

BOARD MEETING OF FEBRUARY 20, 2014

J. Paul Ozer, Chair



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

Juan Muñoz, Vice-Chair
J. Mark McWatters, Member
Leslie Bingham Escareño, Member
Robert D. Thomas, Member
Tom Gann, Member

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

AGENDA

**10:00 a.m.
February 20, 2014**

**John H. Reagan Building
Room JHR 140, 105 W 15th Street
Austin, Texas**

**CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM**

J. Paul Ozer, Chairman

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 Texas Government Code, Texas Open Meetings Act.

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

EXECUTIVE

- a) Presentation, Discussion, and Possible Action regarding the Board Minutes Summary for November 7, 2013

Barbara Deane
Board Secretary

RULES

- b) Presentation, Discussion, and Possible Action on an order adopting new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1 Concerning Reasonable Accommodation Requests
- c) Presentation, Discussion, and Possible Action on an order adopting a statutory four-year review with amendments of Department rules at 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2, Concerning Department Complaint System, pursuant to Texas Government Code §2001.039
- d) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program, §5.430, concerning Allowable Subrecipient Administrative and Program Services Costs, and directing their publication for public comment in the *Texas Register*

David Johnson
Manager, Program, Planning,
Policy and Metrics

Michael DeYoung
Assistant DED, Network &
Customer Service

ASSET MANAGEMENT

Cari Garcia
Director, Asset Management

- e) Presentation, Discussion, and Possible Action on approval of Housing Tax Credit Amendment
10035 Zion Gardens Houston
- f) Presentation, Discussion, and Possible Action on approval of Material LURA Amendments
01144 Corinth Autumn Oaks Corinth

BOND FINANCE

Tim Nelson
Director, Bond Finance

- g) Presentation, Discussion, and Possible Action on Resolution No. 14-016 authorizing a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 82) along with related program documents to be administered by TDHCA

COMMUNITY AFFAIRS

Michael DeYoung
Assistant DED, Network & Customer Service

- h) Presentation, Discussion, and Possible Action on Approval of the PY 2014 Department of Energy (“DOE”) Weatherization Assistance Program (“WAP”) State Plan for submission to DOE

HOUSING RESOURCE CENTER

Elizabeth Yevich
Dir., Housing Resource Center

- i) Presentation, Discussion, and Possible Action on adoption of the Final 2014 State of Texas Low Income Housing Plan and Annual Report, and Final Order adopting amendments to 10 TAC §1.23 concerning the 2014 Final State of Texas Low Income Housing Plan and Annual Report, and directing its publication in the *Texas Register*

REPORT ITEMS

The Board accepts the following reports:

- 1. TDHCA Outreach Activities, January 2014
- 2. Presentation and Discussion on the Department Quarterly Snapshot tool
- 3. Report on the Department’s 1st Quarter Investment Report in accordance with the Public Funds Investment Act (“PFIA”)
- 4. Report on the Department’s 1st Quarter Investment Report relating to funds held under Bond Trust Indentures

Michael Lyttle
Director, External Affairs

David Johnson
Manager, Program, Planning, Policy and Metrics

David Cervantes
Chief Financial Officer

Tim Nelson
Director, Bond Finance

ACTION ITEMS

ITEM 2: COMPLIANCE DIVISION

Patricia Murphy
Chief, Compliance

Results from Compliance Division Customer Service Surveys

ITEM 3: MULTIFAMILY FINANCE

Jean Latsha
Manager, MF Finance

- a) Presentation, Discussion, and Possible Action Regarding the Issuance of Multifamily Housing Revenue Bonds with TDHCA as the Issuer, Resolution #14-013 and a Determination Notice of Housing Tax Credits for Patriot’s Crossing Apartments

ITEM 4: APPEALS AND WAIVERS

Jean Latsha
Manager, MF Finance

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

13502 Majors Place Apartments Greenville

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

EXECUTIVE SESSION

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

J. Paul Oxer
Chairman

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
2. 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, including:
 - a) The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al., filed in federal district court, Northern District of Texas.
 - b) Galveston Open Government Project, et al., v. U.S. Department of Housing and Urban Development, et al., filed in federal district court, Southern District of Texas
 - c) Culberson County litigation
3. 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
 - a) Complaint/comments regarding draft State of Texas' Phase 2 Plan for Fair Housing Choice: Analysis of Impediments; Texas Appleseed, Texas Low Income Housing Information Service
4. 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-
5. 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 Lytle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information.

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

Non-English speaking individuals who require interpreters for this meeting should contact Jorge Reyes, 512-475-4577 at least three (3) days before the meeting so that appropriate arrangements can be made.

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

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action on the Board Meeting Minutes Summary for November 7, 2013

RECOMMENDED ACTION

Approve Board Meeting Minutes Summary for November 7, 2013

RESOLVED, that the Board Meeting Minutes Summary for November 7, 2013, as having been specifically approved, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
November 7, 2013

On Thursday, the 7th day of November, 2013, at 9:05 a.m., the regular monthly meeting of the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA”) was held in Room JHR 140 of the John H. Reagan Building, Austin, Texas.

