% Credit Required Notice of Intent Log dated November 23, 2022, the total amount requested is $3,754,277. Therefore, there are still $1,245,723 of additional supplemental credits available within the approved $5,000,000 threshold.

The Development is in a financially distressed position and has exhausted all other options to raise additional funding to cover these unforeseen costs, including going completely through the TDHCA Direct Loan underwriting process only to be denied due to a HUD technicality. Because of this, Owner is forced to submit this waiver request for the TDHCA Board to approve this request in the amount of $153,500 of additional credits through the Supplemental Allocation award process. Without this approval, the Development will be terminated and low-income senior residents in Lufkin will be denied this housing opportunity.

We appreciate your consideration of this request and are happy to provide additional information as needed.

Very truly yours,

Michelle J. Snedden

cc: Bobby Wilkinson
Rick Deyoe
Beau Eccles
Tiffany Cornelius
John C. Shackelford

Berkshire Hathaway Group
of Companies
AFFORDABLE HOUSING PARTNERS, INC.

Hunter Botts
Vice President
hbotts@berkahp.com
(225) 751-6945

November 30, 2021

Mr. Rick J. Deyoe
Villas Cedar Grove, LTD
1114 Lost Creek Blvd., Suite G20
Austin, TX 78746

Re: The Villas at Pine Grove (the "Apartment Complex")
68 Units – Lufkin, TX

Dear Mr. Deyoe:

As you are aware, Affordable Housing Partners, Inc. ("AHP") is a member of the Berkshire Hathaway Group of Companies, and as such does not rely upon the terms, availability and/or return requirements of an unaffiliated third party upper tier investor.

The purpose of this letter is to set forth certain business terms to be included in the Second Amended and Restated Partnership Agreement by and between AHP or its affiliate (the "Investment Partnership") and Villas Cedar Grove I, LLC (the "General Partner").

The Investment Partnership has been admitted to Villas Cedar Grove, LTD (the "Partnership") as a limited partner. AHP has already committed to invest in the Partnership a total of $8,720,097, at a price of $0.8675 per tax credit, based on receiving 99.99% of the $10,052,990 in tax credits originally awarded to the Partnership.

Due to COVID-19 shutdowns and supply chain challenges, the project has incurred significant delays and cost increases in both materials and labor. It is understood that the Partnership has exhausted all its efforts to try and get funding to cover these unforseen costs that were beyond the control of the Partnership. To date, we understand that the Partnership had made an Application to TDHCA through the TDHCA Direct Loan Program to borrow the funds needed to cover the cost increases, however, in spite of the project clearing underwriting, the Environmental Specialist advised that the HUD programs made available through the NOFA would not allow for the loans to be approved as the site contained wetlands. Therefore, the only available source of funding would be from equity through the sale of an adequate allocation of tax credits. That said, we understand that the Partnership is seeking additional tax credits from the Texas Department of Housing and Community Affairs for additional equity to help cover the cost increases. The amount of additional tax credits requested equals $1,535,000. The additional equity invested in the Partnership would be $1,331,479 based upon AHP receiving 99.99% of the additional credits at a price of $0.8675 per tax credit. AHP has both the ability and willingness to invest the additional equity should the Partnership be successful with its request.

Please do not hesitate to contact me if you have any questions.

Sincerely,
Affordable Housing Partners, Inc.

By: Hunter Botts
Vice President

AGREED AND ACCEPTED:

Villas Cedar Grove, LTD

By: Villas Cedar Grove, LLC, its General Partner

By: ______________________
Rick J. Deyoe, its Managing Member

Date: 11-30-21

The Villas at Pine Grove
9% Tax Credit Project

Lufkin, TX

68 Senior Multi-Family Units

PROJECT BUDGET

Prepared for the Partnership By:

Realtex Development Corporation

Project Developer

Austin, Texas

November 30, 2021

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PROJECT BUDGET EXHIBITS

Villas at Pine Grove Tax Credit Proforma - Final 11-30-21 (002)

SUMMARY SOURCES AND USES OF FUNDS

All sources and uses of funds should be summarized here and be detailed on the Financing Participants and Project Cost Schedule forms. Where funds such as tax credits, loan guarantees, bonds are used only the proceeds going into the project should be identified here so that sources match uses.

SOURCE OF FUNDS

SOURCE #		PRIORITY OF LIEN	CONSTRUCTION OR REHAB STAGE	PERMANENT LOAN STAGE	FINANCING PARTICIPANTS
1	Conventional Permanent Loan		-	$ 2,650,000	CRBT
2	**Conventional Permanent Loan**			**$ 875,000**	**CRBT**
3	Conventional Construction Loan		$ 5,066,000	$ -	Sterling Bank
5	**Construction Loan Increase**		**$ 2,100,000**	**$ -**	Sterling Bank
6	Housing Trust Fund				
7	CDBG			$ -	
8	Mortgage Revenue Bonds				
9	LIHTC Syndication Proceeds		$ 4,565,327	$ 8,720,097	Affordable Housing Partners @ $.8675
10	**Additional Tax Credit Proceeds**		**$ 594,573**	**$ 1,331,479**	**Affordable Housing Partners @ $.8675**
11	USDA/ TXRD Loan(s)				
12	Tax Exempt Bonds	1	$ -	$ -	
13	HOME Funds				
14	Local Government Loan or Grant		$ 250	$ 250	City of Lufkin
15	Private Loan or Grant		$ -		
16	Matching Funds		$ -	$ -	Architect and Engineer
17	Deferred Developer Fee		$ -	322,138	Project Developer
18	**SHORTFALL**				
TOTAL SOURCES OF FUNDS			**12,326,150**	**13,898,964**	

USES OF FUNDS

	DESCRIPTION	CONSTRUCTION OR REHAB STAGE	PERMANENT LOAN STAGE	EXCLUSIVE USE FINANCING PARTICIPANT [1]
1	Land Acquisition	$ 420,000	$ 420,000	
2	Existing Building Acquisition	$ -	$ -	
3	Off-Site Construction Cost	$ -	$ 74,800	
4	Sitework Construction Cost	$ 1,550,123	$ 1,550,123	
5	Hard Construction or Rehabilitation Cost	$ 6,730,838	$ 6,730,838	
6	Contractor's General Requirements	$ 510,000	$ 510,000	
7	Contractor's Overhead	$ 170,000	$ 170,000	
8	Contractor's Profit	$ 510,000	$ 510,000	
9	Construction Contingency	$ 200,000	$ 200,000	
10	Soft Costs	$ 1,336,500	$ 1,336,500	
11	Developer's / Other Fees	$ 250,000	$ 1,328,987	
12	Construction Financing Cost	$ 648,689	$ 648,689	
13	Permanent Financing Cost	$ -	$ 92,000	
14	Other Financing Costs	$ -	$ 115,000	
15	Reserves	$ -	$ 212,027	
16	Other	$ -	$ -	
17		$ -	$ -	
TOTAL USES OF FUNDS		**12,326,150**	**13,898,964**	

Villas at Pine Grove Tax Credit Proforma - Final 11-30-21 (002)

RENT SCHEDULE

The rent and utility limits available at the time the application is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits. The unit mix and net rentable square footages should be consistant with the: "Populations Served" section of the application, site plan and architectural drawings. Unit types should be entered from smallest to largest based on "# of Bedrooms", then within the same "# of Bedrooms" from lowest to highest "Tenant Paid Rent/Unit".

"Type of Unit" designation should be one or more of the following based on the unit's rent restrictions: Tax Credit ***(TC50%)*** *or* ***(TC60%)****, HOME High* ***(HH)*** *or Low* ***(LH)****, Housing Trust Fund* ***(HTF)****, 501 (c) (3) Mortgage Revenue Bond* ***(MRB)****, Community Developement Block Grant* ***(CDBG)****, Other* ***(OT)*** *(describe any "Other" restrictions on an attached sheet). For units funded under more than one program, the "Income Level Served" should be the most restrictive - for example a LH and TC50% would be "50%".*

Type of Unit	Income Level Served	# of Units (A)	# of Bed rooms (B)	# of Baths	Unit Size (Net Rentable Sq. Ft.) (C)	Total Net Rentable Sq. Ft. (A) x (C)	Gross Rent (D)	Tenant Paid Utility Allow. (E)	Tenant Paid Rent/ Bed (C) - (D) = (F)	Total Monthly Rent (A)x(B)x(F)
TC 30%	30%	3	1	1	751	2,253	356.00	43.00	313	939
TC 40%	40%	0	1	1	751	0	0.00	43.00		
TC 50%	50%	7	1	1	751	5,257	594.00	43.00	551	3,857
TC 60%	60%	18	1	1	751	13,518	713.00	43.00	670	12,060
TC 30%	30%	3	2	1	1,076	3,228	428.00	53.00	375	1,125
TC 40%	40%	0	2	2	1,076	0	0.00	53.00		
TC 50%	50%	8	2	2	1,076	8,608	713.00	53.00	660	5,280
TC 60%	60%	21	2	2	1,076	22,596	856.00	53.00	803	16,863
TC 30%	30%	0	3	2	1,388	0	0.00	0.00	0	-
TC 40%	40%	0	3	2	1,388	0	0.00	0.00		
TC 50%	50%	0	3	2	1,388	0	0.00	0.00	0	-
TC 60%	60%	0	3	2	1,388	0	0.00	0.00	0	-
							0.00			
Rent Restricted Total		60				55,460				40,124

Market Rate	4	1	1	751	3,004		850	3,400
Market Rate	0	1	1	0	0		0	-
Market Rate	4	2	2	1,076	4,304		975	3,900
Market Rate	0	3	2	1,166	0		1,215	-
Market Rate	0	3	2	0	0		0	-
Market Rate Total	8				7,308			7,300
Employee/Owner Occupied[1]					0			-
Total Units	68				62,768			47,424

+ Non Rental Income Source #1	15	per unit/month for:	*describe:* ***Deposit Forfeitures, Misc.***		1,200
+ Non Rental Income Source #2	25	per carport/month for:	*describe:* ***30 Carports***		750
+ Non Rental Income Source #3		per unit/month for:	*describe source here*		-
= POTENTIAL GROSS MONTHLY INCOME					49,374
- Provision for Vacancy & Collection Loss			% of Potential Gross Income:	7.50%	3,703
- Rental Concessions					
= EFFECTIVE GROSS MONTHLY INCOME					45,671
x 12 = EFFECTIVE GROSS ANNUAL INCOME					**548,051**

ANNUAL EXPENSES	**319,223**
NET OPERATING INCOME	**228,829**

Villas at Pine Grove Tax Credit Proforma - Final 11-30-21 (002)

1st Lien CRBT Debt Traunch -1		**2,650,000**
Annual Debt Service -	Loan based on 40 year Amortization @ 4.46%	**$142,144**
1st Lien CRBT Debt Traunch -2		**875,000**
Annual Debt Service -	Loan based on 40 year Amortization @ 5.16%	**$51,748**

LOAN ASSUMPTIONS:	Term	15 Years
	Amortization Period	40 Years
	Bond / Interest Rate	4.460%
	Debt Service Coverage	1.20
	Annual Principal and Interest	190,691
PROJECTED LOAN AMOUNT BASED ON THE TERMS ABOVE		$3,555,050

NOTES & ASSUMPTIONS

Vacancy & Collection Loss estimated at 0.00%

Second Lien Debt

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ANNUAL OPERATING EXPENSES				
General & Administrative Expenses				
Accounting		$	9,000	
Advertising		$	2,400	
Legal fees		$	2,400	
Leased equipment		$	0	
Postage & office supplies		$	4,000	
Telephone		$	4,000	
Other	*Dues and Subscriptions*	$	1,000	
Other	*describe*	$	0	
Total General & Administrative Expenses:				$ 22,800
Management Fee:	Percent of Effective Gross Income:		5.00%	$ 27,403
Payroll, Payroll Tax & Employee Benefits				
Management		$	40,000	
Maintenance		$	34,000	
Other	*Health Benefits,FICA*	$	8,000	
Other	*describe*			
Total Payroll, Payroll Tax & Employee Benefits:				$ 82,000
Repairs & Maintenance				
Elevator		$	3,600	
Exterminating		$	4,000	
Grounds		$	12,000	
Make-ready		$	5,000	
Repairs		$	7,000	
Pool		$	1,200	
Other	*Maintenance supplies*	$	7,500	
Other	*describe*	$		
Total Repairs & Maintenance:				$ 40,300
Utilities (Enter Only Property Paid Expense)				
Electric	*TDHCA Expense Chart*	$	14,000	
Natural gas	*TDHCA Expense Chart*	$	0	
Trash	*TDHCA Expense Chart*	$	8,000	
Water/Sewer	*TDHCA Expense Chart*	$	34,000	
Other	*describe*	$		
Other	*describe*	$		
Total Utilities:				$ 56,000
Annual Property Insurance:	Rate per net rentable square foot:	$	0.48	$ 30,000
Property Taxes:				
Published Capitalization Rate: ____	Source:			
Annual Property Taxes		$	36,000	
Payments in Lieu of Taxes		$		
Total Property Taxes:				$ 36,000
Reserve for Replacements:	Annual reserves per unit:	$	$ 250	$ 17,000
Other Expenses				
Cable TV		$		
Supportive Services (Staffing/Contracted Services)		$	5,000	
TDHCA Compliance fees ($40/HTC unit)		$	2,720	
TDHCA Direct Loan Compliance Fees ($34/MDL unit)		$	0	
TDHCA Bond Compliance Fees (TDHCA as Bond Issuer Only -				
Bond Trustee Fees				
Security		$		
Other	*describe*	$		
Other	*describe*	$		
Total Other Expenses:				$ 7,720
TOTAL ANNUAL EXPENSES	Expense per unit:	$	4,694	$ 319,223
	Expense to Income Ratio:		**58.25%**	
NET OPERATING INCOME (before debt service)				$ 228,829
Annual Debt Service				
Conventional Permanent P&I Traunch 1		$	142,144	
Conventional Permanent P&I Traunch 2		$	51,748	
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:		1.18	$ 193,893
NET CASH FLOW				$ 34,936

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Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

	TOTAL DEVELOPMENT SUMMARY				Scratch Paper/Notes
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.		
ACQUISITION					
Site acquisition cost	405,000				
Existing building acquisition cost					
Closing costs & acq. legal fees	15,000				
Other (specify) - see footnote 1					
Other (specify) - see footnote 1					
Subtotal Acquisition Cost	$420,000	$0	$0		
OFF-SITES[2]					
Off-site concrete					
Storm drains & devices					
Water & fire hydrants					
Off-site utilities					
Sewer lateral(s)					
Off-site paving	50,000				
Off-site electrical	24,800				
Other (specify) - see footnote 1					
Other (specify) - see footnote 1					
Subtotal Off-Sites Cost	$74,800	$0	$0		
SITE WORK[3]					
Demolition				0.00%	
Asbestos Abatement (Demolition Only)				0.00%	
Detention	0		0	5.50%	
Rough grading	123,690		74,300	11.00%	
Fine grading	30,000		24,000	7.38%	
On-site concrete	130,000		130,000	5.19%	
On-site electrical	48,000		48,000	16.56%	
On-site paving	340,000		340,000	25.50%	
On-site utilities	239,300		239,300	20.38%	
Decorative masonry	36,258		36,258	3.00%	
Bumper stops, striping & signs	7,800		7,800	1.00%	
PLEASE SPECIFY - see footnote 1	225,050		225,050	4.50%	Entry Gates & Cameras
Subtotal Site Work Cost	$1,180,098	$0	$1,124,708	100.00%	
SITE AMENITIES					
Landscaping	111,225		88,980		
Pool and decking	85,000		85,000		
Athletic court(s), playground(s)	6,300		6,300		
Fencing	89,000		89,000		
PLEASE SPECIFY - see footnote 1	78,500		78,500		Gazebo
Subtotal Site Amenities Cost	$370,025	$0	$347,780		
BUILDING COSTS*:					
Concrete	287,500		287,500	7.35%	
Masonry	190,000		190,000	2.24%	
Metals	130,416		130,416	2.00%	
Woods and Plastics	1,974,000		1,974,000	24.50%	
Thermal and Moisture Protection	75,000		75,000	1.80%	
Roof Covering	108,570		108,570	6.35%	
Doors and Windows	175,000		175,000	7.50%	
Finishes	1,798,020		1,798,020	19.00%	
Specialties	81,350		81,350	2.00%	
Equipment	35,194		35,194	2.00%	
Furnishings	130,000		130,000	3.60%	
Special Construction	256,588		256,588	1.60%	
Payment and Performance Bonds	187,200		187,200	0.00%	
Mechanical (HVAC; Plumbing)	800,000		800,000	9.45%	
Electrical	450,000		450,000	6.11%	
Individually itemize costs below:					
Detached Community Facilities/Building				4.50%	
Carports and/or Garages	52,000		0	0.00%	
Lead-Based Paint Abatement				0.00%	
Asbestos Abatement (Rehabilitation Only)				0.00%	

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Structured Parking					0.00%	
Commercial Space Costs					0.00%	
Other (specify) - see footnote 1					0.00%	
Subtotal Building Costs Before 11.9(e)(2)		$6,730,838	$0	$6,678,838	100.00%	
Voluntary Eligible Building Costs (After 11.9(e)(2))* Enter amount to be used to achieve desired score.						

If NOT seeking to score points under §11.9(e)(2), E77:E78 should remain BLANK. True eligible building cost should be entered in line items E33:E74. If requesting

TOTAL BUILDING COSTS & SITE WORK (including site amenities)		$8,280,961	$0	$8,151,326		
Contingency	2.394%	$200,000		200,000		
TOTAL HARD COSTS		$8,555,761	$0	$8,351,326		
OTHER CONSTRUCTION COSTS	**%THC**				**%EHC**	
General requirements (<6%)	5.96090%	510,000		500,000	5.99%	
Field supervision (within GR limit)						
Contractor overhead (<2%)	1.98697%	170,000		166,000	1.99%	
G & A Field (within overhead limit)						
Contractor profit (<6%)	5.96090%	510,000		500,000	5.99%	
TOTAL CONTRACTOR FEES		$1,190,000	$0	$1,166,000		
TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)		$9,745,761	$0	$9,517,326		
Voluntary Eligible "Hard Costs" (After 11.9(e)(2))* Enter amount to be used to achieve desired score.			#VALUE!	$0		

If NOT seeking to score points under §11.9(e)(2), E96:E97 should remain BLANK. True eligible cost should be entered in line items E83 and E87:E91. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E96:E97 that produces the target cost per square foot in D96:D97. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.

SOFT COSTS[3]				
Architectural - Design fees	130,000		130,000	
Architectural - Supervision fees	80,000		80,000	
Engineering fees	273,000		273,000	
Real estate attorney/other legal fees	120,000		120,000	
Accounting fees	10,000		10,000	
Impact Fees and other tap fees	20,000		20,000	
Building permits & related costs	35,000		35,000	
Appraisal	7,500		7,500	
Market analysis	16,000		16,000	
Environmental assessment	20,000		20,000	
Soils report	12,000		12,000	
Survey	25,000		25,000	
Marketing	40,000			
Hazard & liability insurance	200,000		200,000	
Real property taxes	68,000		68,000	
Personal property taxes	0		0	
Tenant Relocation	0			
PLEASE SPECIFY - see footnote 1	120,000		120,000	Furniture, Fixtures, Equipment
PLEASE SPECIFY - see footnote 1	160,000		160,000	Wetlands mitigation fees
Other (specify) - see footnote 1				Soft Cost Contingency
Subtotal Soft Cost	$1,336,500	$0	$1,296,500	
FINANCING:				
CONSTRUCTION LOAN(S)[3]				
Interest	388,689		300,000	
Loan origination fees	72,000		72,000	
Title & recording fees	75,000		75,000	
Closing costs & legal fees	60,000		60,000	Closing costs & Lender legal
Inspection fees	15,000		15,000	
Credit Report				
Discount Points				
PLEASE SPECIFY - see footnote 1	15,000		15,000	Application Fee/ Lenders atty fees
PLEASE SPECIFY - see footnote 1	23,000		23,000	
PERMANENT LOAN(S)				
Loan origination fees	10,000			
Title & recording fees	30,000			
Closing costs & legal	35,000			
Bond premium				
Credit report				
Discount points				
Credit enhancement fees				

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Prepaid MIP					
PLEASE SPECIFY - see footnote 1	17,000				
Other (specify) - see footnote 1					
BRIDGE LOAN(S)					
Interest					
Loan origination fees					
Title & recording fees					
Closing costs & legal fees					
Other (specify) - see footnote 1					
Other (specify) - see footnote 1					
OTHER FINANCING COSTS[3]					
Tax credit fees	45,000				
Tax and/or bond counsel					
Payment bonds (In Construction)	0				
Performance bonds-In Construction	0		0		
Credit enhancement fees					
Mortgage insurance premiums					
Cost of underwriting & issuance					
Syndication organizational cost	60,000				
Tax opinion/ Cost Cert	10,000				
Refinance (existing loan payoff amt)					
Other (specify) - see footnote 1					
Other (specify) - see footnote 1					
Subtotal Financing Cost	$855,689	$0	$560,000		
DEVELOPER FEES[3]					
Housing consultant fees[4]	15,000		15,000		
General & administrative	525,595		525,595		
Profit or fee	788,392		788,392		
Subtotal Developer Fees	$1,328,987	$0	$1,328,987	11.68%	
RESERVES					
Rent-up - new funds	50,000				
Rent-up - existing reserves*					
Operating - new funds	162,027				
Operating - existing reserves*					
Replacement - new funds					
Replacement - existing reserves*					
Escrows - new funds					
Escrows - existing reserves*					
Subtotal Reserves	$212,027	$0	$0		
***Any existing reserve amounts should be listed on the Schedule of Sources.**					
TOTAL HOUSING DEVELOPMENT COSTS[5]	$13,898,964	$0	$12,702,813		

The following calculations are for HTC Applications only.