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

- J. Paul Ozer
- Leslie Bingham Escareño
- Tom H. Gann
- J. Mark McWatters
- Robert Thomas

J. Paul Ozer served as Chair, and Barbara Deane served as secretary.

- 1) The Board adopted the Consent Agenda as presented with five votes in favor and zero votes opposed.
- 2) Agenda item 2 – Presentation, Discussion, and Possible Action regarding the submittal to HUD of the State of Texas Plan for Fair Housing Choice: Phase 2 Analysis of Impediments to Fair Housing – was presented by Tim Irvine, TDHCA Executive Director, and adopted after public comment (summarized below) with five votes in favor and zero votes opposed.
 - Maddie Sloan, Texas Appleseed, testified with concerns that the document submitted would not meet HUD’s established standards; and,
 - John Henneberger, Texas Low Income Housing Information Service, testified and said that the document did not contain any policy remedies to address fair housing problems in Texas
- 3) Agenda item 3a – Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, §§10.601 – 10.625, concerning Compliance Monitoring, and adopting new Subchapter F, §§10.601 – 10.626, concerning Compliance Monitoring – was presented to the Board by Patricia Murphy, TDHCA Chief of Compliance, and adopted after public comment (listed below) with five votes in favor and zero votes opposed.
 - Barry Kahn, a Houston-based developer, testified in support of staff recommendation but expressed concern over long-term viability of affordable housing developments as a result of tightening compliance rules.
- 4) Agenda item 3b – Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, concerning §1.5, concerning Previous Participation Reviews, and adopting new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.5 concerning Previous Participation Reviews – was also presented by Chief Murphy. The item was adopted with five votes in favor and zero opposed.

5) Agenda item 3c – Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and an order adopting the new 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing their publication in the *Texas Register* – was presented by TDHCA Multifamily Director Cameron Dorsey and adopted as amended after public comment (listed below) with five votes in favor and zero votes opposed.

- Veronica Chapa-Jones, City of Houston Housing and Community Development Department, testified with several areas of concern and included recommendations for amending the document;
- Richard Milk, San Antonio Housing Authority, testified with a recommendation for amending the document;
- Gerald Cichon, El Paso Housing Authority, testified with a recommendation for amending the document;
- Claire Palmer, attorney, testified with a recommendation for amending the document;
- Bobby Bowling, a builder-developer from El Paso, testified indicating a need to clarify earlier comments and also express support for staff recommendation;
- John Henneberger, Texas Low Income Housing Information Service, testified in support of one specific area in the document and in objection to another specific area;
- Maddie Sloan, Texas Appleseed, testified in support of one specific area within the document;
- Barry Palmer, attorney for Coats-Rose, testified in opposition to specific area within the document and included a recommendation for amending the document;
- Tim Lang, Tejas Housing Group, testified in opposition to specific area within the document and included a recommendation for amending the document;
- Jim Serra, Serra and Company, testified in opposition to specific area within the document and included a recommendation for amending the document;
- Meg Manley, McCormack, Baron, and Salazar, testified in opposition to specific area within the document and included a recommendation for amending the document;
- Donna Rickenbacker, Marque Real Estate Consultants, testified in opposition to specific area within the document and included a recommendation for amending the document; and,
- Craig Lindholm, City of Texarkana, read a letter into the record from State Representatives George Lavender and Byron Cook which included a recommendation for amending the document, and also testified in support of the recommendation to amend;

6) {*Agenda item taken out of order per Chair's prerogative*} Agenda item 4b – Presentation, Discussion, and Possible Action on Requested Waivers and Consideration of Determination Notices for Housing Tax Credits with other Issuers, if all required waivers, if any, have been granted for #13408 Cedar Terrace Apartments, Galveston. Mr. Irvine and Mr. Dorsey presented the item on behalf of staff and it was adopted with five votes in favor and zero votes opposed.

7) Agenda item 3d – Presentation, Discussion, and Possible Action on orders adopting the repeals of 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and orders adopting the new 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application

Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules, or Pre-clearance for Applications, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and directing their publication in the *Texas Register* – was presented by Mr. Dorsey and adopted with five votes in favor and zero votes opposed.

8) Agenda item 4c – Presentation, Discussion, and Possible Action on a request for an Attorney General Opinion regarding eligibility of developments exercising Rental Assistance Demonstration conversion to compete in the At-Risk Set-Aside – was presented by Mr. Dorsey and adopted with five votes in favor and zero votes opposed.

9) At 11:28 a.m. the Board went into Executive Session and reconvened in open session at 12:55 p.m. No action was taken in or as a result of Executive Session.

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 2:31 p.m. The next meeting is set for Thursday, December 12, 2013.