Deduct From Basis:				
Federal grants used to finance costs in Eligible Basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units §42(d)(5)				
Historic Credits (residential portion only)				
Total Eligible Basis		$0	$12,702,813	
**High Cost Area Adjustment (100% or 130%)			130%	
Total Adjusted Basis		$0	$16,513,657	
Applicable Fraction			88.24%	
Total Qualified Basis	$14,570,874	$0	$14,570,874	
Applicable Percentage[6]			9.00%	
Credits Supported by Eligible Basis	$1,311,379	$0	$1,311,379	
Actual Original Tax Credits Awarded	$ 1,005,299			
Additional Tax Credits Available	$ 306,080			
Additional Tax Credits Requested	$ 153,500			

15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	$569,088	$580,470	$592,079	$603,921	$615,999	$680,113	$750,900
Secondary Income	$ 23,400	$ 23,868	$ 24,345	$ 24,832	$ 25,329	$ 27,965	$ 30,876
POTENTIAL GROSS ANNUAL INCOME	$592,488	$604,338	$616,425	$628,753	$641,328	$708,078	$781,775
Provision for Vacancy & Collection Loss 7.5%	($44,437)	($45,325)	($46,232)	($47,156)	($48,100)	($53,106)	($58,633)
Rental Concessions	$0						
EFFECTIVE GROSS ANNUAL INCOME	$548,051	$559,012	$570,193	$581,597	$593,228	$654,972	$723,142
EXPENSES							
General & Administrative Expenses	$22,800	$23,484	$24,189	$24,914	$25,662	$29,749	$34,487
Management Fee	$ 27,403	$ 27,951	$ 28,510	$ 29,080	$ 29,661	$ 32,749	$ 36,157
Payroll, Payroll Tax & Employee Benefits	$ 82,000	$ 84,460	$ 86,994	$ 89,604	$ 92,292	$ 106,991	$ 124,032
Repairs & Maintenance	$ 40,300	$ 41,509	$ 42,754	$ 44,037	$ 45,358	$ 52,582	$ 60,957
Electric & Gas Utilities	$ 14,000	$ 14,420	$ 14,853	$ 15,298	$ 15,757	$ 18,267	$ 21,176
Water, Sewer & Trash Utilities	$ 42,000	$ 43,260	$ 44,558	$ 45,895	$ 47,271	$ 54,800	$ 63,529
Annual Property Insurance Premiums	$ 30,000	$ 30,900	$ 31,827	$ 32,782	$ 33,765	$ 39,143	$ 45,378
Property Tax	$ 36,000	$ 37,080	$ 38,192	$ 39,338	$ 40,518	$ 46,972	$ 54,453
Reserve for Replacements	$ 17,000	$ 17,510	$ 18,035	$ 18,576	$ 19,134	$ 22,181	$ 25,714
Other Expenses	$ 7,720	$ 7,952	$ 8,190	$ 8,436	$ 8,689	$ 10,073	$ 11,677
TOTAL ANNUAL EXPENSES	$319,223	$328,525	$338,101	$347,959	$358,107	$413,508	$477,561
NET OPERATING INCOME	$228,829	$230,487	$232,091	$233,637	$235,121	$241,465	$245,581
DEBT SERVICE							
First Deed of Trust Annual Loan Payment - Traunch 1	$142,144	$142,144	$142,144	$142,144	$142,144	$142,144	$142,144
First Deed of Trust Annual Loan Payment - Traunch 2	51,748	51,748	51,748	51,748	51,748	51,748	51,748
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	$34,936	$36,595	$38,199	$39,744	$41,228	$47,572	$51,689
CUMULATIVE NET CASH FLOW	$34,936	$71,531	$109,729	$149,474	$190,702	$412,703	$660,854
Debt Coverage Ratio	1.18	1.19	1.20	1.20	1.21	1.25	1.27
Developer Fee Balance	$322,138	$287,201	$250,607	$212,408	$172,664	$131,435	$0
Developer Fee Balance after Paydown from Cashflow	$287,201	$250,607	$212,408	$172,664	$131,435	$0	$0

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Mortgage Amortization

Inputs	
Loan principal amount	$ 2,650,000.00
Annual interest rate	4.460%
Loan period in years	40
Base year of loan	2022
Base month of loan	1

Key Figures	
Annual loan payments	$142,144.32
Monthly payments	$11,845.36
Interest in first calendar year	$117,694.22
Interest over term of loan	$2,808,595.19
Sum of all payments	$5,458,595.19

Payments in First 12 Months

Year	Month	Beginning Balance	Payment	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
2022	Jan	$2,650,000.00	$11,845.36	$1,996.19	$9,849.17	$1,996.19	$9,849.17	$2,648,003.81
	Feb	$2,648,003.81	$11,845.36	$2,003.61	$9,841.75	$3,999.80	$19,690.92	$2,646,000.20
	Mar	$2,646,000.20	$11,845.36	$2,011.06	$9,834.30	$6,010.86	$29,525.22	$2,643,989.14
	Apr	$2,643,989.14	$11,845.36	$2,018.53	$9,826.83	$8,029.39	$39,352.05	$2,641,970.61
	May	$2,641,970.61	$11,845.36	$2,026.04	$9,819.32	$10,055.43	$49,171.37	$2,639,944.57
	Jun	$2,639,944.57	$11,845.36	$2,033.57	$9,811.79	$12,089.00	$58,983.16	$2,637,911.00
	Jul	$2,637,911.00	$11,845.36	$2,041.12	$9,804.24	$14,130.12	$68,787.40	$2,635,869.88
	Aug	$2,635,869.88	$11,845.36	$2,048.71	$9,796.65	$16,178.83	$78,584.05	$2,633,821.17
	Sep	$2,633,821.17	$11,845.36	$2,056.32	$9,789.04	$18,235.15	$88,373.09	$2,631,764.85
	Oct	$2,631,764.85	$11,845.36	$2,063.97	$9,781.39	$20,299.12	$98,154.48	$2,629,700.88
	Nov	$2,629,700.88	$11,845.36	$2,071.64	$9,773.72	$22,370.76	$107,928.20	$2,627,629.24
	Dec	$2,627,629.24	$11,845.36	$2,079.34	$9,766.02	$24,450.10	$117,694.22	$2,625,549.90

Yearly Schedule of Balances and Payments

Year	Beginning Balance	Payment	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
2023	$2,625,549.90	$142,144.32	$25,563.90	$116,580.42	$50,014.00	$234,274.64	$2,599,986.00
2024	$2,599,986.00	$142,144.32	$26,726.90	$115,417.42	$76,740.89	$349,692.07	$2,573,259.11
2025	$2,573,259.11	$142,144.32	$27,943.59	$114,200.73	$104,684.48	$463,892.80	$2,545,315.52
2026	$2,545,315.52	$142,144.32	$29,215.66	$112,928.66	$133,900.14	$576,821.46	$2,516,099.86
2027	$2,516,099.86	$142,144.32	$30,545.65	$111,598.67	$164,445.80	$688,420.12	$2,485,554.20
2028	$2,485,554.20	$142,144.32	$31,936.18	$110,208.14	$196,381.98	$798,628.26	$2,453,618.02
2029	$2,453,618.02	$142,144.32	$33,390.02	$108,754.30	$229,772.00	$907,382.56	$2,420,228.00
2030	$2,420,228.00	$142,144.32	$34,910.03	$107,234.29	$264,682.03	$1,014,616.85	$2,385,317.97
2031	$2,385,317.97	$142,144.32	$36,499.25	$105,645.07	$301,181.28	$1,120,261.92	$2,348,818.72
2032	$2,348,818.72	$142,144.32	$38,160.81	$103,983.51	$339,342.09	$1,224,245.43	$2,310,657.91
2033	$2,310,657.91	$142,144.32	$39,898.00	$102,246.32	$379,240.09	$1,326,491.75	$2,270,759.91
2034	$2,270,759.91	$142,144.32	$41,714.28	$100,430.04	$420,954.37	$1,426,921.79	$2,229,045.63
2035	$2,229,045.63	$142,144.32	$43,613.25	$98,531.07	$464,567.62	$1,525,452.86	$2,185,432.38
2036	$2,185,432.38	$142,144.32	$45,598.66	$96,545.66	$510,166.28	$1,621,998.52	$2,139,833.72
2037	$2,139,833.72	$142,144.32	$47,674.45	$94,469.87	$557,840.72	$1,716,468.40	$2,092,159.28
2038	$2,092,159.28	$142,144.32	$49,844.74	$92,299.58	$607,685.46	$1,808,767.98	$2,042,314.54
2039	$2,042,314.54	$142,144.32	$52,113.82	$90,030.50	$659,799.28	$1,898,798.48	$1,990,200.72
2040	$1,990,200.72	$142,144.32	$54,486.20	$87,658.12	$714,285.49	$1,986,456.59	$1,935,714.51
2041	$1,935,714.51	$142,144.32	$56,966.58	$85,177.74	$771,252.07	$2,071,634.33	$1,878,747.93
2042	$1,878,747.93	$142,144.32	$59,559.88	$82,584.44	$830,811.95	$2,154,218.77	$1,819,188.05
2043	$1,819,188.05	$142,144.32	$62,271.23	$79,873.09	$893,083.18	$2,234,091.86	$1,756,916.82
2044	$1,756,916.82	$142,144.32	$65,106.01	$77,038.31	$958,189.19	$2,311,130.17	$1,691,810.81
2045	$1,691,810.81	$142,144.32	$68,069.83	$74,074.49	$1,026,259.02	$2,385,204.66	$1,623,740.98
2046	$1,623,740.98	$142,144.32	$71,168.58	$70,975.74	$1,097,427.61	$2,456,180.39	$1,552,572.39
2047	$1,552,572.39	$142,144.32	$74,408.40	$67,735.92	$1,171,836.01	$2,523,916.31	$1,478,163.99
2048	$1,478,163.99	$142,144.32	$77,795.70	$64,348.62	$1,249,631.70	$2,588,264.94	$1,400,368.30
2049	$1,400,368.30	$142,144.32	$81,337.20	$60,807.12	$1,330,968.90	$2,649,072.06	$1,319,031.10
2050	$1,319,031.10	$142,144.32	$85,039.92	$57,104.40	$1,416,008.82	$2,706,176.46	$1,233,991.18
2051	$1,233,991.18	$142,144.32	$88,911.20	$53,233.12	$1,504,920.02	$2,759,409.58	$1,145,079.98
2052	$1,145,079.98	$142,144.32	$92,958.71	$49,185.61	$1,597,878.73	$2,808,595.19	$1,052,121.27

Mortgage Amortization

Inputs	
Loan principal amount	$ 875,000.00
Annual interest rate	5.160%
Loan period in years	40
Base year of loan	2022
Base month of loan	1

Key Figures	
Annual loan payments	$51,748.32
Monthly payments	$4,312.36
Interest in first calendar year	$44,991.70
Interest over term of loan	$1,101,125.77
Sum of all payments	$1,976,125.77

Payments in First 12 Months

Year	Month	Beginning Balance	Payment	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
2022	Jan	$875,000.00	$4,312.36	$549.86	$3,762.50	$549.86	$3,762.50	$874,450.14
	Feb	$874,450.14	$4,312.36	$552.22	$3,760.14	$1,102.08	$7,522.64	$873,897.92
	Mar	$873,897.92	$4,312.36	$554.60	$3,757.76	$1,656.68	$11,280.40	$873,343.32
	Apr	$873,343.32	$4,312.36	$556.98	$3,755.38	$2,213.66	$15,035.78	$872,786.34
	May	$872,786.34	$4,312.36	$559.38	$3,752.98	$2,773.04	$18,788.76	$872,226.96
	Jun	$872,226.96	$4,312.36	$561.78	$3,750.58	$3,334.82	$22,539.34	$871,665.18
	Jul	$871,665.18	$4,312.36	$564.20	$3,748.16	$3,899.02	$26,287.50	$871,100.98
	Aug	$871,100.98	$4,312.36	$566.63	$3,745.73	$4,465.65	$30,033.23	$870,534.35
	Sep	$870,534.35	$4,312.36	$569.06	$3,743.30	$5,034.71	$33,776.53	$869,965.29
	Oct	$869,965.29	$4,312.36	$571.51	$3,740.85	$5,606.22	$37,517.38	$869,393.78
	Nov	$869,393.78	$4,312.36	$573.97	$3,738.39	$6,180.19	$41,255.77	$868,819.81
	Dec	$868,819.81	$4,312.36	$576.43	$3,735.93	$6,756.62	$44,991.70	$868,243.38

Yearly Schedule of Balances and Payments

Year	Beginning Balance	Payment	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
2023	$868,243.38	$51,748.32	$7,113.90	$44,634.42	$13,870.52	$89,626.12	$861,129.48
2024	$861,129.48	$51,748.32	$7,489.52	$44,258.80	$21,360.04	$133,884.92	$853,639.96
2025	$853,639.96	$51,748.32	$7,885.25	$43,863.07	$29,245.29	$177,747.99	$845,754.71
2026	$845,754.71	$51,748.32	$8,301.89	$43,446.43	$37,547.18	$221,194.42	$837,452.82
2027	$837,452.82	$51,748.32	$8,740.55	$43,007.77	$46,287.73	$264,202.19	$828,712.27
2028	$828,712.27	$51,748.32	$9,202.38	$42,545.94	$55,490.11	$306,748.13	$819,509.89
2029	$819,509.89	$51,748.32	$9,688.62	$42,059.70	$65,178.73	$348,807.83	$809,821.27
2030	$809,821.27	$51,748.32	$10,200.54	$41,547.78	$75,379.27	$390,355.61	$799,620.73
2031	$799,620.73	$51,748.32	$10,739.52	$41,008.80	$86,118.79	$431,364.41	$788,881.21
2032	$788,881.21	$51,748.32	$11,306.97	$40,441.35	$97,425.76	$471,805.76	$777,574.24
2033	$777,574.24	$51,748.32	$11,904.41	$39,843.91	$109,330.17	$511,649.67	$765,669.83
2034	$765,669.83	$51,748.32	$12,533.42	$39,214.90	$121,863.59	$550,864.57	$753,136.41
2035	$753,136.41	$51,748.32	$13,195.66	$38,552.66	$135,059.25	$589,417.23	$739,940.75
2036	$739,940.75	$51,748.32	$13,892.89	$37,855.43	$148,952.13	$627,272.67	$726,047.87
2037	$726,047.87	$51,748.32	$14,626.96	$37,121.36	$163,579.10	$664,394.02	$711,420.90
2038	$711,420.90	$51,748.32	$15,399.82	$36,348.50	$178,978.92	$700,742.52	$696,021.08
2039	$696,021.08	$51,748.32	$16,213.52	$35,534.80	$195,192.44	$736,277.32	$679,807.56
2040	$679,807.56	$51,748.32	$17,070.21	$34,678.11	$212,262.64	$770,955.44	$662,737.36
2041	$662,737.36	$51,748.32	$17,972.16	$33,776.16	$230,234.81	$804,731.59	$644,765.19
2042	$644,765.19	$51,748.32	$18,921.78	$32,826.54	$249,156.58	$837,558.14	$625,843.42
2043	$625,843.42	$51,748.32	$19,921.56	$31,826.76	$269,078.15	$869,384.89	$605,921.85
2044	$605,921.85	$51,748.32	$20,974.18	$30,774.14	$290,052.33	$900,159.03	$584,947.67
2045	$584,947.67	$51,748.32	$22,082.41	$29,665.91	$312,134.74	$929,824.94	$562,865.26
2046	$562,865.26	$51,748.32	$23,249.20	$28,499.12	$335,383.95	$958,324.05	$539,616.05
2047	$539,616.05	$51,748.32	$24,477.65	$27,270.67	$359,861.59	$985,594.73	$515,138.41
2048	$515,138.41	$51,748.32	$25,771.00	$25,977.32	$385,632.59	$1,011,572.05	$489,367.41
2049	$489,367.41	$51,748.32	$27,132.68	$24,615.64	$412,765.27	$1,036,187.69	$462,234.73
2050	$462,234.73	$51,748.32	$28,566.32	$23,182.00	$441,331.59	$1,059,369.69	$433,668.41
2051	$433,668.41	$51,748.32	$30,075.71	$21,672.61	$471,407.30	$1,081,042.30	$403,592.70
2052	$403,592.70	$51,748.32	$31,664.85	$20,083.47	$503,072.15	$1,101,125.77	$371,927.85

Villas at Pine Grove Tax Credit Proforma - Final 11-30-21 (002)

CONSTRUCTION PERIOD CASHFLOW

Cash Flow to Stabilization

	Projected Total Cost	Pre Closing	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Total to Stabilization	Cash Flow Thereafter
PARTNERSHIP MONTH			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
A. LAND ACQUISITION:																												
Land Purchase Price	405,000	0	405,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	405,000	0
Land Purchase Costs	15,000	0	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,000	0
Total Land Acquisition	420,000	0	420,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	420,000	0
B. PROJECT INVESTIGATION & DESIGN:																												
Preliminary Design & Feasibility	55,500	55,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	55,500	0
Civil Engineering & Surveying	298,000	288,000	2,500	2,500	2,500	2,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	298,000	0
Architectural Design Consultants	205,000	160,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,000	0	205,000	0
Other Consulting & Design	15,000	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,000	0
Total Project Investigation & Design	573,500	518,500	4,500	4,500	4,500	4,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,000	0	573,500	0
C. CONSTRUCTION / DEVELOPMENT:																												
Site / Building Construction:																												
Construction Month			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
Units Started			0	16	16	16	20		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68	
Units Completed			0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	16	16	16	20	0	68	
% of Construction $$ by Month			0.0%	1.0%	1.0%	2.0%	4.0%	5.0%	8.0%	8.0%	8.0%	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%	2.0%	3.0%	6.0%	8.0%	10.0%	8.0%	3.0%	2.0%	0.0%	100.0%	
Contract Cost - Sitework & Buildings	8,923,011	0	0	89,230	89,230	178,460	356,920	446,151	713,841	713,841	713,841	446,151	356,920	267,690	267,690	267,690	267,690	178,460	267,690	535,381	713,841	892,301	713,841	267,690	178,460	0	8,923,011	0
Retainage (Included Above)	0	0	0	-8,923	-8,923	-17,846	-35,692	-44,615	-71,384	-71,384	-71,384	-44,615	-35,692	-26,769	-26,769	-26,769	-26,769	721,416	-26,769	-53,538	-71,384	-89,230	-71,384	-26,769	-17,846	153,039	0	0
Contract Cost - Profit & Overhead	680,000	0	0	6,800	6,800	13,600	27,200	34,000	54,400	54,400	54,400	34,000	27,200	20,400	20,400	20,400	20,400	13,600	20,400	40,800	54,400	68,000	54,400	20,400	13,600	0	680,000	0
Construction Manager Fee (Included Above)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction & Development Permits	195,000	58,000	137,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	195,000	0
Furniture & Equipment	80,000	0	0	0	0	0	15,000	20,000	20,000	20,000	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80,000	0
Other Construction / Development Costs	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Hard Cost Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Construction / Development	9,878,011	58,000	137,000	87,107	87,107	174,214	363,428	455,535	716,857	716,857	701,857	435,535	348,428	261,321	261,321	261,321	261,321	913,476	261,321	522,643	696,857	871,071	696,857	261,321	174,214	153,039	9,878,011	0
D. INDIRECT DEVELOPMENT:																												
Partnership Legal & Accounting	170,000	112,500	11,000	2,000	2,000	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0	0	10,000	0	0	0	24,000	170,000	0
Plans, Prints	40,000	40,000		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,000	0
Development Period Taxes & Insurance	203,000	69,144	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000	0	0	0	0	58,000	0	0	0	15,856	203,000	0
Start-up and Other Costs	40,000	0	0	0	0	0	10,000	10,000	10,000	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,000	0
LIHTC Fees & Expenses	45,000	45,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,000	0
Total Indirect Development Costs	498,000	266,644	11,000	2,000	2,000	1,500	11,000	11,000	11,000	11,000	1,000	1,000	1,000	0	0	0	60,000	0	0	0	0	68,000	0	0	0	39,856	498,000	0
E. LOAN COSTS & INTEREST:																												
Development Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Acquisition Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Loan :																												
Loan Costs & Fees	81,000	20,000	61,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,000	0
Title Insurance, Legal & Closing	386,900	0	386,900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	386,900	0
Guarantor Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Interest Reserve	365,000	0	0	2,181	4,592	5,057	5,736	6,180	6,181	7,222	10,031	11,797	11,798	11,798	11,798	11,798	11,798	11,832	14,088	16,975	18,938	22,025	19,975	17,858	20,253	105,091	365,000	0

	Total Cost	Pre Closing	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Stabilization	Thereafter
PARTNERSHIP MONTH			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
E. LOAN COSTS & INTEREST (Cont.):																												
Permanent Loan Costs																												
Loan Costs & Fees	5,000	0	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	0
Title Insurance, Legal & Closing	58,850	0	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,850	0	0	0	0	0	58,850	0
Loan Placement / Broker Fee/ Origination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Loan Costs & Interest	896,750	20,000	482,900	2,181	4,592	5,057	5,736	6,180	6,181	7,222	10,031	11,797	11,798	11,798	11,798	11,798	11,798	11,832	14,088	16,975	47,788	22,025	19,975	17,858	20,253	105,091	896,750	0
F. SOFT COST CONTINGENCY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G. DEVELOPER FEES & ADMINISTRATION:																												
Developer Fee	1,313,987	0	300,000	0	0	0	0	0	150,000	0	0	0	0	0	0	150,000	0	0	0	0	0	663,987	0	0	0	50,000	1,313,987	0
Other Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Developer Fees & Administration	1,313,987	0	300,000	0	0	0	0	0	150,000	0	0	0	0	0	0	150,000	0	0	0	0	0	663,987	0	0	0	50,000	1,313,987	0
TOTAL PROJECT COSTS	13,580,248	863,144	1,355,400	95,789	98,199	185,271	382,165	474,716	886,037	737,079	714,887	450,333	363,226	275,119	275,119	425,119	335,119	927,308	277,409	541,617	746,644	1,627,082	718,832	281,179	195,467	347,986	13,580,248	0
H. RESERVES & OTHER REQUIREMENTS:																												
Operating Reserve (LC)	162,027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162,027	162,027	0
Replacement Reserve (LC)	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	0
Tax & Insurance Escrow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPECIAL RESERVE ACCOUNT E (LC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Funding Uses (Sources)	212,027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	212,027	212,027	0
TOTAL FUNDING REQUIREMENTS	13,792,275	863,144	1,355,400	95,789	98,199	185,271	382,165	474,716	886,037	737,079	714,887	450,333	363,226	275,119	275,119	425,119	335,119	927,308	277,409	541,617	746,644	1,627,082	718,832	281,179	195,467	560,013	13,792,275	0
		Construction Closing					25% Complete		50% Complete		75% Complete					100% Complete						Conversion				8,609		
I. CAPITAL / RESOURCES:																												
General Partner Loans / Grants/City funding	250	0	0	250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250	0
Net Lease Up Surplus (Deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Matching Funds from Consultants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Permanent Loan Traunch 2	875,000																									875,000	875,000	0
Deferred Developer Fees	322,138	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	332,549	332,549	-10,411
Permanent Loan Traunch 1	2,650,000	0	910,529	95,539	98,199	185,271	0	0	434,903	737,079	0	0	0	0	0	0	14,294	927,308	277,409	541,617	746,644	-1,602,357	718,832	281,179	195,467	-1,911,915	2,650,000	0
Limited Partner Equity Traunch 2	1,331,479	0																								1,214,378	1,214,379	117,101
Limited Partner Equity Traunch 1	8,720,097	863,144	444,871	0	0	0	382,165	474,716	451,134	0	714,887	450,333	363,226	275,119	275,119	425,119	320,825	0	0	0	0	3,229,439	0	0	0	50,000	8,720,097	0
Total Capital / Resources	13,898,964	863,144	1,355,400	95,789	98,199	185,271	382,165	474,716	886,037	737,079	714,887	450,333	363,226	275,119	275,119	425,119	335,119	927,308	277,409	541,617	746,644	1,627,082	718,832	281,179	195,467	560,012	13,792,274	106,690

7b

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JANUARY 13, 2022

Presentation, Discussion, and Possible Action regarding a Request for Rural Designation under 10 TAC §11.204(5)

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.204(5), each Application must identify whether the proposed Development Site is located in an Urban Area or Rural Area of a Uniform State Service Region;

WHEREAS, certain areas located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area may request a Rural Area designation from the Department for purposes of receiving an allocation Housing Tax Credits (Tex. Gov't Code §2306.6740);

WHEREAS, in order to apply for a Rural Area designation, a letter meeting certain criteria must be submitted from a duly authorized official of the political subdivision in which the Development is located; and

WHEREAS, a request received regarding a designation for Denison, Texas did not include such a letter and therefore did not meet the requirements of 10 TAC §11.204(5)(B);

NOW, therefore, it is hereby

RESOLVED, that the requested designation for Denison, Texas as presented at this Meeting is denied, and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Texas Gov't Code §2306.004(28-a) establishes that a rural area is the area located outside of the boundaries of a metropolitan statistical area (MSA), or an area located within an MSA if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area.

Pursuant to Tex. Gov't Code §2306.6740, Designation of Certain Areas as Rural, the Department shall provide for the designation of an area located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area as a rural area for purposes of receiving housing tax credits administered by the Department. Rules adopted must provide procedures by which a political subdivision or a census-designated place may apply for a rural designation.

In accordance with 10 TAC §11.204(5), in order for Denison to be designated Rural by the Department for the 2022 Application Round, a request must have been submitted no later than December 15, 2021, and must have included a letter from a duly authorized official from Denison, Texas addressing specific factors outlined in the Qualified Allocation Plan (QAP). These factors include the population of the place, the percentage of the place's border which is shared with an urban place or area, the place being surrounded by significant areas of agricultural or underdeveloped land, and the place containing a significant number of unimproved roads and a lack of other major amenities commonly associated with urban or suburban areas. A request was received by the Department on December 15, 2021; however, no letter from a duly authorized official was included. As a result of not receiving the necessary documentation by the deadline, staff was unable to confirm the request.

A request for a Rural Area designation from the political subdivision was not received within the deadline; therefore, staff recommends denial of the request from the applicant.

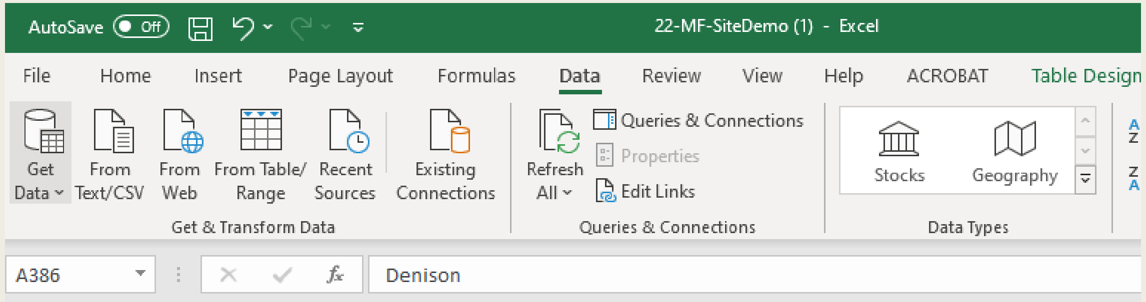
REQUEST FOR RURAL DESIGNATION

Denison TX

Letter from duly authorized official

Population of Denison >25,000 (24,340)

*Population from 2015-2019 ACS



	Place Name	Place popul	All Place U	All Unit Pe	All Units Pla	Place >	G	H
367	Dallas	1330612	23371	0.0175641	1.648872089	No		
368	Dalworthington Gardens	2188	0	0	0	No		
369	Damon	299	0	0	0	No		
370	Danbury	1201	0	0	0	No		
371	Darrouzett	328	0	0	0	No		
372	Dawson	767	0	0	0	No		
373	Dayton	7952	281	0.03533702	3.317348173	Yes		
374	Dayton Lakes	47	0	0	0	No		
375	De Kalb	1490	24	0.01610738	1.512119382	No		
376	De Leon	2418	0	0	0	No		
377	Dean	415	0	0	0	No		
378	Decatur	6738	130	0.01929356	1.811229373	No		
379	deCordova	2924	0	0	0	No		
380	Deer Park	33855	381	0.01125388	1.056484827	No		
381	Del Mar Heights	236	0	0	0	No		
382	Del Rio	35846	504	0.01406015	1.319930131	No		
383	Del Sol	129	0	0	0	No		
384	Dell City	220	0	0	0	No		
385	Delmita	212	0	0	0	No		
386	Denison	24340	304	0.01248973	1.172503416	No		
387	Denton	136195	1999	0.01467748	1.377884253	No		
388	Denver City	4880	0	0	0	No		

Description of the characteristics of the political subdivision or CDP and how it differs from the characteristics of the area(s) with which it shares a contiguous boundary;

DENISON AREA PROFILE VS SHERMAN(URBAN)

Tapestry Segmentation Area Profile

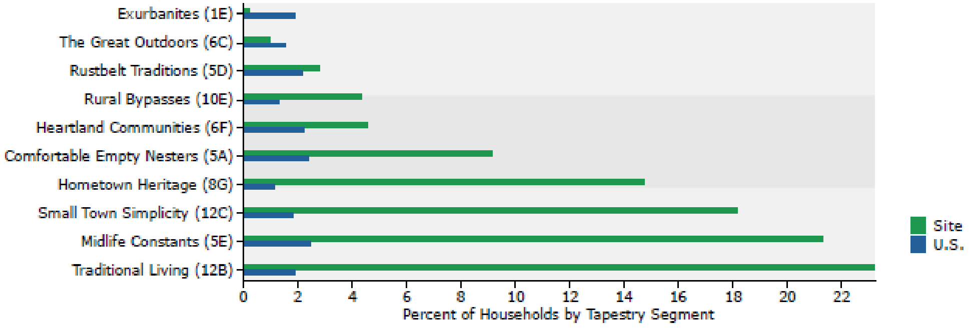
Denison City, TX
Denison City, TX (4819900)
Geography: Place

Prepared by Esri

Top Twenty Tapestry Segments

		2021 Households		2021 U.S. Households		
			Cumulative		Cumulative	
Rank	Tapestry Segment	Percent	Percent	Percent	Percent	Index
1	Traditional Living (12B)	23.2%	23.2%	1.9%	1.9%	1224
2	Midlife Constants (5E)	21.3%	44.5%	2.5%	4.4%	868
3	Small Town Simplicity (12C)	18.2%	62.7%	1.8%	6.2%	994
4	Hometown Heritage (8G)	14.7%	77.5%	1.2%	7.4%	1,240
5	Comfortable Empty Nesters (5A)	9.2%	86.6%	2.4%	9.8%	376
	Subtotal	**86.6%**		**9.8%**		
6	Heartland Communities (6F)	4.6%	91.2%	2.3%	12.1%	201
7	Rural Bypasses (10E)	4.4%	95.6%	1.3%	13.4%	330
8	Rustbelt Traditions (5D)	2.8%	98.4%	2.2%	15.6%	131
9	The Great Outdoors (6C)	1.0%	99.4%	1.6%	17.2%	62
10	Exurbanites (1E)	0.3%	99.7%	1.9%	19.1%	15
	Subtotal	**13.1%**		**9.3%**		
11	Salt of the Earth (6B)	0.3%	100.0%	2.9%	22.0%	10
	Subtotal	**0.3%**		**2.9%**		
	Total	**100.0%**		**22.0%**		**455**

Top Ten Tapestry Segments Site vs. U.S.



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
Source: Esri

December 15, 2021

Data Note: This report identifies neighborhood segments in the area and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
Source: Esri

SHERMAN AREA PROFILE VS DENISON(RURAL)

esri

Tapestry Segmentation Area Profile

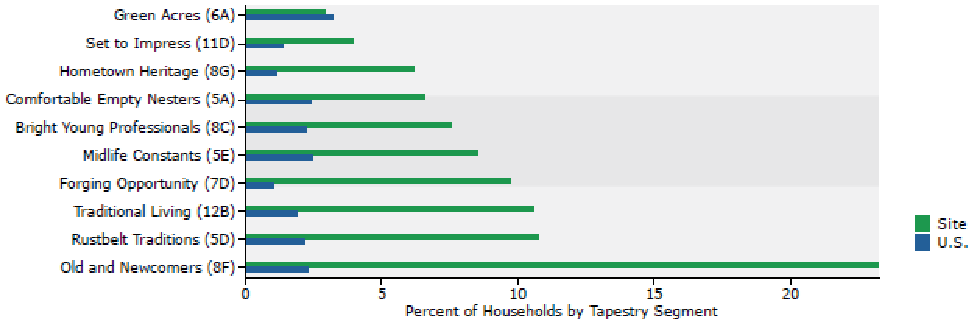
Sherman City, TX
Sherman City, TX (4867496)
Geography: Place

Prepared by Esri

Top Twenty Tapestry Segments

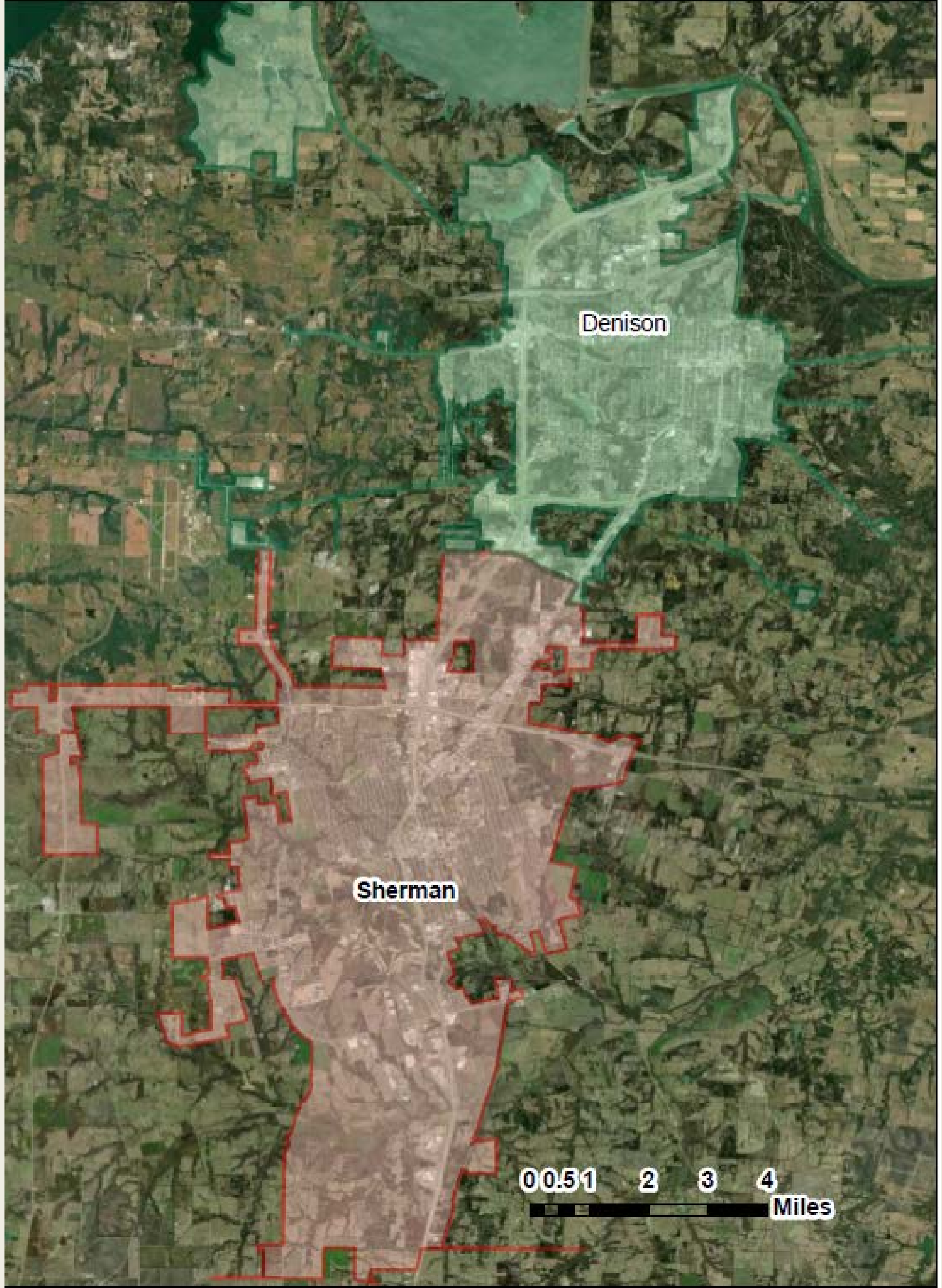
		2021 Households		2021 U.S. Households		
			Cumulative		Cumulative	
Rank	Tapestry Segment	Percent	Percent	Percent	Percent	Index
1	Old and Newcomers (8F)	23.3%	23.3%	2.3%	2.3%	1012
2	Rustbelt Traditions (5D)	10.8%	34.0%	2.2%	4.5%	497
3	Traditional Living (12B)	10.6%	44.6%	1.9%	6.4%	558
4	Forging Opportunity (7D)	9.8%	54.4%	1.0%	7.4%	946
5	Midlife Constants (5E)	8.6%	63.0%	2.5%	9.9%	349
	Subtotal	**63.1%**		**9.9%**		
6	Bright Young Professionals (8C)	7.6%	70.6%	2.3%	12.1%	334
7	Comfortable Empty Nesters (5A)	6.6%	77.2%	2.4%	14.6%	269
8	Hometown Heritage (8G)	6.2%	83.4%	1.2%	15.8%	525
9	Set to Impress (11D)	4.0%	87.4%	1.4%	17.1%	287
10	Green Acres (6A)	3.0%	90.3%	3.3%	20.4%	91
	Subtotal	**27.4%**		**10.6%**		
11	Salt of the Earth (6B)	2.6%	93.0%	2.9%	23.3%	91
12	Social Security Set (9F)	2.5%	95.4%	0.8%	24.1%	308
13	Small Town Simplicity (12C)	2.4%	97.8%	1.8%	25.9%	129
14	Heartland Communities (6F)	1.7%	99.6%	2.3%	28.2%	77
15	Southern Satellites (10A)	0.4%	100.0%	3.2%	31.4%	14
	Subtotal	**9.6%**		**11.0%**		
	Total	**100.0%**		**31.4%**		**319**

Top Ten Tapestry Segments Site vs. U.S.



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
Source: Esri

December 15, 2021



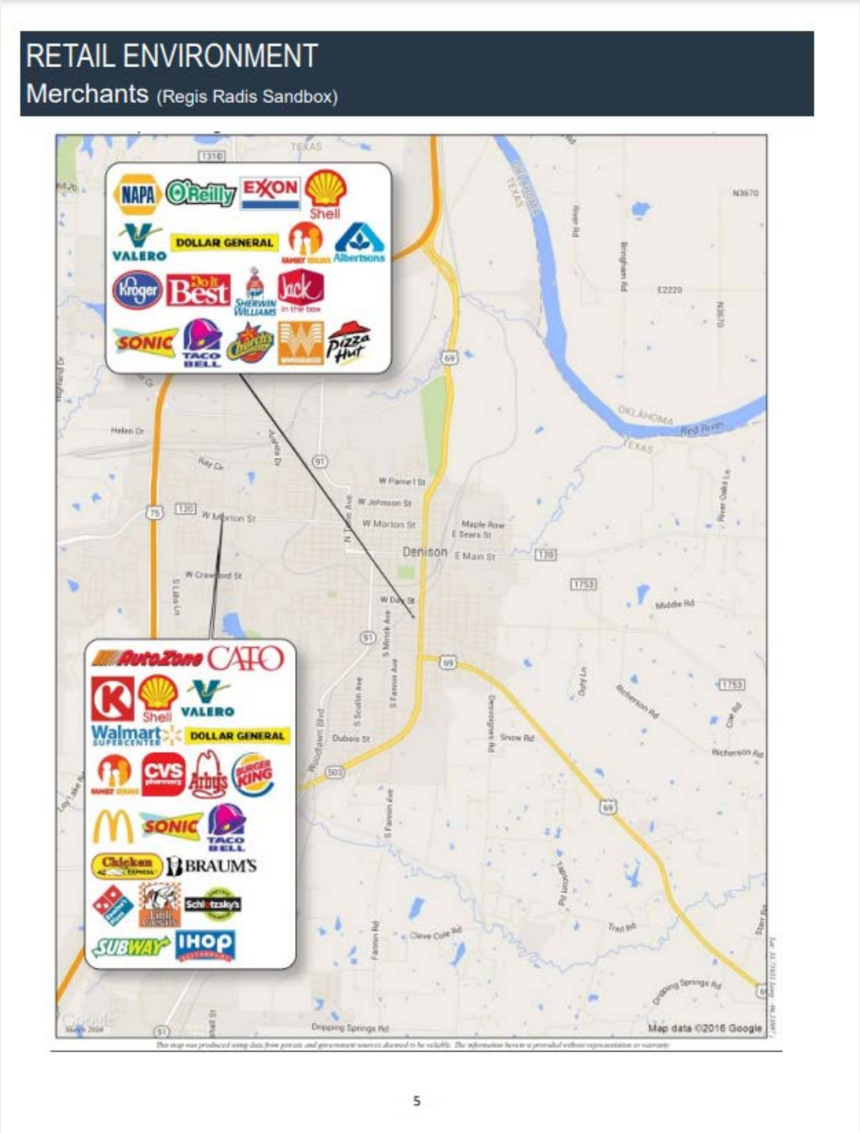
DENISON VS SHERMAN CONTIGUOUS BOUNDARIES (LESS THAN 50% CONTIGUITY)

The presence of a significant number of unimproved roads in the political subdivision or unimproved roads that are relied upon to connect it to other places;

https://www.cityofdenison.com/publicworks/page/five-year-street-program

The City of Denison has committed to the reconstruction of several major streets throughout Denison beginning in Fiscal Year 2019 through Fiscal Year 2023. The reconstruction will be a complete street rebuilds, including utility replacement, adding sidewalks and building streets with multi-mode transportation. Beginning in 2018, a subcommittee was put together to begin researching which streets would have the biggest impact for reconstruction.