Secretary

Approved:

Chair

1b

BOARD ACTION REQUEST
PROGRAM PLANNING, POLICY, AND METRICS (3PM)
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action on an order adopting a new rule at 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1 concerning Reasonable Accommodation Requests.

RECOMMENDED ACTION

WHEREAS, program participants can request reasonable accommodations within Department programs;

WHEREAS, the Department has been requested to provide a documented process by which such requests can be submitted and processed;

WHEREAS, on December 27, 2013, the proposed rule was published in the *Texas Register* for public comment through January 29, 2014; and

WHEREAS, no public comments were received on the proposed new rule;

NOW, therefore, it is hereby

RESOLVED, that new 10 TAC §1.1 is hereby adopted and that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the adopted rule, in the form presented in this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

BACKGROUND

Staff has received requests for Reasonable Accommodations in connection with several of the Department's programs. For the benefit of both Department staff and the public, a written policy is provided to document and clarify the procedure by which a request for Reasonable Accommodation can be submitted, reviewed, and approved/denied.

Attachment A: Preamble and Adopted New 10 TAC Chapter 1, Subchapter A, §1.1, concerning Reasonable Accommodation Requests

The Texas Department of Housing and Community Affairs adopts new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1 regarding Reasonable Accommodation Requests, without changes to the proposed text as published in the December 27, 2013, issue of the *Texas Register* (38 TexReg 9427) and will not be republished.

The new rule provides a process and clarifies the procedures by which a request for reasonable accommodation can be submitted, reviewed, and approved or denied.

The Department accepted public comments between December 27, 2013, and January 29, 2014. Comments regarding the new section were accepted in writing and by fax. No comments were received regarding the new section.

STATUTORY AUTHORITY. The new section is proposed pursuant to Tex. Gov't Code Ann. §2306.053 which generally authorizes the Department to adopt rules, and more specifically *Tex. Gov't Code Ann. §2306.092* which authorizes the Department to promulgate rules regarding its *programs*.

§1.1. Reasonable Accommodation Requests

- A. Purpose. The purpose of this section is to establish the procedures by which a Requestor may ask that a Reasonable Accommodation is made by the Department.
- B. Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
 - 1. Board--Texas Department of Housing and Community Affairs Governing Board
 - 2. Director--Department staff member supervising the division containing the program for which a Reasonable Accommodation is being requested.
 - 3. Disability--a physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act or as defined by other applicable federal or state law.
 - 4. Fair Housing Act--Fair Housing Act of 1968, also known as Title VIII of the Civil Rights Act of 1968.
 - 5. Reasonable Accommodation--An accommodation and/or modification that is an alteration, change, exception, or adjustment to a program, service, building, dwelling unit, that will allow a qualified person with a Disability to:
 - (a) Participate fully in a program;
 - (b) Take advantage of a service;
 - (c) Live in a dwelling; or
 - (d) Use and enjoy a dwelling.
 - 6. Requestor--Includes applicants, members of the public, clients of Department programs, and program participants.
 - 7. Section 504--Section 504 of the Rehabilitation Act of 1973, as amended.
- C. Procedures.
 - 1. The Requestor of the Reasonable Accommodation shall submit a written request to the Director.
 - 2. The request will contain, at minimum:
 - A. Department program;
 - B. Household information;
 - i. Name; and
 - ii. Address
 - C. Description of the Reasonable Accommodation being requested; and
 - D. Reason the Reasonable Accommodation is necessary.
 - 3. The Director and the supervising Deputy Executive Director/Chief, if any, may ask for additional information from the Requestor to determine:
 - A. If the proposed Reasonable Accommodation is covered under Section 504 and/or the Fair Housing Act or any other federal or state law; and

- B. Whether they will recommend approval, recommendation of an alternative Reasonable Accommodation, or denial to the Executive Director.
4. The request is then sent to the Executive Director or their designee, resulting in one of the following steps:
- A. The Executive Director determines Board action is not necessary and approves the request;
 - B. The Executive Director proposes an alternative Reasonable Accommodation to the Requestor;
 - C. The Executive Director determines Board action is necessary and presents the request and any proposed alternative Reasonable Accommodation at an ensuing Board meeting. The Executive Director can choose to include a recommendation for or against the request;
 - D. The Executive Director refers the request to the Department's Dispute Resolution Coordinator for an Alternative Dispute Resolution procedure as outlined in 10 TAC §1.17; or
 - E. The Executive Director denies the request. The Requestor can ask that their request be placed on the agenda for the next available Board meeting.

1c

BOARD ACTION REQUEST
PROGRAM PLANNING, POLICY, AND METRICS (3PM)
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action on an order adopting a statutory four-year review with amendments of Department rules at 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2, Concerning Department Complaint System, pursuant to Texas Government Code §2001.039.