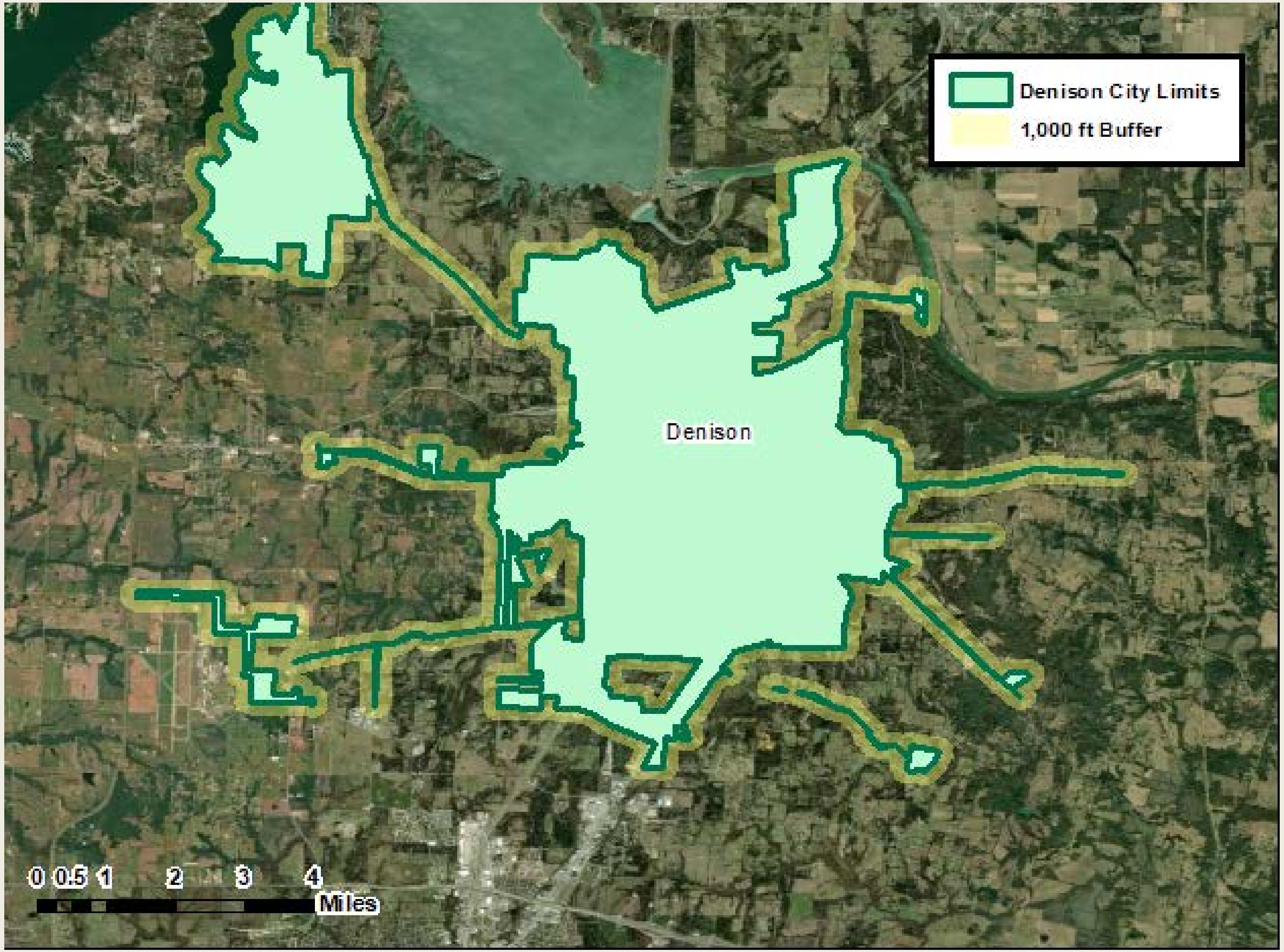
Description of how the political subdivision or CDP lacks major amenities commonly associated with urban or suburban areas;



Currently the City of Denison does not have its own transit system, transit is offered through the area MPO with a Dial-a-ride.

https://tapsbus.com

The boundaries of the political subdivision or CDP contain, or are surrounded by, significant areas of undeveloped or agricultural land. For purposes of this assessment, significant being more than one-third of the total surface of the political subdivision or CDP, or a minimum of 1,000 acres immediately contiguous to the border.



Photographs are attached as supporting documentation. In the box below, provide a brief description of the factors identified by the photographs.

Denison Rural Designation Request

Denison is in need of affordable housing and your evaluation of these supporting documents reflect Denison's rural community.

Thank you for the opportunity and consideration for our request for rural designation in Denison, Texas. Please contact Sandy Watson at the following below:

swatson@wilhoitproperties.com

(512)-971-9866

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

December 27, 2021

Writer's direct dial: 512-475-1676
Email: cody.campbell@tdhca.state.tx.us

Ms. Sandy Watson
Vice President of Development
Wilhoit Properties, Inc. | Zimmerman Properties, LLC
1329 East Lark Street
Springfield, Missouri 65804

Re: Request for Rural Designation for The City Of Denison, Texas Under 11.204(5) Of The 2022 Qualified Allocation Plan

Dear Ms. Watson:

The Texas Department of Housing and Community Affairs (the Department) received your Request for Rural Designation on December 15, 2021. Subsection 11.204(5)(B) of the 2022 Qualified Allocation Plan states that "certain areas located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area can request a Rural designation from the Department for purposes of receiving an allocation of Housing Tax Credits." The rule also prescribes the documentation requirements for such request, including a submission deadline of December 15, 2021.

Staff has reviewed your request and determined that it does not meet the requirements of the rule. Specifically, in order to apply for such a designation, a letter must be submitted from a duly authorized official of the political subdivision or census designated place. Without this letter, staff is unable to confirm the findings outlined in the request.

Please be advised that requests whose findings are not affirmed by Department staff will be placed on the next available agenda for discussion before the Department's board. Please see §11.204(5) for more information.

If you have any questions, please contact me directly at cody.campbell@tdhca.state.tx.us. Thank you for your request.

Sincerely,

Cody C. Campbell
Director of Multifamily Finance

EBH

7c

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JANUARY 13, 2022

Presentation, discussion, and possible action regarding awards from the Multifamily Direct Loan (MFDL) 2021-3 Notice of Funding Availability (NOFA), as amended

Table 1 2020-1 NOFA Applications Recommended for Action				
App. ID	Application Name	Recommended Award	Fund Source	City
21511	Lofts at Temple Medical District	$4,490,490	HOME⁺	Temple
Loan is secured by two notes as follows: $490,490 Structured as Hard Repayable 4,000,000 Structured as Deferred Repayable. See Underwriting Report for loan terms for each note. Both recommendations are sourced from the General Set-Aside.				

RECOMMENDED ACTION

WHEREAS, the Governing Board approved publication of the MFDL 2021-3 NOFA and its first, second, and third amendments on June 18, 2021; September 2, 2021; and November 2, 2021, respectively, in response to previously approved Applicants' demonstrated need for gap financing caused by increased construction costs resulting from the COVID-19 pandemic;

WHEREAS, the 2021-3 NOFA provides a streamlined review under the Department's administrative rules for reviews approved under the prior application for eligibility and third-party reports, among others;

WHEREAS, as of December 30, 2021, the Department has received 21 Applications for the 2021-3 NOFA requesting a total of $45,214,456 in funding;

WHEREAS, as noted above in Table 1, one 2021-3 NOFA Application is requesting a total loan amount of $4,490,490 secured by two notes that are being recommended for an award;

WHEREAS, this application was previously approved for a 2020 LIHTC 9% award of $1,500,000 and an MFDL award of $2,750,000, and the applicant has submitted an application indicating a need of gap financing increasing the MFDL loan beyond the previously awarded amount. As this award had not yet received an executed written agreement at the time the 2021-3 gap financing request was submitted, the Department has elected to recommend the Applicant request for an increase to the original request of $2,750,000 to $4,000,000 in the form of a Deferred Repayable Loan and an additional $490,490 in the form of Hard Repayable Loan for a total single loan amount of $4,490,490. The original results of Previous Participation Reviews (PPR) performed under 10 TAC §1.301 for the initial awarded applications are adopted for this current award. The original PPR for the above recommended award were favorable and there were no additional items to be checked as a result of the federal funding, at this time, and will be adopted for these 2021-3 NOFA recommendations;

WHEREAS, the Applications have deemed acceptable by the Executive Award Review Advisory Committee (EARAC); and

WHEREAS, staff recommends approval of the 2021-3 Applications referenced in Table 1.

NOW, therefore, it is hereby

RESOLVED, that the 2021-3 NOFA Application Recommended for Action reflected in Table 1 are approved, subject to conditions that may be applicable as found in the Real Estate Analysis Underwriting Report posted to the Department's website and as described within this Board Action Request;

FURTHER RESOLVED, prior Previous Participation Reviews are adopted under federal requirements reflected in 2 CFR Part 180 and 2 CFR Part 2424; and

FURTHER RESOLVED, that the Board's approval is conditioned upon satisfaction of all conditions of EARAC, underwriting, and completion of any other reviews required to assure compliance with the applicable rules and requirements.

BACKGROUND

21511 Lofts at Temple Medical District: $4,490,490 HOME

Description: Previously approved for 9% LIHTC and MFDL award on July 23, 2020 (ID 20200), Lofts at Temple Medical District is the new construction of 140 units that will serve an elderly population in a three-story, elevator-served building, in Temple, located in Bell County. Of these 140 units, 32 will be MFDL units. Located in the heart of Temple's Medical and Educational District (TMED), the project resides in close proximately to medical facilities, the Temple Mall, and Temple College. The proposed development will aid the City in their efforts to advance the residential neighborhood surrounding the district as part of their robust redevelopment plan. Unit sizes range from one to two bedrooms and rent/income levels from 30% to 60% of the area median income (AMI), with 32 market rate units.

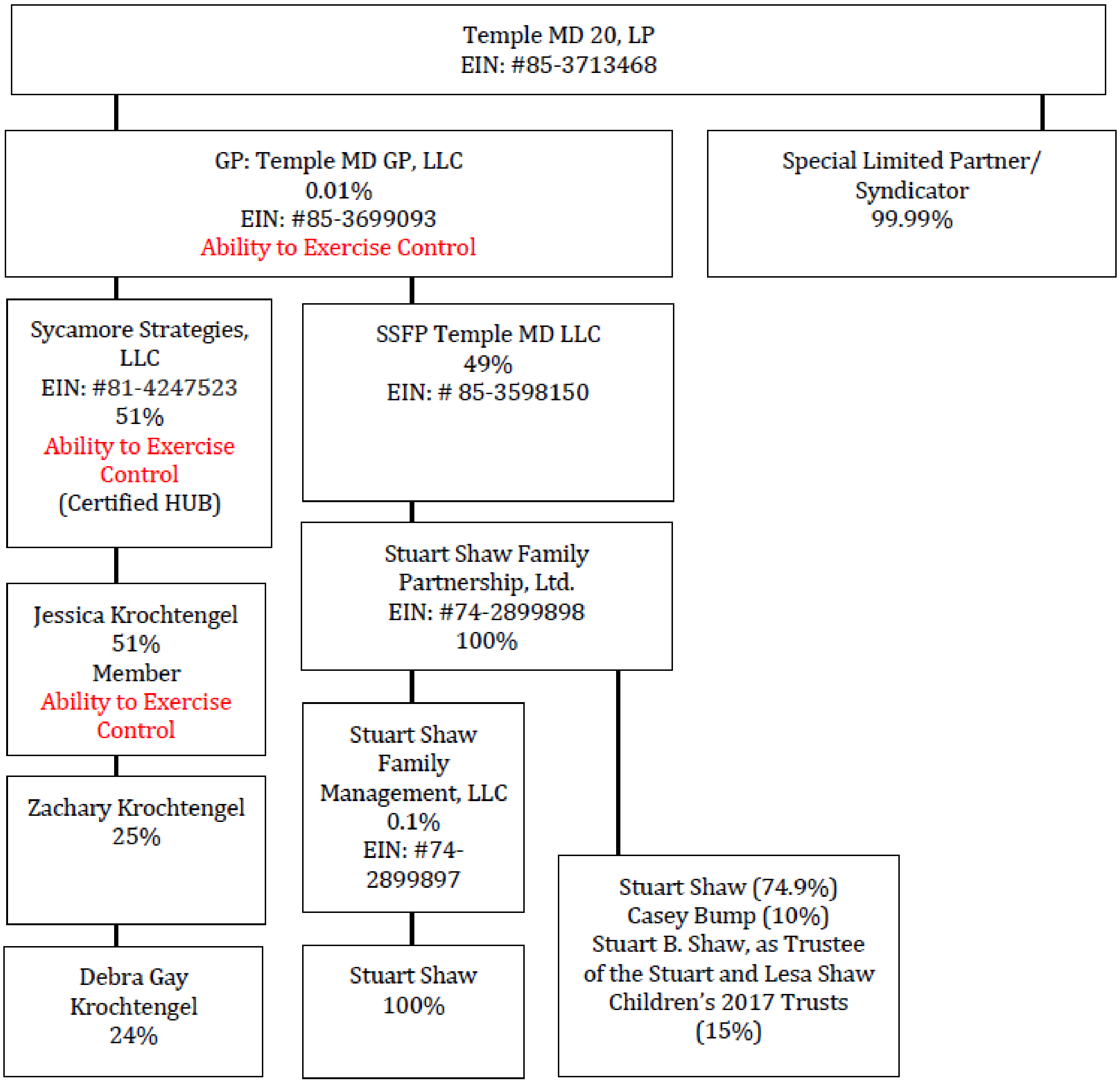
The Application documents a total site acquisition cost increase of $200,000, a building cost increase of $2,900,000, and an increase in operating expenses to now include $2,970 of supportive services. The Development was previously approved for an MFDL award of $2,750,000. As this previous award has yet to receive an executed agreement, the Department recommends increasing the award to Temple MD 20, LP to $4,490,490 to cover the cost increases. The remaining financing gap is covered by an increase in the Development's permanent loan.

Financing and Regulatory Terms: Subject to final underwriting as further set forth in the following Real Estate Analysis (REA) Report, the $4,490,490 MFDL HOME loan in second lien position and secures two notes. $490,490 will be structured as Hard Repayable Loan with an 18-year term at 0% interest and 35 year amortization with monthly payments. $4,000,000 will be structured as Deferred Repayable Loan with an 18-year term at 0% interest, and no amortization. The MFDL HOME loan is in addition to a conventional bank loan in first lien position and a grant from the City of Temple. The Federal Affordability Period will be 20 years and the State Affordability Period will be 45 years.

Of the thirty-two MFDL units nine will be one-bedrooms restricted to 50% AMI, four will be two-bedrooms restricted to 50% AMI, ten will be one-bedrooms restricted to 60% AMI, four will be two-bedrooms restricted to 60% AMI, three will be one-bedrooms restricted to 80% AMI, and two will be two-bedrooms restricted to 80% AMI. Three additional HOME-Match Units will be required, restricted to 80% AMI.

Organizational Structure: The proposed borrower is Temple MD 20, LP., and includes principals with the ability to exercise control as indicated in the organizational chart below.

Lofts at Temple Medical District: Ownership
TDHCA #20200
Organizational Chart



Real Estate Analysis Division
January 3, 2022

Addendum to Underwriting Report

TDHCA Application #: **21511** Program(s): **9% HTC/MDL**

Lofts at Temple Medical District

Address/Location: NW of 400 SW H K Dodgen Loop

City: Temple County: Bell Zip: 76504

	APPLICATION HISTORY
Report Date	**PURPOSE**
01/03/22	**MDL Application**
04/23/21	Amendment Request
11/11/20	Initial Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
MF Direct Loan Const. to Perm. (Repayable)					**$490,490**	**0.00%**	**35**	**18**	**2**
Multifamily Direct Loan (Deferred Repayable)	$2,750,000	2.50%	30	18	**$4,000,000**	**0.00%**	**0**	**18**	**2**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders

d: Substantially final draft of limited partnership agreement.

e: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.

f: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

2 Receipt and acceptance by Cost Certification:

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

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	22
50% of AMI	50% of AMI	22
60% of AMI	60% of AMI	64

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	13
60% of AMFI	High HOME	14
80% of AMFI	High HOME	5

ANALYSIS

Lofts at Temple Medical District received an award of 9% Housing Tax Credits (HTCs) and an MDL award in 2020 for the new construction of 120 multifamily units (102 HTC units) in Temple, TX. An amendment was previously approved to increase the number of units from 120 to 140 (108 HTC units) and included 20 MDL units. The MDL was never contracted or closed.
The Applicant has applied for Multifamily Direct Loan funding under the 2021-3 NOFA.
The requested Direct Loan funding requires the restriction of 29 units.

Operating Pro Forma

Operating expenses now include $2,970 of supportive services; this amount will be underwritten at cost certification, regardless if actually incurred.

Rents have been updated to the 2021 Program Rents.

Development Cost

Site Acquisition increased $200K.

Building Cost increased $2.9M.

The NOFA requires that Total Developer Fee cannot increase form original underwriting. Developer Fee is overstated by $296K.

Sources of Funds

The Applicant has applied for a MultiFamily Direct Loan consistent with the requirements of NOFA 2021-3.

The Underwriter recommends approval of an MFDL in the amount of $490,490 at 0% interest, structured as Hard Repayable as a second lien with an 18-year term and 35 year amortization (to match the senior debt).

The Underwriter recommends approval of additional MFDL Funds in the amount of $4M at 0% interest, structured as Deferred Repayable as a second lien with an 18-year term (to match the senior debt).

All funds are awarded as one MFDL secured by two notes.