RECOMMENDED ACTION

WHEREAS, Texas Government Code §2001.039 requires a state agency to review the utility of its rules every four years;

WHEREAS, 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2, Concerning Department Complaint System is due to be reviewed under the agency's review plan;

WHEREAS, Texas Government Code §2306.066 (a)-(c) requires the Department to have a policy to handle complaints;

WHEREAS, the proposed amendments to 10 TAC Chapter 1, Subchapter A, §1.2, clarify responsibilities and definitions and update the rule to reflect Department practices;

NOW, therefore, it is hereby

RESOLVED, that the amendments to 10 TAC §1.2 are adopted and that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to be published in the *Texas Register*, in the form presented to this meeting, and in connection therewith, make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

BACKGROUND

Texas Government Code §2001.039 requires that a state agency review its rules every four years. The primary purpose of the review is to determine whether the reason for the initial adoption of the rules continues to exist. During the review process, an agency may determine that a rule as currently in effect continues to be necessary, or that a rule needs to be amended, or that a rule is no longer valid or applicable and should be repealed. The Department has determined that amendments to the rule will help to clarify responsibilities, update the process given changes in the Department, and comply with statute. The Board approved proposed amendments to 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2, Concerning

Department Complaint System, as well as the initiation of the four-year review process, at the December 12, 2013, meeting. The proposed amendments were published in the December 27, 2013, issue of the *Texas Register* (38 TexReg 9427). Public comment was accepted from December 27, 2013, to January 29, 2014. No public comment was received.

Attachment A: Preamble, adoption of amendment to 10 TAC Chapter 1, Subchapter A, §1.2

The Texas Department of Housing and Community Affairs (“Department”) adopts amendments to 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2 regarding Department Complaint System without changes to the proposed text as published in the December 27, 2013, issue of the *Texas Register* (38 TexReg 9428) and will not be republished. The purpose of the amendments are to clarify responsibilities and definitions as well as updating the rule to reflect needed changes in Department practices, and to comply with Texas Government Code, §2306.066 (a)-(c), which requires the Department to have a policy to handle complaints. A separate notice in the *Texas Register* was simultaneously published (38 TexReg 9427) to provide notification of a four-year rule review in accordance with Texas Government Code, §2001.039.

REASONED JUSTIFICATION. The purpose of the amendments are to clarify responsibilities and definitions as well as updating the rule to reflect needed changes in Department practices, and to comply with Texas Government Code §2306.066 (a)-(c), which requires the Department to have a policy to handle complaints.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. Public comments were accepted from December 27, 2013, through January 29, 2014. No public comments were received.

STATUTORY AUTHORITY. The amendments are adopted pursuant to Tex. Gov’t Code Ann., §2306.053, which generally authorizes the Department to adopt rules, and more specifically Tex. Gov’t Code Ann., §2306.092, which authorizes the Department to promulgate rules regarding its programs, and Tex. Gov’t Code, §2306.066 (a)-(c), which requires the Department to have a policy to handle complaints.

The amendments affect no other code, article, or statute.

§1.2. Department Complaint System.

- A. Purpose. The purpose of this section is to establish the procedures by which complaints that the department has the authority to resolve are answered.
- B. Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
 - (1) Complaint--A written complaint that a person believes the department has the authority to resolve, other than a complaint about the quality of services funded by a block grant administered by the department or consumer complaints relating to manufactured housing.
 - (2) Department--The Texas Department of Housing and Community Affairs.
 - (3) Person--Any individual, other than an employee of the department, and any partnership, corporation, association, governmental subdivision, or public or private organization of any character.

(4) Complaint Coordinator – Person designated by the Executive Director or his designee to monitor the database of complaints received by the agency and coordinate activities related to complaints.

(5) Complaint Liaison – Person designated by each division director to handle each division’s complaint-related issues.

C. Procedures. A person who has a written complaint may submit such complaint to ~~the department's director of the housing resource center or to any employee of the department~~ for submission to the ~~director of the housing resource center or the designee of the director of the housing resource center~~ Complaint Coordinator or Complaint Liaison.

~~(1) The director of the housing resource center or a designee~~ The Complaint Coordinator or Complaint Liaison shall assign a ~~control~~ complaint number to the complaint, reviews the complaint, and investigates, or causes an investigation to be completed, ~~and submits the department's findings to the executive director of the department.~~

(2) The Complaint Coordinator will submit periodic summary reports to the Executive Director or his designee.

~~(2)~~ (3) The department Department shall provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the ~~department~~ Department’s policies and procedures relating to complaint investigation and resolution.

~~(3)~~ (4) The executive director or a designee The Department shall either notify the complainant of the resolution of the complaint within 15 business days after the date ~~the director of the housing resource center~~ the complaint number was assigned ~~received the complaint,~~ or notify the complainant, within such period, of the date the complaint can be resolved.