Underwriter:	*Jeff Price*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

LOCATION DATA	
CITY:	Temple
COUNTY:	Bell
Area Median Income	$64,700
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	95	67.9%	0	22
2	45	32.1%	0	10
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**140**	**100.0%**	**-**	**32**

52%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	22	15.7%
40%	-	0.0%
50%	22	15.7%
60%	64	45.7%
70%	-	0.0%
MR	32	22.9%
TOTAL	**140**	**100.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	77.14%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	822 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program			UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Keep Hidden - DN NOT DELETE	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$364	LH/50%	5	$606	5	1	1	700	$364	$40	$324	$0	$0.46	$324	**$1,620**	**$1,620**	$324	$0.46	$0	$1,035	$1.48	$1,150
TC 30%	$364	HH/60%	3	$728	3	1	1	700	$364	$40	$324	$0	$0.46	$324	**$972**	**$972**	$324	$0.46	$0	$1,035	$1.48	$1,150
TC 50%	$606	HH/60%	1	$728	1	1	1	700	$606	$40	$566	$0	$0.81	$566	**$566**	**$566**	$566	$0.81	$0	$1,035	$1.48	$1,150
TC 50%	$606		0		7	1	1	700	$606	$40	$566	$0	$0.81	$566	**$3,962**	**$3,962**	$566	$0.81	$0	$1,035	$1.48	$1,150
TC 60%	$728		0		19	1	1	700	$728	$40	$688	$0	$0.98	$688	**$13,072**	**$13,072**	$688	$0.98	$0	$1,035	$1.48	$1,150
MR			0		11	1	1	700	$0	$40		NA	$1.48	$1,035	**$11,385**	**$11,385**	$1,035	$1.48	NA	$1,035	$1.48	$1,150
TC 30%	$364	LH/50%	3	$606	3	1	1	777	$364	$40	$324	$0	$0.42	$324	**$972**	**$972**	$324	$0.42	$0	$1,147	$1.48	$1,175
TC 30%	$364	HH/60%	4	$728	4	1	1	777	$364	$40	$324	$0	$0.42	$324	**$1,296**	**$1,296**	$324	$0.42	$0	$1,147	$1.48	$1,175
TC 50%	$606	HH/60%	1	$728	1	1	1	777	$606	$40	$566	$0	$0.73	$566	**$566**	**$566**	$566	$0.73	$0	$1,147	$1.48	$1,175
TC 50%	$606		0		6	1	1	777	$606	$40	$566	$0	$0.73	$566	**$3,396**	**$3,396**	$566	$0.73	$0	$1,147	$1.48	$1,175
TC 60%	$728	HH/80%	2	$728	2	1	1	777	$728	$40	$688	$0	$0.89	$688	**$1,376**	**$1,376**	$688	$0.89	$0	$1,147	$1.48	$1,175
TC 60%	$728		0		17	1	1	777	$728	$40	$688	$0	$0.89	$688	**$11,696**	**$11,696**	$688	$0.89	$0	$1,147	$1.48	$1,175
MR			0		10	1	1	777	$0	$40		NA	$1.48	$1,147	**$11,470**	**$11,470**	$1,147	$1.48	NA	$1,147	$1.48	$1,175
TC 30%	$364	LH/50%	1	$606	1	1	1	895	$364	$40	$324	$0	$0.36	$324	**$324**	**$324**	$324	$0.36	$0	$1,225	$1.37	$1,225
TC 50%	$606	HH/60%	1	$728	1	1	1	895	$606	$40	$566	$0	$0.63	$566	**$566**	**$566**	$566	$0.63	$0	$1,225	$1.37	$1,225
TC 60%	$728	HH/80%	1	$728	1	1	1	895	$728	$40	$688	$0	$0.77	$688	**$688**	**$688**	$688	$0.77	$0	$1,225	$1.37	$1,225
TC 60%	$728		0		1	1	1	895	$728	$40	$688	$0	$0.77	$688	**$688**	**$688**	$688	$0.77	$0	$1,225	$1.37	$1,225
MR			0		2	1	1	895	$0	$40		NA	$1.37	$1,225	**$2,450**	**$2,450**	$1,225	$1.37	NA	$1,225	$1.37	$1,225
TC 30%	$437	LH/50%	2	$728	2	2	2	943	$437	$52	$385	$0	$0.41	$385	**$770**	**$770**	$385	$0.41	$0	$1,260	$1.34	$1,400
TC 30%	$437	HH/60%	2	$874	2	2	2	943	$437	$52	$385	$0	$0.41	$385	**$770**	**$770**	$385	$0.41	$0	$1,260	$1.34	$1,400
TC 50%	$728	HH/60%	2	$874	2	2	2	943	$728	$52	$676	$0	$0.72	$676	**$1,352**	**$1,352**	$676	$0.72	$0	$1,260	$1.34	$1,400
TC 50%	$728		0		2	2	2	943	$728	$52	$676	$0	$0.72	$676	**$1,352**	**$1,352**	$676	$0.72	$0	$1,260	$1.34	$1,400
TC 60%	$874		0		9	2	2	943	$874	$52	$822	$0	$0.87	$822	**$7,398**	**$7,398**	$822	$0.87	$0	$1,260	$1.34	$1,400
MR			0		4	2	2	943	$0	$52		NA	$1.34	$1,260	**$5,040**	**$5,040**	$1,260	$1.34	NA	$1,260	$1.34	$1,400
TC 30%	$437	LH/50%	2	$728	2	2	2	1,014	$437	$52	$385	$0	$0.38	$385	**$770**	**$770**	$385	$0.38	$0	$1,351	$1.33	$1,425
TC 50%	$728		0		2	2	2	1,014	$728	$52	$676	$0	$0.67	$676	**$1,352**	**$1,352**	$676	$0.67	$0	$1,351	$1.33	$1,425
TC 60%	$874	HH/80%	2	$874	2	2	2	1,014	$874	$52	$822	$0	$0.81	$822	**$1,644**	**$1,644**	$822	$0.81	$0	$1,351	$1.33	$1,425
TC 60%	$874		0		13	2	2	1,014	$874	$52	$822	$0	$0.81	$822	**$10,686**	**$10,686**	$822	$0.81	$0	$1,351	$1.33	$1,425
MR			0		5	2	2	1,014	$0	$52		NA	$1.33	$1,351	**$6,755**	**$6,755**	$1,351	$1.33	NA	$1,351	$1.33	$1,425
TOTALS/AVERAGES:					**140**			**115,120**				**$0**	**$0.91**	**$750**	**$104,954**	**$104,954**	**$750**	**$0.91**	**$0**	**$1,165**	**$1.42**	**$1,246**

ANNUAL POTENTIAL GROSS RENT:	**$1,259,448**	**$1,259,448**

STABILIZED PRO FORMA

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				Amendment	ORIGINAL REPORT		Amendment	TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	Applicant	TDHCA	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.91	$750	$1,259,448	$1,192,368	$966,000	$966,000	$1,192,368	$1,259,448	$750	$0.91		0.0%	$0
Late Fees, Apps, Damage							$25.00	$42,000	21,600	21,600								
Total Secondary Income							$25.00				21,600	21,600	$33,600	$20.00			25.0%	$8,400
POTENTIAL GROSS INCOME								$1,301,448	$1,213,968	$987,600	$987,600	$1,213,968	$1,293,048				0.6%	$8,400
Vacancy & Collection Loss							7.5% PGI	(97,609)	(91,048)	(74,070)	(74,070)	(91,048)	(96,979)	7.5% PGI			0.6%	(630)
EFFECTIVE GROSS INCOME								$1,203,839	$1,122,920	$913,530	$913,530	$1,122,920	$1,196,069				0.6%	$7,770
General & Administrative	$57,269	$409/Unit	$54,614	$390	4.79%	$0.50	$412	$57,672	$52,600	$48,600	$49,760	$54,614	$54,614	$390	$0.47	4.57%	5.6%	3,058
Management	$48,077	5.2% EGI	$44,519	$318	4.24%	$0.44	$365	$51,079	$44,559	$36,547	$36,541	$44,917	$47,843	$342	$0.42	4.00%	6.8%	3,236
Payroll & Payroll Tax	$146,053	$1,043/Unit	$207,213	$1,480	14.36%	$1.50	$1,235	$172,931	$187,530	$119,314	$119,314	$187,530	$172,931	$1,235	$1.50	14.46%	0.0%	-
Repairs & Maintenance	$102,652	$733/Unit	$152,246	$1,087	7.57%	$0.79	$651	$91,091	$69,640	$69,640	$72,000	$84,000	$91,000	$650	$0.79	7.61%	0.1%	91
Electric/Gas	$29,138	$208/Unit	$28,053	$200	2.31%	$0.24	$199	$27,806	$21,150	$22,320	$24,045	$28,053	$28,053	$200	$0.24	2.35%	-0.9%	(247)
Water, Sewer, & Trash	$72,167	$515/Unit	$55,895	$399	6.49%	$0.68	$558	$78,185	$59,318	$61,560	$61,857	$55,895	$72,167	$515	$0.63	6.03%	8.3%	6,018
Property Insurance	$46,332	$0.40 /sf	$42,203	$301	5.23%	$0.55	$450	$63,000	$56,000	$67,366	$67,366	$56,000	$63,000	$450	$0.55	5.27%	0.0%	-
Property Tax (@ 100%) 2.6832	$77,358	$553/Unit	$106,823	$763	10.44%	$1.09	$898	$125,732	$99,723	$104,743	$94,896	$101,424	$108,937	$778	$0.95	9.11%	15.4%	16,795
Reserve for Replacements				$0	2.91%	$0.30	$250	$35,000	$35,000	$30,000	$30,000	$35,000	$35,000	$250	$0.30	2.93%	0.0%	-
Supportive Services				$0	0.25%	$0.03	$21	$2,970	$0	$0	$0	$0	$2,970	$21	$0.03	0.25%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)				$0	0.36%	$0.04	$31	$4,320	$4,320	$4,080	$4,080	$4,320	$4,320	$31	$0.04	0.36%	0.0%	-
TOTAL EXPENSES					**58.96%**	**$6.17**	**$5,070**	**$ 709,786**	$629,840	$564,170	$559,860	$651,753	**$680,834**	**$4,863**	**$5.91**	**56.92%**	**4.3%**	**$ 28,952**
NET OPERATING INCOME ("NOI")					**41.04%**	**$4.29**	**$3,529**	**$494,053**	$493,080	$349,360	$353,670	$471,168	**$515,235**	**$3,680**	**$4.48**	**43.08%**	**-4.1%**	**($21,182)**
CONTROLLABLE EXPENSES							$3,055/Unit							$2,991/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Amendment	Original Underwriting		Amendment	AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR																Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	Applicant	TDHCA	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Chase Permanent Loan		1.29	1.24	$399,677	4.60%	35	18	$7,159,000	$5,200,000	$2,780,000	$2,780,000	$5,200,000	$7,159,000	18	35	4.60%	$411,902	1.20	26.9%
TDHCA (Repayble)		1.25	1.19	$14,014	0.00%	35	18	$490,490	$2,750,000	$2,750,000	$2,750,000	$2,750,000	$490,490	18	35	0.00%	$14,014	1.16	1.8%
TDHCA (Deferred Repayable)		1.25	1.19		0.00%	0	18	$4,000,000					$4,000,000	18		0.00%			15.0%
CASH FLOW DEBT / GRANTS																			
City of Temple		1.25	1.19		0.00%	0	0	$500	$500	$500	$500	$500	$500	0	0	0.00%		1.16	0.0%
Mucasey, J and B Electric		1.25	1.19		0.00%	0	0	$206,250	$225,000	$225,000	$225,000	$225,000	$206,250	0	0	0.00%		1.16	0.8%
Franklin Development		1.25	1.19		0.00%	0	0	$130,537					$130,537	0	0	0.00%		1.16	0.5%
				$413,691	**TOTAL DEBT / GRANT SOURCES**			**$11,986,777**	$8,175,500	$5,755,500	$5,755,500	$8,175,500	**$11,986,777**			**TOTAL DEBT SERVICE**	**$425,916**	**1.16**	45.0%
NET CASH FLOW		$101,544	$80,362										**APPLICANT**	**NET OPERATING INCOME**			**$494,053**	**$68,137**	**NET CASH FLOW**

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					Amendment	Original Underwriting		Amendment	AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	Applicant	TDHCA	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
RBC Equity	LIHTC Equity	50.5%	$1,500,000	0.897	$13,461,154	$13,873,613	$13,948,605	$13,948,605	$13,873,613	$13,461,154	$0.897	$1,500,000	50.5%	$10,714	Original Request
Temple MD, LP	Deferred Developer Fees	5.7%	(59% Deferred)		$1,522,079	$928,591	$562,071	$562,071	$928,592	$1,200,683	(53% Deferred)		4.5%	**Total Developer Fee:**	**$2,272,314**
TOTAL EQUITY SOURCES		56.2%			$14,983,233	$14,802,204	$14,510,676	$14,510,676	$14,802,204	$14,661,837			55.0%		
TOTAL CAPITALIZATION					**$26,970,010**	$22,977,704	$20,266,176	$20,266,176	$22,977,705	**$26,648,614**			**15-Yr Cash Flow after Deferred Fee:**		**$94,510**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					Amendment	Original Underwriting		Amendment	TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis												Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Applicant	Applicant	TDHCA	TDHCA	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$13,571 / Unit	$1,900,000	$1,700,000	$1,700,000	$1,700,000	$1,700,000	$1,900,000	$13,571 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$0	$0	$0	$0	$ / Unit			$0	0.0%	$0
Closing costs & acq. legal fees					$10,000	$10,000	$10,000	$10,000	$10,000	$10,000						$0
Off-Sites				$1,257 / Unit	$176,000	$176,000	$176,000	$176,000	$176,000	$176,000	$1,257 / Unit				0.0%	$0
Site Work		$1,157,500		$8,268 / Unit	$1,157,500	$1,157,500	$1,157,500	$1,157,500	$1,157,500	$1,157,500	$8,268 / Unit		$1,157,500		0.0%	$0
Site Amenities		$546,000		$3,900 / Unit	$546,000	$546,000	$546,000	$546,000	$546,000	$546,000	$3,900 / Unit		$546,000		0.0%	$0
Building Cost		$9,428,328	$123.20 /sf	$101,303/Unit	$14,182,403	$11,189,665	$9,624,760	$8,990,468	$10,691,893	$14,182,401	$101,303/Unit	$123.20 /sf	$9,428,328		0.0%	$2
Contingency		$556,591	5.00%	5.00%	$803,095	$653,458	$694,703	$694,703	$653,458	$803,095	5.00%	5.00%	$556,591		0.0%	$0
Contractor Fees		$1,636,378	14.00%	14.15%	$2,385,740	$1,921,166	$1,359,391	$1,359,391	$1,851,479	$2,361,099	14.00%	14.00%	$1,636,378		1.0%	$24,641
Soft Costs	0	$1,233,831		$8,813 / Unit	$1,233,831	$1,233,831	$1,206,408	$1,206,408	$1,233,831	$1,233,831	$8,813 / Unit		$1,233,831	$0	0.0%	$0
Financing	0	$602,932		$9,855 / Unit	$1,379,647	$1,237,018	$1,111,590	$1,111,590	$1,237,018	$1,379,647	$9,855 / Unit		$602,932	$0	0.0%	$0
Developer Fee	$0	$2,263,939	14.93%	12.63%	$2,569,070	$2,569,070	$2,272,314	$2,177,170	$2,494,404	$2,272,314	11.17%	14.93%	$2,263,939	$0	13.1%	$296,756
Reserves				7 Months	$626,724	$583,997	$407,510	$407,510	$583,997	$626,724	7 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$17,425,499**		$192,643 / Unit	**$26,970,010**	$22,977,705	$20,266,176	$19,536,740	$22,335,581	**$26,648,611**	$190,347 / Unit		**$17,425,499**	**$0**	**1.2%**	**$321,399**
Acquisition Cost	$0				$0	$0	$0									
Contingency		$0			$0	$0	$0									
Contractor's Fee		$0			($24,640)	$0	$0									
Financing Cost		$0														
Developer Fee	$0	$0			($296,756)	($0)	($0)									
Reserves					$0	$0	$0									
ADJUSTED BASIS / COST	**$0**	**$17,425,499**		$190,347/unit	**$26,648,614**	$22,977,705	$20,266,176	$19,536,740	$22,335,581	**$26,648,611**	$190,347/unit		**$17,425,499**	**$0**	**0.0%**	**$2**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): **$26,648,614**

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$0	$17,425,499	$0	$17,425,499
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$17,425,499	$0	$17,425,499
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$22,653,149	$0	$22,653,149
Applicable Fraction	77.14%	77.14%	77.14%	77.14%
TOTAL QUALIFIED BASIS	$0	$17,475,286	$0	$17,475,286
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,572,776	$0	$1,572,776
CREDITS ON QUALIFIED BASIS	$1,572,776		$1,572,776	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8974	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$1,572,776	$14,114,251	----	----	----
Needed to Fill Gap	$1,633,794	$14,661,837	----	----	----
Previous Allocation	$1,500,000	$13,461,154	**$1,500,000**	**$0**	**$0**

Long-Term Pro Forma

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$1,203,839	$1,227,916	$1,252,475	$1,277,524	$1,303,074	$1,438,700	$1,588,441	$1,753,767	$1,936,300	$2,137,832	$2,360,339
TOTAL EXPENSES	3.00%	$709,786	$730,569	$751,965	$773,992	$796,670	$920,507	$1,063,751	$1,229,459	$1,421,173	$1,642,995	$1,899,675
NET OPERATING INCOME ("NOI")		**$494,053**	**$497,347**	**$500,510**	**$503,532**	**$506,404**	**$518,192**	**$524,689**	**$524,308**	**$515,127**	**$494,837**	**$460,665**
EXPENSE/INCOME RATIO		59.0%	59.5%	60.0%	60.6%	61.1%	64.0%	67.0%	70.1%	73.4%	76.9%	80.5%
MUST -PAY DEBT SERVICE												
Chase Permanent Loan		$411,902	$411,902	$411,902	$411,902	$411,902	$411,902	$411,902	$411,902	$411,902	$411,902	$411,902
TDHCA (Repayble)		$14,014	$14,014	$14,014	$14,014	$14,014	$14,014	$14,014	$14,014	$14,014	$14,014	$14,014
TDHCA (Deferred Repayable)												
TOTAL DEBT SERVICE		$425,916	$425,916	$425,916	$425,916	$425,916	$425,916	$425,916	$425,916	$425,916	$425,916	$425,916
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.18	1.19	1.22	1.23	1.23	1.21	1.16	1.08
ANNUAL CASH FLOW		**$68,137**	**$71,431**	**$74,594**	**$77,616**	**$80,488**	**$92,276**	**$98,774**	**$98,392**	**$89,211**	**$68,921**	**$34,749**
Deferred Developer Fee Balance		$1,132,545	$1,061,114	$986,520	$908,904	$828,416	$388,774	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$94,510	$590,341	$1,058,708	$1,448,856	$1,697,118

Real Estate Analysis Division
May 5, 2021

Addendum to Underwriting Report

TDHCA Application #: 20200 Program(s): 9% HTC/MDL

Lofts at Temple Medical District

Address/Location: NW of 400 SW H K Dodgen Loop

City: Temple County: Bell Zip: 76504

	APPLICATION HISTORY
Report Date	PURPOSE
05/05/21	**Amendment Request**
11/11/20	Initial Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Soft Repayable)	$2,750,000	2.50%	30	18	**$2,750,000**	**2.50%**	**30**	**18**	**2**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Closing

- a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
- b: Substantially final construction contract with Schedule of Values.
- c: Updated term sheets with substantially final terms from all lenders
- d: Substantially final draft of limited partnership agreement.
- e: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.
- f: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.
- g: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

2 Receipt and acceptance by 10% test:

- Documentation that a noise study has been completed, and Architect certification that all recommendations from the noise study are incorporated into the development plans.

3 Receipt and acceptance by Cost Certification:

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

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

SET-ASIDES

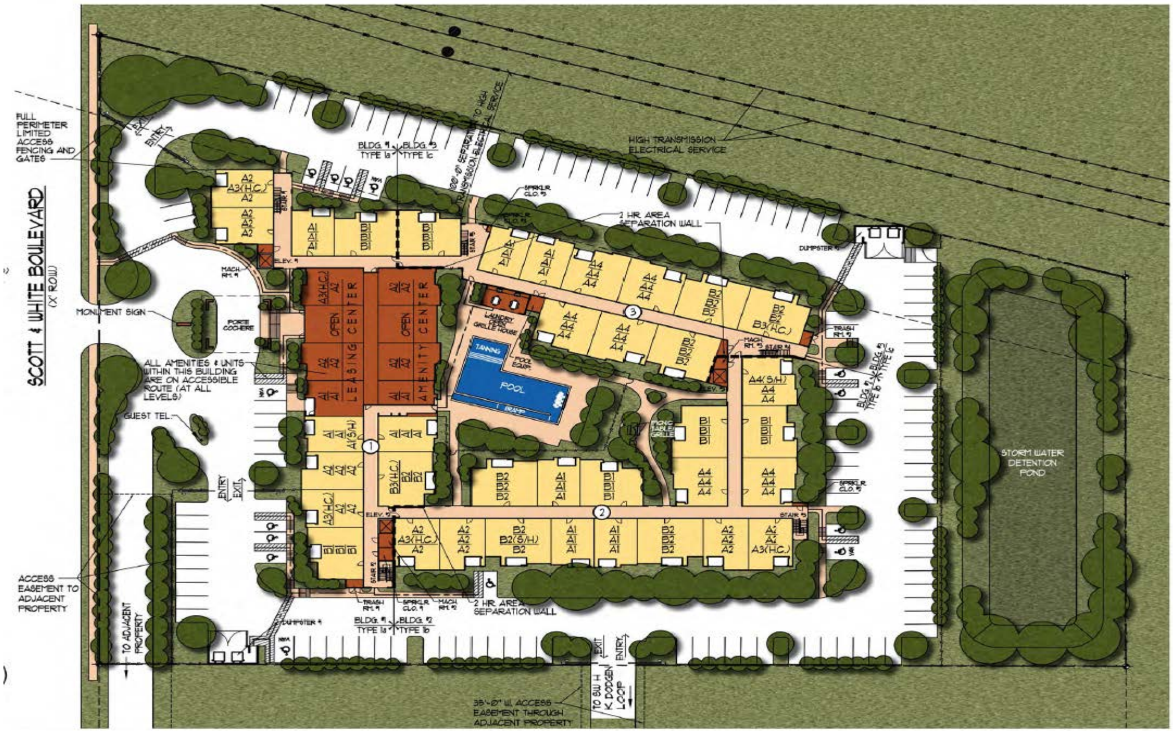
TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	22
50% of AMI	50% of AMI	22
60% of AMI	60% of AMI	64

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	4
60% of AMFI	High HOME	16

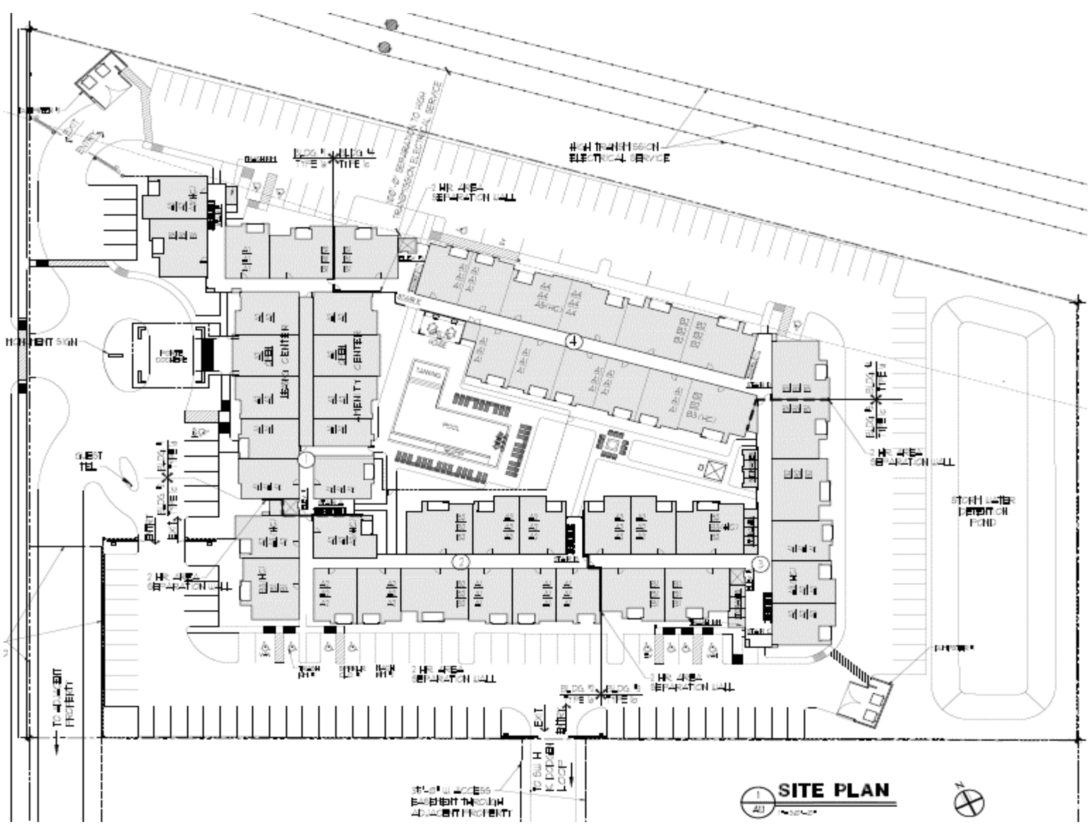
ANALYSIS

Lofts at Temple Medical District received an award of 9% Housing Tax Credits (HTCs) in 2020 for the new construction of 120 multifamily units (102 HTC units) in Temple, TX. Applicant has submitted an amendment request for a modification to the total number of units (120 to 140) with increases in the number of HTC Units (102 to 108) and market rate units (18 to 32). The amendment request includes modifications to the site plan, number of units or bedroom mix of units, architectural design, and residential density of at least five percent of the Development.

Original Site Plan



Revised Site Plan



Parking

City of Temple requires one parking space per senior dwelling unit. The original site plan provided 129 total spaces for 120 total units (1.1 spaces per unit). The revised site plan provides 170 spaces for 140 units (1.2 spaces per unit).

Operating Pro Forma

Total units have increased from 120 to 140, with additional units at 50% AMI, 60% AMI, and Market Rate. Applicant's revised rent schedule reflected 2020 Program Rents. Underwriter updated to the newly-released 2021 Program Rents.

The previous recommendation included 25 units with income and rent restrictions under the Direct Loan LURA. The current proposed unit mix includes 20 Direct Loan units.

Total Operating Expenses increased due to increased number of units. Applicant adjusted some expenses for the new unit mix while keeping some constant; Applicant's expense/unit decreased from $4,701 to $4,499. Underwriter's are adjusted for the unit mix, with expense/unit essentially unchanged ($4,665 to $4,655).

Pro forma variance remains within 5%.

Development Cost

Applicant's proposed off-site and site work costs are unchanged.

Net Rentable Area (NRA) increases 13% with the additional 20 units. Applicant's building cost estimate is 16% higher than original. Underwriter's estimate increased 19%.

Developer Fee increased 13%. Total soft costs and total financing costs have increased by 2% and 11%, respectively.

Total Development Cost increases 13%, consistent with the increase in NRA.

Sources of Funds

Debt and equity providers remain unchanged.

Chase Bank construction Loan increases from $13.28M (at 4.50%) to $15.30M (at 4.00%).

Chase Bank senior permanent loan has nearly doubled, from $2.78M (at 4.75% for 35 years) to $5.20M (at 4.40% for 35 years). Annual debt service that is senior to the TDHCA Direct Loan has increased from $163,083 to $291,460.

Chase Bank senior permanent loan has nearly doubled, from $2.78M (at 4.75% for 35 years) to $5.20M (at 4.40% for 35 years). Annual debt service that is senior to the TDHCA Direct Loan has increased from $163,083 to $291,460. But overall debt coverage decreases from 1.19 to 1.17, less than the 0.05 decrease permitted under §13.8(c)(1); therefore Board Approval is not required for the increased senior debt.

The Multifamily Direct Loan remains unchanged ($2,750,000 at 2.50% interest with 30-year amortization and 18-year term.

The Development, as amended with 20 additional units, remains feasible with the $1,500,000 annual tax credit allocation and the Multifamily Direct Loan as previously awarded.

Underwriter:	*Curtis Wilkins*
Manager of Real Estate Analysis:	*Jeanna Adams*
Director of Real Estate Analysis:	*Thomas Cavanagh*

UNIT MIX/RENT SCHEDULE

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

LOCATION DATA	
CITY:	Temple
COUNTY:	Bell
Area Median Income	$64,700
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	95	67.9%	0	14
2	45	32.1%	0	6
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**140**	**100.0%**	**-**	**20**

52%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	22	15.7%
40%	-	0.0%
50%	22	15.7%
60%	64	45.7%
70%	-	0.0%
80%	-	0.0%
MR	32	22.9%
TOTAL	**140**	**100.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	77.14%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	822 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$364	LH/50%	$600	1	1	1	700	$364	$40	$324	$0	$0.46	$324	**$324**	**$324**	$324	$0.46	$0	$965	$1.38	$1,020
TC 30%	$364	HH/60%	$611	5	1	1	700	$364	$40	$324	$0	$0.46	$324	**$1,620**	**$1,620**	$324	$0.46	$0	$965	$1.38	$1,020
TC 30%	$364			2	1	1	700	$364	$40	$324	$0	$0.46	$324	**$648**	**$648**	$324	$0.46	$0	$965	$1.38	$1,020
TC 50%	$606			8	1	1	700	$606	$40	$566	$0	$0.81	$566	**$4,528**	**$4,528**	$566	$0.81	$0	$965	$1.38	$1,020
TC 60%	$728			19	1	1	700	$728	$40	$688	$0	$0.98	$688	**$13,072**	**$13,072**	$688	$0.98	$0	$965	$1.38	$1,020
MR				11	1	1	700	$0	$40		NA	$1.38	$965	**$10,615**	**$10,615**	$965	$1.38	NA	$965	$1.38	$1,020
TC 30%	$364	LH/50%	$600	1	1	1	777	$364	$40	$324	$0	$0.42	$324	**$324**	**$324**	$324	$0.42	$0	$1,060	$1.36	$1,060
TC 30%	$364	HH/60%	$611	5	1	1	777	$364	$40	$324	$0	$0.42	$324	**$1,620**	**$1,620**	$324	$0.42	$0	$965	$1.24	$1,060
TC 30%	$364			1	1	1	777	$364	$40	$324	$0	$0.42	$324	**$324**	**$324**	$324	$0.42	$0	$965	$1.24	$1,060
TC 50%	$606			7	1	1	777	$606	$40	$566	$0	$0.73	$566	**$3,962**	**$3,962**	$566	$0.73	$0	$965	$1.24	$1,060
TC 60%	$728			19	1	1	777	$728	$40	$688	$0	$0.89	$688	**$13,072**	**$13,072**	$688	$0.89	$0	$965	$1.24	$1,060
MR				10	1	1	777	$0	$40		NA	$1.24	$965	**$9,650**	**$9,650**	$965	$1.24	NA	$965	$1.24	$1,060
TC 30%	$364	LH/50%	$600	1	1	1	895	$364	$40	$324	$0	$0.36	$324	**$324**	**$324**	$324	$0.36	$0	$965	$1.08	$1,180
TC 50%	$606	HH/60%	$611	1	1	1	895	$606	$40	$566	$0	$0.63	$566	**$566**	**$566**	$566	$0.63	$0	$965	$1.08	$1,180
TC 60%	$728			2	1	1	895	$728	$40	$688	$0	$0.77	$688	**$1,376**	**$1,376**	$688	$0.77	$0	$965	$1.08	$1,180
MR				2	1	1	895	$0	$40		NA	$1.08	$965	**$1,930**	**$1,930**	$965	$1.08	NA	$965	$1.08	$1,180
TC 30%	$437	LH/50%	$720	1	2	2	943	$437	$52	$385	$0	$0.41	$385	**$385**	**$385**	$385	$0.41	$0	$1,035	$1.10	$1,210
TC 30%	$437	HH/60%	$785	3	2	2	943	$437	$52	$385	$0	$0.41	$385	**$1,155**	**$1,155**	$385	$0.41	$0	$1,035	$1.10	$1,210
TC 50%	$728			4	2	2	943	$728	$52	$676	$0	$0.72	$676	**$2,704**	**$2,704**	$676	$0.72	$0	$1,035	$1.10	$1,210
TC 60%	$874			9	2	2	943	$874	$52	$822	$0	$0.87	$822	**$7,398**	**$7,398**	$822	$0.87	$0	$1,035	$1.10	$1,210
MR				4	2	2	943	$0	$52		NA	$1.10	$1,035	**$4,140**	**$4,140**	$1,035	$1.10	NA	$1,035	$1.10	$1,210
TC 30%	$437	HH/60%	$785	2	2	2	1,014	$437	$52	$385	$0	$0.38	$385	**$770**	**$770**	$385	$0.38	$0	$1,035	$1.02	$1,265
TC 50%	$728			2	2	2	1,014	$728	$52	$676	$0	$0.67	$676	**$1,352**	**$1,352**	$676	$0.67	$0	$1,035	$1.02	$1,265
TC 60%	$874			15	2	2	1,014	$874	$52	$822	$0	$0.81	$822	**$12,330**	**$12,330**	$822	$0.81	$0	$1,035	$1.02	$1,265
MR				5	2	2	1,014	$0	$52		NA	$1.02	$1,035	**$5,175**	**$5,175**	$1,035	$1.02	NA	$1,035	$1.02	$1,265
TOTALS/AVERAGES:				**140**			**115,120**				**$0**	**$0.86**	**$710**	**$99,364**	**$99,364**	**$710**	**$0.86**	**$0**	**$988**	**$1.20**	**$1,110**

ANNUAL POTENTIAL GROSS RENT:	**$1,192,368**	**$1,192,368**	

STABILIZED PRO FORMA

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.86	$710	$1,192,368	$966,000	$966,000	$1,192,368	$710	$0.86		0.0%	$0
Late Fees, Apps, Damage							$12.86	$21,600	21,600							
Total Secondary Income							$12.86			21,600	$21,600	$12.86			0.0%	$0
POTENTIAL GROSS INCOME								$1,213,968	$987,600	$987,600	$1,213,968				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(91,048)	(74,070)	(74,070)	(91,048)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,122,920	$913,530	$913,530	$1,122,920				0.0%	$0
General & Administrative	$57,269	$409/Unit	$54,614	$390	4.68%	$0.46	$376	$52,600	$48,600	$49,760	$54,614	$390	$0.47	4.86%	-3.7%	(2,014)
Management	$48,077	5.2% EGI	$44,519	$318	3.97%	$0.39	$318	$44,559	$36,547	$36,541	$44,917	$321	$0.39	4.00%	-0.8%	(358)
Payroll & Payroll Tax	$146,053	$1,043/Unit	$207,213	$1,480	16.70%	$1.63	$1,340	$187,530	$119,314	$119,314	$187,530	$1,340	$1.63	16.70%	0.0%	-
Repairs & Maintenance	$102,652	$733/Unit	$152,246	$1,087	6.20%	$0.60	$497	$69,640	$69,640	$72,000	$84,000	$600	$0.73	7.48%	-17.1%	(14,360)
Electric/Gas	$29,138	$208/Unit	$28,053	$200	1.88%	$0.18	$151	$21,150	$22,320	$24,045	$28,053	$200	$0.24	2.50%	-24.6%	(6,903)
Water, Sewer, & Trash	$72,167	$515/Unit	$55,895	$399	5.28%	$0.52	$424	$59,318	$61,560	$61,857	$55,895	$399	$0.49	4.98%	6.1%	3,423
Property Insurance	$46,332	$0.40 /sf	$42,203	$301	4.99%	$0.49	$400	$56,000	$67,366	$67,366	$56,000	$400	$0.49	4.99%	0.0%	-
Property Tax (@ 100%) 2.6832	$77,358	$553/Unit	$106,823	$763	8.88%	$0.87	$712	$99,723	$104,743	$94,896	$101,424	$724	$0.88	9.03%	-1.7%	(1,701)
Reserve for Replacements				$0	3.12%	$0.30	$250	$35,000	$30,000	$30,000	$35,000	$250	$0.30	3.12%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)				$0	0.38%	$0.04	$31	$4,320	$4,080	$4,080	$4,320	$31	$0.04	0.38%	0.0%	-
TOTAL EXPENSES					**56.09%**	**$5.47**	**$4,499**	**$ 629,840**	$564,170	$559,860	**$651,753**	**$4,655**	**$5.66**	**58.04%**	**-3.4%**	**$ (21,913)**
NET OPERATING INCOME ("NOI")					**43.91%**	**$4.28**	**$3,522**	**$493,080**	$349,360	$353,670	**$471,168**	**$3,365**	**$4.09**	**41.96%**	**4.7%**	**$21,913**

CONTROLLABLE EXPENSES							$2,787/Unit					$2,929/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR							Prior Underwriting							Cumulative	
DEBT (Must Pay)	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Chase Bank		1.62	1.69	$291,460	4.40%	35	18	$5,200,000	$2,780,000	$2,780,000	$5,200,000	18	35	4.40%	$291,460	1.69	22.6%
TDHCA		1.12	1.17	$130,390	2.50%	30	18	$2,750,000	$2,750,000	$2,750,000	$2,750,000	18	30	2.50%	$130,390	1.17	12.0%
CASH FLOW DEBT / GRANTS																	
City of Temple		1.12	1.17		0.00%	0	0	$500	$500	$500	$500	0	0	0.00%		1.17	0.0%
Mucasey, J and B Electric		1.12	1.17		0.00%	0	0	$225,000	$225,000	$225,000	$225,000	0	0	0.00%		1.17	1.0%
				$421,850	**TOTAL DEBT / GRANT SOURCES**			**$8,175,500**	$5,755,500	$5,755,500	**$8,175,500**			**TOTAL DEBT SERVICE**	**$421,850**	**1.17**	35.6%
NET CASH FLOW		$49,318	$71,230								**APPLICANT**	**NET OPERATING INCOME**			**$493,080**	**$71,231**	**NET CASH FLOW**

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
						Prior Underwriting							
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
RBC Equity	LIHTC Equity	60.4%	$1,500,000	0.925	$13,873,613	$13,948,605	$13,948,605	$13,873,613	$0.925	$1,500,000	60.4%	$10,714	Previous Allocation
DWR Temple MD, LP	Deferred Developer Fees	4.0%	(36% Deferred)		$928,591	$562,071	$562,071	$928,592	(36% Deferred)		4.0%	**Total Developer Fee:**	**$2,569,070**
Additional (Excess) Funds Req'd		0.0%						$0			0.0%		
TOTAL EQUITY SOURCES		64.4%			$14,802,204	$14,510,676	$14,510,676	$14,802,205			64.4%		
TOTAL CAPITALIZATION					**$22,977,704**	$20,266,176	$20,266,176	**$22,977,705**				**15-Yr Cash Flow after Deferred Fee:**	**$506,627**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis					Prior Underwriting					Eligible Basis			
	Acquisition	New Const. Rehab			Total Costs	Applicant	TDHCA	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$12,143 / Unit	$1,700,000	$1,700,000	$1,700,000	$1,700,000	$12,143 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$0	$0	$ / Unit			$0	0.0%	$0
Closing costs & acq. legal fees					$10,000	$10,000	$10,000	$10,000						$0
Off-Sites				$1,257 / Unit	$176,000	$176,000	$176,000	$176,000	$1,257 / Unit				0.0%	$0
Site Work		$1,157,500		$8,268 / Unit	$1,157,500	$1,157,500	$1,157,500	$1,157,500	$8,268 / Unit		$1,157,500		0.0%	$0
Site Amenities		$546,000		$3,900 / Unit	$546,000	$546,000	$546,000	$546,000	$3,900 / Unit		$546,000		0.0%	$0
Building Cost		$9,428,328	$97.20 /sf	$79,926/Unit	$11,189,665	$9,624,760	$8,990,468	$10,691,893	$76,371/Unit	$92.88 /sf	$9,428,328		4.7%	$497,772
Contingency		$556,591	5.00%	5.00%	$653,458	$694,703	$694,703	$653,458	5.20%	5.00%	$556,591		0.0%	$0
Contractor Fees		$1,636,378	14.00%	14.00%	$1,921,166	$1,359,391	$1,359,391	$1,851,479	14.00%	14.00%	$1,636,378		3.8%	$69,687
Soft Costs	0	$1,233,831		$8,813 / Unit	$1,233,831	$1,206,408	$1,206,408	$1,233,831	$8,813 / Unit		$1,233,831	$0	0.0%	$0
Financing	0	$534,299		$8,836 / Unit	$1,237,018	$1,111,590	$1,111,590	$1,237,018	$8,836 / Unit		$534,299	$0	0.0%	$0
Developer Fee	$0	$2,263,939	15.00%	15.00%	$2,569,070	$2,272,314	$2,177,170	$2,494,404	15.00%	15.00%	$2,263,939	$0	3.0%	$74,666
Reserves				7 Months	$583,997	$407,510	$407,510	$583,997	7 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$17,356,866**		$164,126 / Unit	**$22,977,705**	$20,266,176	$19,536,740	**$22,335,581**	$159,540 / Unit		**$17,356,866**	**$0**	**2.9%**	**$642,124**
Acquisition Cost	$0				$0	$0								
Contingency		$0			$0	$0								
Contractor's Fee		$0			$0	$0								
Financing Cost		$0												
Developer Fee	$0	$0			($0)	($0)								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$17,356,866**		$164,126/unit	**$22,977,705**	$20,266,176	$19,536,740	**$22,335,581**	$159,540/unit		**$17,356,866**	**$0**	**2.9%**	**$642,124**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						**$22,977,705**								

20200 Lofts at Temple Medical District - Application Summary

REAL ESTATE ANALYSIS DIVISION
November 11, 2020

PROPERTY IDENTIFICATION

Application #	**20200**
Development	**Lofts at Temple Medical District**
City / County	**Temple / Bell**
Region/Area	**8 / Urban**
Population	**Elderly Limitation**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,500,000	$1,500,000	$12,500/Unit	$0.93

	Amount	Rate	Amort	Term	Lien
MF Direct Loan Const. to Perm. (Repayable)	$2,750,000	2.50%	30	18	2

KEY PRINCIPALS / SPONSOR

Texas Grey Oaks, LLC: Co-Developer/ Guarantor

Sycamore Strategies, LLC: Co-Developer/ Guarontor

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	22	18%
1	81	68%	40%	-	0%
2	39	33%	50%	21	18%
3	-	0%	60%	59	49%
4	-	0%	MR	18	15%
TOTAL	120	100%	TOTAL	120	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.19	Expense Ratio	61.8%
Breakeven Occ.	86.8%	Breakeven Rent	$629
Average Rent	$671	B/E Rent Margin	$42
Property Taxes	$873/unit	Exemption/PILOT	0%
Total Expense	$4,701/unit	Controllable	$2,679/unit

SITE PLAN

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.7%
Highest Unit Capture Rate	4%	1 BR/60%	37
Dominant Unit Cap. Rate	4%	1 BR/60%	37
Premiums (↑60% Rents)	Yes	$260/Avg.	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	846 SF	Density	26.7/acre
Acquisition		$14K/unit	$1,710K
Building Cost	$94.80/SF	$80K/unit	$9,625K
Hard Cost		$102K/unit	$12,199K
Total Cost		$169K/unit	$20,266K
Developer Fee	$2,272K	(25% Deferred)	Paid Year: 10
Contractor Fee	$1,359K	30% Boost	Yes

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Chase Bank	18/35	4.75%	$2,780,000	2.14
TDHCA	18/30	2.50%	$2,750,000	1.19
TOTAL DEBT (Must Pay)			**$5,530,000**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
City of Temple	0/0	0.00%	$500	1.19
CASH FLOW DEBT / GRANTS			**$225,500**	

EQUITY / DEFERRED FEES

Source	Amount
RBC Equity	$13,948,605
DWR Temple MD, LP	$562,071
TOTAL EQUITY SOURCES	**$14,510,676**
TOTAL DEBT SOURCES	**$5,755,500**
TOTAL CAPITALIZATION	**$20,266,176**

CONDITIONS

1 Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders

d: Substantially final draft of limited partnership agreement.

e: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.

f: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

g: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

2 Receipt and acceptance by 10% test:

- Documentation that a noise study has been completed, and Architect certification that all recommendations from the noise study are incorporated into the development plans.