~~(4)~~ (5) The executive director or a designee Department shall notify the complainant of the status of the complaint at least quarterly and until the final disposition of the complaint ~~unless the notice would jeopardize an undercover investigation.~~

~~[(5)]~~ (6) An information file about each complaint shall be maintained. The file must include:

(A) the complaint number;

~~(A)~~ (B) the name of the person who filed the complaint;

~~(B)~~ (C) the date the complaint is was received by the department Department;

~~(C)~~ (D) the subject matter of the complaint;

~~(D)~~ (E) the name of each person contacted in relation to the complaint;

~~(E)~~ (F) a summary of the results of the review or investigation of the complaint; and

~~(F)~~(G) an explanation of the reason the file was closed, if the ~~department~~ Department closed the file without taking action other than to investigate the complaint.

(7) This procedure will not be followed where another procedure is required by law or if following this procedure would jeopardize an undercover investigation.

Attachment B: Preamble for Adoption of the 4 Year Review of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2, Concerning Department Complaint System.

The Texas Department of Housing and Community Affairs (“Department”) adopts the review of 10 Texas Administrative Code, Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2, concerning Department Complaint System. This review was pursuant to the Texas Government Code §2001.039, regarding Agency Review of Existing Rules. The proposed review was published in the December 27, 2013 issue of the *Texas Register* (38 TexReg 9428).

No comments were received.

The Department reviewed the rule and determined that the reason for adopting the rule continues to exist. The Department further determined that amendments to the rule were appropriate, and adoption of amendments to the rule are published simultaneously with this review.

This concludes the review of 10 TAC§1.2.

1d

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action on the proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program, §5.430, concerning Allowable Subrecipient Administrative and Program Services Costs, and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Texas Government Code, §2306.053 and §2306.092, the Department is provided the authority to adopt rules governing the administration of the Department and its Community Affairs programs; and,

WHEREAS, the proposed amendments to 10 TAC §5.430 clarify allowable uses of Comprehensive Energy Assistance Program (CEAP) funds, including administrative and program services activities and bring consistency with the CEAP Contract;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered and directed, for and on behalf of the Department to cause the publication of the proposed amendments, in the form presented to this meeting, to be published in the *Texas Register* for public comment and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of subchapter specific preambles.

BACKGROUND

The proposed amendments to §5.430 provide clarification of allowable uses of CEAP funds and makes the text consistent with Contract requirements.

Attachment A: Preamble and proposed amendments to 10 TAC Chapter 5, Subchapter D, §5.430

The Texas Department of Housing and Community Affairs (the “Department”) proposes amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program, §5.430, concerning Allowable Subrecipient Administrative and Program Services Costs. The purpose of the amendments is to clarify allowable uses of CEAP funds and to ensure consistency with Contract requirements.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the proposed amendments will be in effect, enforcing or administering the proposed amendments does not have any foreseeable implications related to new costs or revenues of the state or local governments.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the amendments will be in effect, the public benefit anticipated as a result of amendments will be greater and more efficient use of funds and greater flexibility for Subrecipients within program rules. There will not be any new economic cost to any individuals required to comply with the rule as a result of this action.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES. The Department has determined that there will be no economic effect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT. Written comments to the rule may be submitted to the Texas Department of Housing and Community Affairs, Annette Cornier, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to cadrulecomments@tdhca.state.tx.us or by fax to (512) 475-3935. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. MARCH 27, 2014.

STATUTORY AUTHORITY. The amendments are proposed pursuant to Texas Government Code, §2306.053, which generally authorizes the Department to adopt rules, and more specifically Texas Government Code, §2306.092, which authorizes the Department to promulgate rules regarding its community affairs and community development programs.

The proposed amendments affect no other code, article, or statute.

§5.430. Allowable Subrecipient Administrative and Program Services Costs.

(a) Funds available for Subrecipient administrative activities will be calculated by the Department as a percentage of Direct Services expenditures. Administrative costs shall not exceed the maximum percentage of total Direct Services Expenditures as indicated in the Contract. All other administrative costs, exclusive of administrative costs for Program Services, must be paid with nonfederal funds. Allowable administrative costs for administrative activities includes costs for general administration and coordination of CEAP, including contract costs and all indirect (or overhead) cost, and activities as described in paragraphs (1) thru ~~(13)~~ (7) of this subsection:

- ~~(1) salaries and benefits of staff performing administrative and coordination functions;~~
- ~~(2) activities related to eligibility determinations;~~
- ~~(3) preparations of program plans, budgets and schedules;~~

- ~~(4) monitoring of program and projects;~~
- ~~(5) fraud and abuse units;~~
- ~~(6) procurement activities;~~
- ~~(7) public relations;~~
- ~~(8) services related to accounting, litigation, audits, management of property, payroll and personnel;~~
- ~~(9) costs of goods and services required for administration of the program such as the costs for supplies, equipment, travel, postage, utilities and rental of office space and maintenance of office space, provided that such costs are not excluded as direct administrative costs providing program services;~~
- ~~(10) travel costs incurred for official business and not excluded as a direct administrative cost for providing programs services (as described in Program Services cost);~~
- ~~(11) preparing reports and other documents;~~
- ~~(12) management information systems not related to tracking and monitoring of CEAP requirements;~~
- ~~and~~
- ~~(13) cost of administering Assurance 16 activities.~~

- (1) salaries;
- (2) fringe benefits;
- (3) non-training travel;
- (4) equipment;
- (5) supplies;
- (6) audit (limited to percentage of the contract expenditures, excluding Training/Travel costs as indicated in the Contract); and
- (7) office space (limited to percentage of the contract expenditures, excluding Training/Travel costs as indicated in the Contract).