3 Receipt and acceptance by Cost Certification:

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

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

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Location in Temple Medical and Educational District
- Developers experience
- Low capture rates

WEAKNESSES/RISKS

- Expense-to-Income Ratio
- Market Rent Risk
- Access points to site require easements

AREA MAP

AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report November 11, 2020

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **20200** Program(s): **9% HTC/MDL**

Lofts at Temple Medical District

Address/Location: NW of 400 SW H K Dodgen Loop

City: Temple County: Bell Zip: 76504

Population: Elderly Limitation Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 8

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
MF Direct Loan Const. to Perm. (Repayable)	$2,750,000	2.50%	30	18	**$2,750,000**	**2.50%**	**30**	**18**	**2**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

* Multifamily Direct Loan Terms:

* The term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS

1 Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

Status:

b: Substantially final construction contract with Schedule of Values.

Status:

c: Updated term sheets with substantially final terms from all lenders

Status:

d: Substantially final draft of limited partnership agreement.

Status:

e: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.

Status:

f: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

Status:

g: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

Status:

2 Receipt and acceptance by 10% test:

- Documentation that a noise study has been completed, and Architect certification that all recommendations from the noise study are incorporated into the development plans.

3 Receipt and acceptance by Cost Certification:

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

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	22
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	59

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	5
60% of AMFI	High HOME	20

DEVELOPMENT SUMMARY

Lofts at Temple Medical District is proposed new construction in Temple, Texas. The project consists of 120 units and will serve the elderly population. The development is comprised of one-bedroom and two-bedroom units. 102 units will serve households at 30%, 50%, and 60% of AMI, with an overall average income of 51%. Eighteen units (15% of the total) will be unrestricted.

Located in the heart of Temple's Medical and Educational District (TMED), the project resides in close proximately to medical facilities, the Temple Mall, and Temple College. The proposed development will aide the city in their efforts to advance the residential neighborhood surrounding the district as part of their robust redevelopment plan. (https://tx-temple3.civicplus.com/1574/Temple-Medical-Educational-District-TMED)

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Location in Temple Medical and Educational District
▫	Developers experience
▫	Low capture rates
▫	City of Temple support

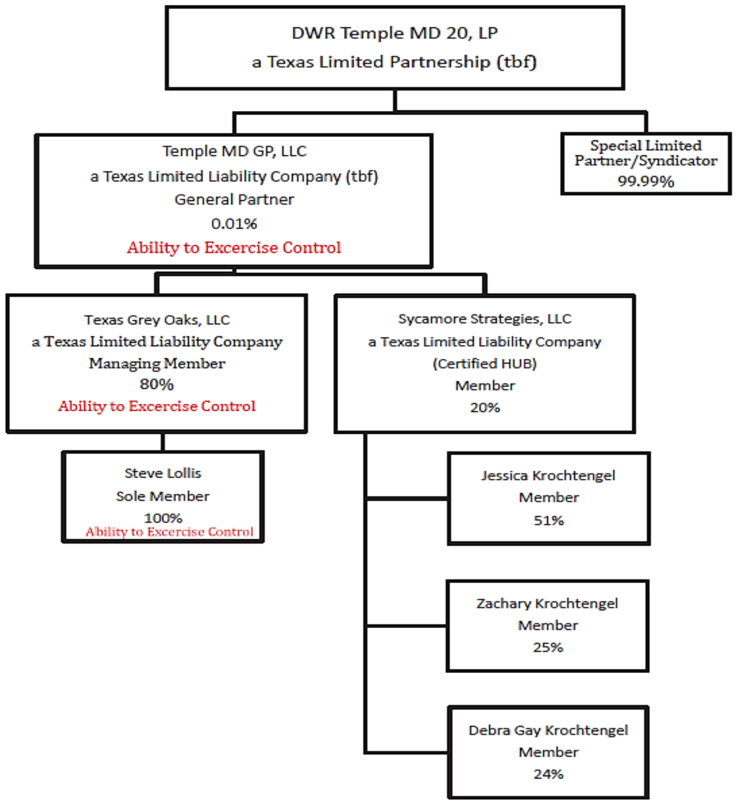
	WEAKNESSES/RISKS
▫	Expense-to-Income Ratio
▫	Market Rent Risk
▫	Access points to site require easements
▫	

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Zachary Krochtengel	Name:	
Phone:	(215) 806-2216	Phone:	
Relationship:	Co-Developer	Relationship:	

OWNERSHIP STRUCTURE



- Texas Grey Oaks, LLC is an experienced affordable housing developer based in Houston, TX. The company has participated in rental development programs with TDHCA on 8 previous deals over the course of 15 years.
- Co-Developer is Sycamore Strategies, LLC. The company and its principals participated in the ownership/development of #19225 - Rosewood Senior Villas in 2019.

DEVELOPMENT SUMMARY

SITE PLAN

Comments:

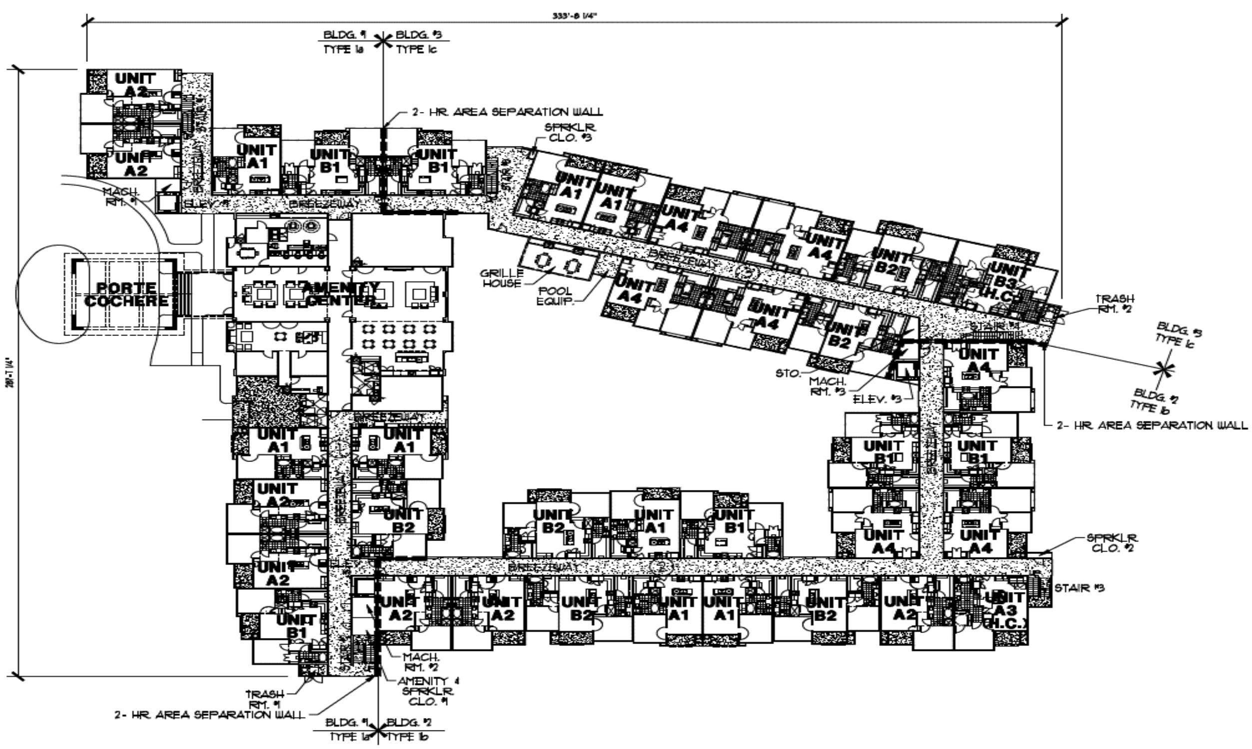
The 4.5-acre site appears to slope mildly from west to east. A storm water detention pond will be located inside the east property line.

The site plan shows 129 uncovered parking spaces providing a parking ratio of 1.1 spaces/ unit, which exceeds the local parking requirement of 1.0 space/ senior unit. Site plan indicates an access point along Scott & White, which is a private road owned by the adjacent Scott & White Memorial Hospital. Per Applicant, the final signed easement paperwork from the hospital is forthcoming. Ingress/ Egress from SW H K Dodgen Loop is also shown on the site plan. Per Commercial Contract, the property seller is granting an access easement through another tract to this access point.

Site plan has a considerable amount of greenspace, with landscaping planned throughout the project.

Site amenities will include a pool and tanning station, a grille house, and an amenity center.

BUILDING PLAN (Typical)



Comments:

The project consists of one, 3-story building, divided into three segments by 2-hour separation walls. The elevator-served development features open breezeways, with a total of five stairways per building.

Each unit features a patio/ balcony with storage space, double vanity bathroom sinks, a study space with a desk and chair, and walk-in closets. Per Applicant, units also provide high efficiency HVAC systems, low-flow toilets, faucets and showers, LED lighting, and Energy Star appliances and windows. All one-bedroom units include plumbed kitchen sinks, with the largest floor plan featuring a den. The two-bedroom floor plans have bathrooms with a stand-alone shower or tub.

BUILDING ELEVATION

Comments:
Building elevation has high articulation, and is made up of a combination of plaster veneer (60%) and cement siding (40%). The roof will be mostly flat with a TPO roof system and low sloping, and also will include overflow scuppers at the perimeter.

BUILDING CONFIGURATION

Building Type	1a	1b	1c										Total Buildings
Floors/Stories	3	3	3										
Number of Bldgs	1	1	1										**3**
Units per Bldg	42	48	30										
Total Units	42	48	30										**120**

Avg. Unit Size (SF)	**846 sf**	**Total NRA (SF)**	**101,527**	**Common Area (SF)***	**8,026**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 4.50 acres Density: 26.7 units/acre

Site Control: 4.5 **Site Plan:** 4.5 **Appraisal:** 0 **ESA:** 4.5

Control Type: Commercial Contract Contract Expiration: 8/20/2020

Development Site: 4.50 acres Cost: $1,700,000 $14,167 per unit

Seller: Joe E. Labay Trust and Retirement Planners Joint Venture

Buyer: HTC Land Holdings, LLC.

Assignee: DWR Temple MD 20 LP

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	T5-C	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	No
Year Constructed:	0	Title Issues?	No

Current Uses of Subject Site:

Undeveloped Land

Surrounding Uses:

Northeast: Gravel lot, power line easement, and apartment homes
Southeast: Lodging (Red Roof Inn)
Southwest: SW HK Dodgen Loop, undeveloped land, and retail (Lowe's)
Northwest: Scott & White Blvd., undeveloped land, and parking lot for hospital

Other Observations:

Per feasibility report, public utilities are available within the vicinity of the subject property. A 12-in water main runs along the west boundary of the site, and a 6-in wastewater main is present along the SW H K Dodgen Loop Access Road.

The seller is granting an access easement to H K Dodgen Loop, and will retain an access easement across the conveyed property to Scott & White Blvd. The LURA will extend to the access easement.

Obtaining an access easement from Scott & White Memorial Hospital is suggested per the feasibility report. Final paperwork from the hospital is in process.

Per Applicant, city requires an architectural review for being located in TMED, which can include special lighting, enhanced streetscape, outdoor furniture, and other architectural details. Development cost schedule includes a line item for "special construction" to allow them to meet these requirements.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 2/14/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

A noise study was conducted and the calculated noise value of the Southeast Corner falls within the 65-75 dB range and is considered "Normally Unacceptable." Noise mitigation will be required. Applicant plans to meet HUD requirements and make the needed upgrade to mitigate noise.

ESA mentions that home improvement stores are known to store, use, and dispose of hazardous substances, gases, and petroleum products. The southwest adjoining property is occupied by a Lowe's Home Improvement, but ESA indicates it is unlikely to migrate to the subject property based on topographic maps that show the Lowe's is down-gradient from the subject property.

Per ESA, northwest adjoining property is occupied by a generator, which typically house diesel aboveground storage tanks for fuel. ESA's summary mentions there is no record of any releases.

MARKET ANALYSIS

Provider: Affordable Housing Analysts   Date: 3/20/2020

Primary Market Area (PMA): 98 sq. miles   6 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Bell County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$8,640	$8,640	$10,368	$10,368	---	---	---
	Max	$13,440	$15,360	$17,280	$19,170	---	---	---
50% AMGI	Min	$14,232	$14,232	$17,280	$17,280	---	---	---
	Max	$22,400	$25,600	$28,800	$31,950	---	---	---
60% AMGI	Min	$17,280	$17,280	$20,736	$20,736	---	---	---
	Max	$26,880	$30,720	$34,560	$38,340	---	---	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
	None					
Other Affordable Developments in PMA since 2015						
19433	Wayman Manor Apartments		A/R	General	n/a	160
Stabilized Affordable Developments in PMA					Total Units	993
					Total Developments	7

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC			
Total Households in the Primary Market Area	38,906			
Senior Households in the Primary Market Area	16,508			
Potential Demand from the Primary Market Area	5,514			
10% External Demand	551			
Potential Demand from Other Sources	0			
GROSS DEMAND	6,065			
Subject Affordable Units	102			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	102			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**1.7%**			

Population:	**Elderly Limitation**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND											
	Market Analyst					Underwriter					
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate						
30% AMGI	1,067	107	22	0	2%						
50% AMGI	2,160	216	21	0	1%						
60% AMGI	2,288	229	59	0	2%						

Demand Analysis:

Minimum eligible income is calculated at 50% rent to income for Elderly developments. Gross demand includes all household sizes and both renter and owner households. Elderly is assumed age 55 and up. All capture rates are well under the maximum thresholds.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE											
	Market Analyst										
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate						
1 BR/30%	638	64	16		2%						
1 BR/50%	681	68	16		2%						
1 BR/60%	786	79	37		4%						
2 BR/30%	924	92	6		1%						
2 BR/50%	742	74	5		1%						
2 BR/60%	1,159	116	22		2%						

Market Analyst Comments:

±46.20% of the households living in the primary market area earn less than $50,000 per year, with ±33.13% earning less than $35,000 per year, and ±22.63% earning less than $25,000 per year. Approximately 12.50% of the primary market area households earn less than $15,000 per year. (p. 39)

The average occupancy within the Belton MSA market, as reported in the December 2019 Apartment MarketData report was 97.9%. (p. 42)

With respect to affordable housing projects, due to the overall lack of recently-constructed Elderly affordable housing projects in the subject’s primary market area, and based on the performance of the current low income housing projects, it appears as though there is pent-up demand in the subject’s primary market area. The HTC properties in the Temple area I was able to contact all reported high occupancies. There are 3 existing Elderly HTC projects within the subject’s primary market area with an average occupancy of 100.00%.(p. 44)

Revisions to Market Study:	0

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$349,360	Avg. Rent:	$671	Expense Ratio:	61.8%
Debt Service:	$293,473	B/E Rent:	$629	Controllable Expenses:	$2,679
Net Cash Flow:	$55,887	UW Occupancy:	92.5%	Property Taxes/Unit:	$873
Aggregate DCR:	1.19	B/E Occupancy:	86.8%	Program Rent Year:	2019

All restricted units are underwritten at 30%, 50%, and 60% AMI levels at maximum Program Rents. Twenty-five (25) units have additional MultiFamily Direct Loan restrictions layered with the HTC restrictions. Project includes 18 market rate units (15% of total).

Per Applicant, assumed market rate units are underwritten at discounts of $95-$230 below the market rents reported in the Market Study due to HUD FMR being lower, along with risks associated with Covid-19.

Average rent is $42 above break-even rent. Project is underwritten at 9 units vacant; Beak-even vacancy is 15 units.

Applicant is using a related management company and assuming a 4% management fee. If we assume 5%, DCR would remain at 1.19.

Applicants operating expenses of $4,701/ unit are within 5% of Underwriter's estimate of $4,665/ unit. Expense ratio is 62%, mostly attributed to staffing and property taxes. Controllable expense are average at $2,679/ unit.

Deferred fee pays off in year 10; 15-year residual cash flow is $388K.

If the full market rents were used debt coverage would increase to 1.28 times, remaining within the required range

Related-Party Property Management Company: Yes

Revisions to Rent Schedule:	0		Revisions to Annual Operating Expenses:	1

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$377,778/ac	$14,250/unit	**$1,710,000**	Contractor Fee	**$1,359,391**
Off-site + Site Work		$15,663/unit	**$1,879,500**	Soft Cost + Financing	**$2,317,998**
Building Cost	$94.80/sf	$80,206/unit	**$9,624,760**	Developer Fee	**$2,272,314**
Contingency	6.04%	$5,789/unit	**$694,703**	Reserves	**$407,510**
Total Development Cost	$168,885/unit	**$20,266,176**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Add'l 10% of units restricted at or below 30% AMI

Acquisition:

Land cost is $1.7M, which is $14,250/unit.

Off-site:

Off-site costs include utilities, paving, and electrical.

Site Work:

Site work of $9,646/unit includes on-site utilities ($285K) and paving ($265K), along with rough and fine grading ($220K). Applicant has allocated $135K for retaining walls and $58K for detention, factoring in the cost for the storm water detention pond on-site. Site work will also involve surveying, bumper stops, striping and signs, in addition to decorative masonry and on-site concrete and electrical.

Building Cost:

Higher than average costs include: wrought iron railing for balconies ($32/linear ft, light-weight concrete ($3/sf), and TPO roofing. Per Applicant, high efficiency HVAC systems are being used, which Underwriter adjusted for.

Underwriter's estimate is based on Marshall & Swift Average Cost multifamily cost model. Applicant's cost is 7.1% higher.

Contingency:

Applicant separated out soft cost contingency of $60K. Underwriter wrapped this into total building cost contingency, bringing cost to 6% which is still below 7% limit.

Reserves:

Reserves equal 6 months of operating expenses and debt service.

Comments:

Applicant's total development cost of $169K/unit fall within 5% limit of Underwriter's assumed cost of $163K/unit, using Marshall & Swift's average base cost. Therefore, Applicant's costs are used for analysis.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$20,266,176	**$15,557,539**	**$1,544,867**

Related-Party Contractor: Yes

Related-Party Cost Estimator: No

Revisions to Development Cost Schedule:	0

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
TDHCA	MDL Const. to Perm. (Repayable)	$2,750,000	0.00%	14%
Chase Bank	Conventional Debt	$13,280,160	4.50%	66%
RBC Equity	HTC	$2,798,721	$0.93	14%
City of Temple	§11.9(d)(2)LPS Contribution	$500		0%
DWR Temple MD, LP	Deferred Dev Fee	$1,196,604		6%
Mucasey, J and B Electric	Direct Loan Match	$225,000		1%
		$20,250,985	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Chase Bank	$2,780,000	4.75%	35	18	$2,780,000	4.75%	35	18	14%
TDHCA	$2,750,000	2.50%	30	18	$2,750,000	2.50%	30	18	14%
City of Temple	$500				$500				0%
Mucasey, J and B Electric	$225,000				$225,000				1%
Total	**$5,755,500**				**$5,755,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
RBC Equity	$13,948,605	$0.93		$13,948,605	$0.93	69%	
DWR Temple MD, LP	$562,071		25%	$562,071		3%	26%
Total	**$14,510,676**			**$14,510,676**			
				$20,266,176	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.967	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.904	Minimum Credit Price below which the Development would be characterized as infeasible

Comments:

Chase Bank will provide a $2,780,000 construction-to-permanent loan. Construction loan from Chase Bank has a term of 24 months, plus a 6 month, conditional extension. MDL construction to permanent loan provided by TDHCA will take the 2nd lien position behind Chase Bank loan.

Applicant requests a TDHCA Direct Loan of $2,750,000 as a second lien subordinate to the Chase senior loan.

City of Temple is providing a $500 funding commitment, and documentation for $225K in Direct Loan Match funds has been provided by Applicant.

Total Capital Contribution of $13,948,605 from RBC is being provided at a $0.93 credit price. 25% of Developer Fee with be deferred.

Revisions to Sources Schedule:	1

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$20,266,176
Permanent Sources (debt + non-HTC equity)	$5,755,500
Gap in Permanent Financing	$14,510,676

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$14,365,830	$1,544,867
Needed to Balance Sources & Uses	$14,510,676	$1,560,444
Requested by Applicant	$13,948,605	$1,500,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$13,948,605**	**$1,500,000**

	Amount	Interest Rate	Amort	Term	Lien
TDHCA Multifamily Direct Loan	**$2,750,000**	**2.50%**	**30**	**18**	**2**

Deferred Developer Fee	**$562,071**	**(26% deferred)**
Repayable in	**10 years**	

Comments:

Underwriter recommends $1,632,397 in annual tax credits as requested by Applicant.

Underwriter recommends $2,750,000 MDL Construction to Permanent loan with 18-year term and 2.50% interest rate amortized over 30 years.

Underwriter: *Curtis Wilkins*

Manager of Real Estate Analysis: *Thomas Cavanagh*

Director of Real Estate Analysis: *Brent Stewart*

UNIT MIX/RENT SCHEDULE

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

LOCATION DATA	
CITY:	Temple
COUNTY:	Bell
Area Median Income	$63,900
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2019

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	81	67.5%	0	17
2	39	32.5%	0	8
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**120**	**100.0%**	**-**	**25**

51%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	22	18.3%
40%	-	0.0%
50%	21	17.5%
60%	59	49.2%
70%	-	0.0%
80%	-	0.0%
MR	18	15.0%
TOTAL	**120**	**100.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	84.87%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	846 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$360	LH/50%	$593	1	1	1	700	$360	$40	$320	$0	$0.46	$320	**$320**	**$320**	$320	$0.46	$0	$965	$1.38	$1,020
TC 30%	$360	HH/60%	$593	3	1	1	700	$360	$40	$320	$0	$0.46	$320	**$960**	**$960**	$320	$0.46	$0	$965	$1.38	$1,020
TC 30%	$360			1	1	1	700	$360	$40	$320	$0	$0.46	$320	**$320**	**$320**	$320	$0.46	$0	$965	$1.38	$1,020
TC 50%	$600			6	1	1	700	$600	$40	$560	$0	$0.80	$560	**$3,360**	**$3,360**	$560	$0.80	$0	$965	$1.38	$1,020
TC 60%	$720			13	1	1	700	$720	$40	$680	$0	$0.97	$680	**$8,840**	**$8,840**	$680	$0.97	$0	$965	$1.38	$1,020
MR				4	1	1	700	$0	$40		NA	$1.38	$965	**$3,860**	**$3,860**	$965	$1.38	NA	$965	$1.38	$1,020
TC 30%	$360	LH/50%	$593	1	1	1	777	$360	$40	$320	$0	$0.41	$320	**$320**	**$320**	$320	$0.41	$0	$965	$1.24	$1,060
TC 30%	$360	HH/60%	$593	6	1	1	777	$360	$40	$320	$0	$0.41	$320	**$1,920**	**$1,920**	$320	$0.41	$0	$965	$1.24	$1,060
TC 50%	$600	HH/60%	$593	1	1	1	777	$593	$40	$553	$0	$0.71	$553	**$553**	**$553**	$553	$0.71	$0	$965	$1.24	$1,060
TC 50%	$600			6	1	1	777	$600	$40	$560	$0	$0.72	$560	**$3,360**	**$3,360**	$560	$0.72	$0	$965	$1.24	$1,060
TC 60%	$720			14	1	1	777	$720	$40	$680	$0	$0.88	$680	**$9,520**	**$9,520**	$680	$0.88	$0	$965	$1.24	$1,060
MR				4	1	1	777	$0	$40		NA	$1.24	$965	**$3,860**	**$3,860**	$965	$1.24	NA	$965	$1.24	$1,060
TC 30%	$360	LH/50%	$593	1	1	1	895	$360	$40	$320	$0	$0.36	$320	**$320**	**$320**	$320	$0.36	$0	$965	$1.08	$1,180
TC 30%	$360	HH/60%	$593	3	1	1	895	$360	$40	$320	$0	$0.36	$320	**$960**	**$960**	$320	$0.36	$0	$965	$1.08	$1,180
TC 50%	$600	HH/60%	$593	1	1	1	895	$593	$40	$553	$0	$0.62	$553	**$553**	**$553**	$553	$0.62	$0	$965	$1.08	$1,180
TC 50%	$600			2	1	1	895	$600	$40	$560	$0	$0.63	$560	**$1,120**	**$1,120**	$560	$0.63	$0	$965	$1.08	$1,180
TC 60%	$720			10	1	1	895	$720	$40	$680	$0	$0.76	$680	**$6,800**	**$6,800**	$680	$0.76	$0	$965	$1.08	$1,180
MR				4	1	1	895	$0	$40		NA	$1.08	$965	**$3,860**	**$3,860**	$965	$1.08	NA	$965	$1.08	$1,180
TC 30%	$432	LH/50%	$720	1	2	2	943	$432	$52	$380	$0	$0.40	$380	**$380**	**$380**	$380	$0.40	$0	$1,035	$1.10	$1,210
TC 30%	$432	HH/60%	$780	2	2	2	943	$432	$52	$380	$0	$0.40	$380	**$760**	**$760**	$380	$0.40	$0	$1,035	$1.10	$1,210
TC 50%	$720	HH/60%	$780	1	2	2	943	$720	$52	$668	$0	$0.71	$668	**$668**	**$668**	$668	$0.71	$0	$1,035	$1.10	$1,210
TC 50%	$720			1	2	2	943	$720	$52	$668	$0	$0.71	$668	**$668**	**$668**	$668	$0.71	$0	$1,035	$1.10	$1,210
TC 60%	$864			10	2	2	943	$864	$52	$812	$0	$0.86	$812	**$8,120**	**$8,120**	$812	$0.86	$0	$1,035	$1.10	$1,210
MR				3	2	2	943	$0	$52		NA	$1.10	$1,035	**$3,105**	**$3,105**	$1,035	$1.10	NA	$1,035	$1.10	$1,210
TC 30%	$432	LH/50%	$720	1	2	2	1,014	$432	$52	$380	$0	$0.37	$380	**$380**	**$380**	$380	$0.37	$0	$1,035	$1.02	$1,265
TC 30%	$432	HH/60%	$780	2	2	2	1,014	$432	$52	$380	$0	$0.37	$380	**$760**	**$760**	$380	$0.37	$0	$1,035	$1.02	$1,265
TC 50%	$720	HH/60%	$780	1	2	2	1,014	$720	$52	$668	$0	$0.66	$668	**$668**	**$668**	$668	$0.66	$0	$1,035	$1.02	$1,265
TC 50%	$720			2	2	2	1,014	$720	$52	$668	$0	$0.66	$668	**$1,336**	**$1,336**	$668	$0.66	$0	$1,035	$1.02	$1,265
TC 60%	$864			12	2	2	1,014	$864	$52	$812	$0	$0.80	$812	**$9,744**	**$9,744**	$812	$0.80	$0	$1,035	$1.02	$1,265
MR				3	2	2	1,014	$0	$52		NA	$1.02	$1,035	**$3,105**	**$3,105**	$1,035	$1.02	NA	$1,035	$1.02	$1,265
TOTALS/AVERAGES:				**120**			**101,527**				**$0**	**$0.79**	**$671**	**$80,500**	**$80,500**	**$671**	**$0.79**	**$0**	**$988**	**$1.17**	**$1,130**

ANNUAL POTENTIAL GROSS RENT:	**$966,000**	**$966,000**	

STABILIZED PRO FORMA

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.79	$671	$966,000	$966,000	$671	$0.79		0.0%	$0
Late Fees, Apps, Damage							$15.00	$21,600						
Total Secondary Income							$15.00		$21,600	$15.00			0.0%	$0
POTENTIAL GROSS INCOME								$987,600	$987,600				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(74,070)	(74,070)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$913,530	$913,530				0.0%	$0
General & Administrative	$49,760	$415/Unit	$76,790	$640	5.32%	$0.48	$405	$48,600	$49,760	$415	$0.49	5.45%	-2.3%	(1,160)
Management	$41,772	5.2% EGI	$38,159	$318	4.00%	$0.36	$305	$36,547	$36,541	$305	$0.36	4.00%	0.0%	6
Payroll & Payroll Tax	$125,188	$1,043/Unit	$177,611	$1,480	13.06%	$1.18	$994	$119,314	$119,314	$994	$1.18	13.06%	0.0%	-
Repairs & Maintenance	$87,987	$733/Unit	$130,496	$1,087	7.62%	$0.69	$580	$69,640	$72,000	$600	$0.71	7.88%	-3.3%	(2,360)
Electric/Gas	$25,322	$211/Unit	$24,045	$200	2.44%	$0.22	$186	$22,320	$24,045	$200	$0.24	2.63%	-7.2%	(1,725)
Water, Sewer, & Trash	$61,857	$515/Unit	$47,910	$399	6.74%	$0.61	$513	$61,560	$61,857	$515	$0.61	6.77%	-0.5%	(297)
Property Insurance	$39,713	$0.39 /sf	$36,174	$301	7.37%	$0.66	$561	$67,366	$67,366	$561	$0.66	7.37%	0.0%	-
Property Tax (@ 100%) 2.6832	$67,207	$560/Unit	$91,562	$763	11.47%	$1.03	$873	$104,743	$94,896	$791	$0.93	10.39%	10.4%	9,847
Reserve for Replacements				$0	3.28%	$0.30	$250	$30,000	$30,000	$250	$0.30	3.28%	0.0%	-
Supportive Services				$0	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)				$0	0.45%	$0.04	$34	$4,080	$4,080	$34	$0.04	0.45%	0.0%	-
TOTAL EXPENSES					**61.76%**	**$5.56**	**$4,701**	**$ 564,170**	**$559,860**	**$4,665**	**$5.51**	**61.29%**	**0.8%**	**$ 4,310**
NET OPERATING INCOME ("NOI")					**38.24%**	**$3.44**	**$2,911**	**$349,360**	**$353,670**	**$2,947**	**$3.48**	**38.71%**	**-1.2%**	**($4,310)**

CONTROLLABLE EXPENSES							$2,679/Unit			$2,725/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Chase Bank		2.71	2.68	$130,390	4.75%	35	18	$2,780,000	$2,780,000	18	35	4.75%	$163,083	2.14	13.7%
TDHCA		1.21	1.19	$163,083	2.50%	30	18	$2,750,000	$2,750,000	18	30	2.50%	$130,390	1.19	13.6%
CASH FLOW DEBT / GRANTS															
City of Temple		1.21	1.19		0.00%	0	0	$500	$500	0	0	0.00%		1.19	0.0%
Mucasey, J and B Electric		1.21	1.19		0.00%	0	0	$225,000	$225,000	0	0	0.00%		1.19	1.1%
				$293,473	**TOTAL DEBT / GRANT SOURCES**			**$5,755,500**	**$5,755,500**			**TOTAL DEBT SERVICE**	**$293,473**	**1.19**	28.4%
NET CASH FLOW		$60,197	$55,887						**APPLICANT**	**NET OPERATING INCOME**		**$349,360**	**$55,887**	**NET CASH FLOW**	

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	Allocation Method
RBC Equity	LIHTC Equity	68.8%	$1,500,000	0.93	$13,948,605	$13,948,605	$0.93	$1,500,000	68.8%	$12,500	Applicant Request
DWR Temple MD, LP	Deferred Developer Fees	2.8%	(25% Deferred)		$562,071	$562,071	(25% Deferred)		2.8%	**Total Developer Fee:**	**$2,272,314**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		71.6%			$14,510,676	$14,510,676			71.6%		

TOTAL CAPITALIZATION					**$20,266,176**	**$20,266,176**				**15-Yr Cash Flow after Deferred Fee:**	**$388,659**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab			Total Costs	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$14,167 / Unit	$1,700,000	$1,700,000	$14,167 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$ / Unit			$0	0.0%	$0
Closing costs & acq. legal fees					$10,000	$10,000						$0
Off-Sites				$1,467 / Unit	$176,000	$176,000	$1,467 / Unit				0.0%	$0
Site Work		$1,157,500		$9,646 / Unit	$1,157,500	$1,157,500	$9,646 / Unit		$1,157,500		0.0%	$0
Site Amenities		$546,000		$4,550 / Unit	$546,000	$546,000	$4,550 / Unit		$546,000		0.0%	$0
Building Cost		$8,314,046	$94.80 /sf	$80,206/Unit	$9,624,760	$8,990,468	$74,921/Unit	$88.55 /sf	$8,314,046		7.1%	$634,292
Contingency		$561,197	5.60%	6.04%	$694,703	$694,703	6.39%	5.60%	$561,197		0.0%	$0
Contractor Fees		$1,202,105	11.36%	11.14%	$1,359,391	$1,359,391	11.75%	11.36%	$1,202,105		0.0%	$0
Soft Costs	0	$1,205,408		$10,053 / Unit	$1,206,408	$1,206,408	$10,053 / Unit		$1,205,408	$0	0.0%	$0
Financing	0	$542,283		$9,263 / Unit	$1,111,590	$1,111,590	$9,263 / Unit		$542,283	$0	0.0%	$0
Developer Fee	$0	$2,029,000	15.00%	15.00%	$2,272,314	$2,177,170	15.00%	15.00%	$2,029,000	$0	4.4%	$95,144
Reserves				6 Months	$407,510	$407,510	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$15,557,539**		$168,885 / Unit	**$20,266,176**	**$19,536,740**	$162,806 / Unit		**$15,557,539**	**$0**	**3.7%**	**$729,436**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			$0							
Financing Cost		$0										
Developer Fee	$0	$0			($0)							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$15,557,539**		$168,885/unit	**$20,266,176**	**$19,536,740**	$162,806/unit		**$15,557,539**	**$0**	**3.7%**	**$729,436**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$20,266,176**							

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$0	$15,557,539	$0	$15,557,539
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$15,557,539	$0	$15,557,539
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$20,224,801	$0	$20,224,801
Applicable Fraction	84.87%	84.87%	84.87%	84.87%
TOTAL QUALIFIED BASIS	$0	$17,165,194	$0	$17,165,194
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,544,867	$0	$1,544,867
CREDITS ON QUALIFIED BASIS	$1,544,867		$1,544,867	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9299	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$1,544,867	$14,365,830	----	----	----
Needed to Fill Gap	$1,560,444	$14,510,676	----	----	----
Applicant Request	$1,500,000	$13,948,605	**$1,500,000**	**$0**	**$0**

BUILDING COST ESTIMATE

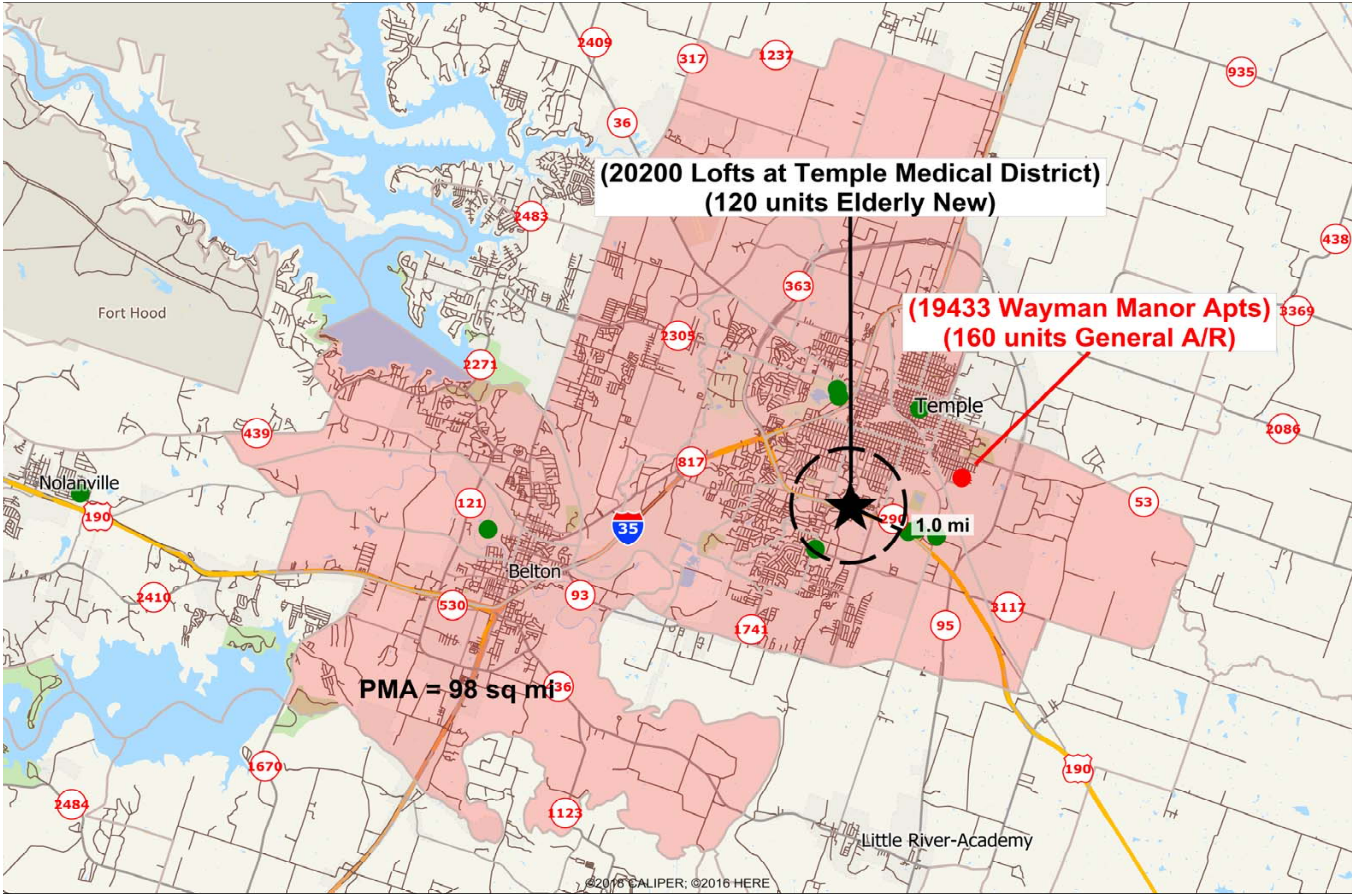
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		101,527 SF	$71.10	7,218,649
Adjustments				
Exterior Wall Finish	0.00%		0.00	$0
Elderly	3.00%		2.13	216,559
9-Ft. Ceilings	3.00%		2.13	216,559
Roof Adjustment(s)			3.74	379,711
Subfloor			1.61	163,458
Floor Cover			3.55	360,624
Breezeways	$30.22	24,296	7.23	734,306
Balconies	$38.75	6,806	2.60	263,733
Plumbing Fixtures	$1,080	292	3.11	315,360
Rough-ins	$530	240	1.25	127,200
Built-In Appliances	$1,830	120	2.16	219,600
Exterior Stairs	$2,460	15	0.36	36,900
Heating/Cooling			2.62	266,001
Storage Space	$30.22	0	0.00	0
Carports	$12.25	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$83.36	6,962	5.72	580,384
Elevators	$93,900	3	2.77	281,700
Other:			0.00	0
Fire Sprinklers	$2.59	132,785	3.39	343,913
SUBTOTAL			**115.48**	**11,724,659**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.90		(11.55)	(1,172,466)
Reserved				0
TOTAL BUILDING COSTS			**103.93**	**$10,552,193**
Plans, specs, survey, bldg permits	3.30%		(3.43)	($348,222)
Contractor's OH & Profit	11.50%		(11.95)	(1,213,502)
NET BUILDING COSTS		$74,921/unit	$88.55/sf	$8,990,468

Long-Term Pro Forma

Lofts at Temple Medical District, Temple, 9% HTC/MDL #20200

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$913,530	$931,801	$950,437	$969,445	$988,834	$1,091,753	$1,205,383	$1,330,841	$1,469,356	$1,622,287	$1,791,136
TOTAL EXPENSES	3.00%	$564,170	$580,730	$597,779	$615,332	$633,404	$732,105	$846,300	$978,432	$1,131,332	$1,308,280	$1,513,073
NET OPERATING INCOME ("NOI")		**$349,360**	**$351,071**	**$352,658**	**$354,113**	**$355,430**	**$359,648**	**$359,083**	**$352,409**	**$338,023**	**$314,007**	**$278,063**
EXPENSE/INCOME RATIO		61.8%	62.3%	62.9%	63.5%	64.1%	67.1%	70.2%	73.5%	77.0%	80.6%	84.5%
MUST -PAY DEBT SERVICE												
Chase Bank		$163,083	$163,083	$163,083	$163,083	$163,083	$163,083	$163,083	$163,083	$163,083	$163,083	$163,083
TDHCA		$130,390	$130,390	$130,390	$130,390	$130,390	$130,390	$130,390	$130,390	$130,390	$130,390	$130,390
TOTAL DEBT SERVICE		$293,473	$293,473	$293,473	$293,473	$293,473	$293,473	$293,473	$293,473	$293,473	$293,473	$293,473
DEBT COVERAGE RATIO		1.19	1.20	1.20	1.21	1.21	1.23	1.22	1.20	1.15	1.07	0.95
ANNUAL CASH FLOW		**$55,887**	**$57,598**	**$59,185**	**$60,641**	**$61,958**	**$66,175**	**$65,611**	**$58,936**	**$44,551**	**$20,535**	**($15,409)**
Deferred Developer Fee Balance		$506,183	$448,585	$389,400	$328,759	$266,801	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$57,317	$388,659	$699,432	$954,398	$1,109,386	$1,109,513

20200 Lofts at Temple Medical District PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.