~~(b) The Department calculates funds available for Subrecipient administrative activities as a percentage of Direct Services expenditures.~~

~~(c) Any cost in excess of the maximum allowable by the CEAP contract must be paid from non federal funds.~~

~~(d) Program Services costs shall not exceed the maximum percentage of total Direct Services Expenditures as indicated in the Contract. Program Services costs are allowable when associated with providing client direct services. Program services costs may include providing program information to clients, screening and assessments, salaries and benefits for staff providing program services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental of office space and maintenance of office space. Other program services costs may include outreach activities and expenditures on the information technology and computerization needed for tracking or monitoring required by CEAP, and activities as described in paragraphs (1) - (8) of this subsection:~~

- (1) direct administrative cost associated with providing the client direct service;
- (2) salaries and benefits cost for staff providing program services;

- (3) supplies;
- (4) equipment;
- (5) travel;
- (6) postage;
- (7) utilities; and
- (8) rental of office space.

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BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action to approve a Housing Tax Credit Amendment for Zion Gardens in Houston (File No. 10035)

RECOMMENDED ACTION

WHEREAS, Zion Gardens received an award of 9% Housing Tax Credits in 2010 to construct 70 multifamily units in Houston and the Development Owner provided a revised site plan for which they requested and received approval by the Board on September 6, 2012;

WHEREAS, the prior approval affected an increase in site acreage resulting in a greater than 10 percent change from the original site under control and proposed in the Application;

WHEREAS, the increase in acreage also resulted in a modification of residential density by more than five percent;

WHEREAS, Board approval is required for an increase or decrease in site acreage of greater than 10 percent and a modification of the residential density of the Development of at least five percent, which are considered material alterations of a Development under Texas Government Code §2306.6712 and 10 TAC §10.405(a)(4) and these were not specifically addressed in the prior approval;

WHEREAS, the changes in the site do not appear to impact the development in a negative manner and the changes in the site occurred when the previous amendment of the revised site plan was approved;

WHEREAS, the Development Owner requests approval for the Department to refund the amendment fee paid;

NOW, therefore, it is hereby

RESOLVED, that the amendment of the Housing Tax Credit application for Zion Gardens is approved as presented to this meeting and the Executive Director and his

designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Zion Gardens was approved during the 2010 competitive cycle to construct 70 new multifamily units in Houston. On September 6, 2012, the Board approved an amendment to the application for a revision of the site plan and changes in various amenities selected at application. Upon review of the final cost certification, received on September 17, 2013, it was identified that at the time of the prior approved change, the site acreage also increased from 1.09 to 1.4347 acres (31.6%) to accommodate the revised site plan. Although the increased site acquisition costs were underwritten by the Department prior to approval of the first amendment, the requested Board approval did not specifically address the increase in acreage and change in residential density and only approved a change to the site plan and amenities. An Updated Phase I Environmental Site Assessment was completed on November 3, 2011 and included the entire 1.4347 parcel. There were no known or suspected environmental conditions associated with the subject property.

The Development Owner has also requested a refund of the \$2,500 application fee for the processing of this amendment request. The owner states that a fee should not be assessed since the prior Board approval of the site plan change implies an approval of the change in acreage as well. Though a review of the prior request reflects that this was not specifically addressed in the Development Owner's previous request or in the September 2012 Board approval, it could have been recognized by staff and addressed at that time.

Staff recommends that the amendment and fee refund request be approved.

Zion Gardens, Ltd.
3110 W. Southlake Blvd., Ste. 120
Southlake, Texas 76092
817.742.1851 817.742.1852 fax

January 29, 2014

Cari Garcia
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Zion Gardens (TDHCA #10035) – Amendment Request

Dear Ms. Garcia:

Please allow this letter to serve as an official request to amend the above referenced application in the following area:

Increase of site acreage by .3447 acres (31.62%)

Previously the Board approved an amendment to the site plan that reconfigured the building into an L-shape structure with parking under the first level. An adjacent parking lot (.3447 acres) was acquired to accommodate the revised plan. Although the Board approved the change in the site plan, the 31.62% increase in acreage was not addressed in the approval. Please see the enclosed Notice of Board Decision RE: Amendment Request dated September 6, 2012. It is important to note that the increase of costs to purchase the additional acreage was underwritten and Department Staff found it comparable to the original analysis.

Along with the revised site plan, the Board also approved an amendment to the LURA to exchange amenities. The amended LURA included the additional site acreage in the legal description. However, one of the amenities provided (“100% masonry”) was omitted. Therefore, in addition to the application amendment, please include a request for approval of a second amendment to the LURA to correct this issue.

Based on the unintentional omissions noted above that were not addressed in the previous amendments, we respectfully request a refund of the amendment fee.

Thank you in advance for your consideration regarding these matters. Please let me know if any additional information is necessary.

Sincerely,


Kenneth W. Famero, II
General Partner

Enclosures



Texas Department of Housing and Community Affairs

Housing Tax Credit Program

U.S. Mailing Address: P.O. Box 13941, Austin, Texas 78711-3941

Private Carrier Delivery: 221 East 11th Street, Austin, Texas 78701

Telephone: (512) 475-3340 Telecopier: (512) 475-1895

To: Mr. Kenneth Fambro

NOTICE OF BOARD DECISION RE: AMENDMENT REQUEST HEARD 09/06/12

HTC No. 10035

The development owner is seeking approval to exchange common, unit and green building initiative amenities that would result in no material change to the point structure. The owner requests approval to eliminate the enclosed sun porch, thirty year architectural shingle roofing, energy efficient construction materials, high speed internet, energy star windows/glass doors, photovoltaic panels and greater than 75% masonry on exterior walls (total 15 points) and replace these with 100% masonry on exterior walls, fire sprinklers in all units, covered parking, native trees, sub-metered utility meters, thermally and draft efficient doors and water conserving features (total 13 points). The change in amenities was partly due to incorrect selection of scoring items at application by the previous Developer. Two of these points are for Threshold amenities (enclosed sun porch) where, based on development size, only six points are required. Upon amendment, the point structure remains the same for selection criteria (including unit amenities and green building) where the owner is replacing 13 points with an equal point selection of amenities. There would be no adverse effect to other applicants during this cycle.

Furthermore, in conjunction with the above amendment request, the owner requires approval of the modified site plan. The original application provided a site plan showing one rectangular building with a front parking lot. The City of Houston invested \$1.3 million in HOME funds to this development and required a change in the building layout to a podium structure. Therefore, the revised site plan reconfigures the building into an L-shape structure with parking under the first level. The podium has 70 covered spaces and there is also adjacent parking consisting of 35 uncovered spaces. All parking is free to tenants. Because of the revised design, direct construction costs increased by \$1.2 million; of which, approximately \$900 thousand of this increase is in additional concrete costs for the parking facility.

Staff confirmed the original integrity of the Development has been maintained. The revised development cost schedule was underwritten and Department staff was able to arrive at a comparable total cost (within 5%) using a Marshall & Swift underwriting cost analysis.

Development Name: Zion Gardens Apartments

City: Houston

Owner: Zion Gardens Ltd.

Principals/Interested Parties: Kenneth Fambro

Region: 6

Units: 70

Year of Allocation: 2010

Financial Analysis: Change would not have a significant impact to the credit amount or materially alter the development in a negative manner.

Staff Recommendation: Staff recommends approving the request.

THE REQUEST ABOVE WAS APPROVED, WITHOUT PENALTIES, AT THE BOARD MEETING OF September 6, 2012. THE APPROVAL WILL BE CONFIRMED BY THE MINUTES AS APPROVED AND RECORDED IN A SUBSEQUENT BOARD MEETING. THIS NOTIFICATION MUST BE INCLUDED IN YOUR COST CERTIFICATION.

Cari Garcia, Director of Asset Management

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BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action to approve a Land Use Restriction Agreement (“LURA”) Amendment for Corinth Autumn Oaks Apartments in Corinth (File No. 01144)

RECOMMENDED ACTION

WHEREAS, Corinth Autumn Oaks Apartments received an award of 9% Housing Tax Credits in 2001 to construct 128 multifamily units targeted towards the elderly population in Corinth, Texas;

WHEREAS, the Development Owner requests approval to replace the current Supportive Service provision reflected in Appendix A of the recorded tax credit LURA with a different Supportive Service provision which would allow a listing of services for the owner to choose from;

WHEREAS, Board approval is required for any change that would result in a substantive modification in the scope of tenant services and the Owner has complied with the amendment requirements in Texas Government Code §2306.6712 and 10 TAC §10.405(b); and

WHEREAS, approval of the changes proposed does not impact the viability of the transaction or the amount of tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the amendment of the Housing Tax Credit LURA for Corinth Autumn Oaks 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

Corinth Autumn Oaks was approved during the 2001 competitive cycle to construct 128 new multifamily units targeted toward the elderly population in Corinth, Texas. Seventy-six (76) of the total units are restricted to low income tenants and the remaining 52 are market rate units. The market rate units are located in separate non-tax credit funded buildings and function similarly to an assisted living facility. The property has offered some of the same services to households in tax credit units as an option for an additional fee for the past ten years. On December 27, 2013 the

Development Owner requested approval to change the supportive services provision recorded in the LURA as a result of a compliance finding regarding services. Currently, the LURA for Corinth Autumn Oaks requires the Development Owner to provide the following specific services to its tenants “cafeteria, laundry, nursing assistance, housekeeping, barber/salon and TV.”

During the 2001 competitive cycle, an Applicant could be awarded up to five points under the Supportive Services to Tenants selection criteria for providing an executed agreement with a for profit organization or a tax-exempt entity for the provision of special supportive for the tenants. To qualify for all five points, the supportive services contract had to include the following;

- “(i) ***Cost of Services to the Project Owner. The cost shown in the contract must also be included in the Project’s operating budget and pro forma. The costs must be reasonable for the benefit derived by the tenants. Services for which the Project Owner does not pay, will not receive a point for this item (1 point).***
- (ii) Availability of Services- the services must be provided on site or with transportation provided to offsite locations. (1 point)
- (iii) Duration of Contract- A commitment to provide the services for not less than five years or an option to renew the contract annually for not less than five years must be provided. (1 point)
- (iv) Experience of Service Provider- The Department will evaluate the experience of the organization as well as the professional and educational qualifications of the individuals delivering the services. (1 point)
- (v) Appropriateness- Services must be appropriate and provide a tangible benefit in enhancing the standard of living of a majority of low-income tenants. (1 point)”

Item (i) bolded above is at issue and the reason for the amendment request. From staff’s review of the original application information and correspondence during that time, it appears that the Department did not originally award the one point associated with item (i) above because staff was unable to determine if the Development Owner would be responsible for the cost of the services. A scoring notice was issued to the owner on 7/11/2001 reflecting this point loss, among others. The owner appealed that notice on 7/16/2001, and based on information presented, the Department reinstated the one point for item (i). This reinstatement implies that the Development Owner would be paying for these services; however, it is unclear, based on information in the file, how staff ultimately concluded that supportive services would be paid by the owner. The supportive services agreement provided does not clearly state that the costs are to be paid by the owner or borne by the service provider. A copy of the agreement provided at application is included as an attachment to this action item. The section within the agreement related to costs states that the service provider at the time “...will provide these services at a variable rate (see attachment).” The attachment includes an annual pro forma which clearly shows income collected from tenants for the services proposed. Also, the final underwriting report, dated 7/16/2001, clearly included secondary income collected from tenants of the development for the supportive services, along with an offsetting supportive service expense. Staff was able to confirm that loss of this one point would not have impacted the decision to award a tax credit allocation to the Development.

During a December 2012 monitoring visit performed by the Department’s Compliance division, it was revealed that there was no evidence for the provision of supportive services. The Department cited the owner for noncompliance, and the owner responded with a copy of a supportive services agreement for the services listed. However, that agreement clearly stated that all supportive services utilized must be paid directly by the tenant and under no circumstances will the owner be responsible

for payment. The Department's Compliance division determined this evidence was not sufficient to resolve the matter because at application the owner represented that all supportive services would be paid by the owner and one point was awarded for that representation.

The owner confirmed that the services have never been paid by the Partnership, and pointed out that the 2001 QAP requirements for this item never actually states that the services must be free to the tenants. Additionally, the owner asserts that rental income generated from the property would not be sufficient to support the selected services currently offered to tenants. A copy of the 2011-2013 operating statements for Corinth Autumn Oaks confirms that the property has not experienced positive cash flow, and would simply not be able to pay for the contracted services without charging the tenants. It is worth noting that the owner provided information regarding the use and demand for the services currently required. Of the five services currently required only two are used and paid for by the tenants. The cafeteria and barber/salon services are the two services that are most utilized and the tenants pay for these services typically on a cash basis directly to the cafeteria and/or salon stylist. No revenue is collected on behalf of the owner for these services. Revenue for laundry, housekeeping and tv services is not charged or collected because few residents utilize these services.

As an alternative, the owner identified several additional services and activities that are currently being offered to the tenants without charge. These additional services include several which would meet the Department's current standard for Tenant Supportive Services. The table below provides a summary of the services currently required by the LURA and those additional services that the owner has indicated are being provided at no extra charge to the residents.

<u>Services Required by LURA</u>	<u>Cost to Tenants?</u>	<u>Other Services Offered by Owner (complies with 10.101(b)(7) of the 2014 Uniform Multifamily Rules</u>	<u>Cost to Tenants?</u>
Cafeteria	Yes	Annual Health Fairs (1 point)	No
Laundry	Yes	Weekly exercise classes (2 points)	No
Nursing Assistance	Yes	Twice monthly arts, crafts and other recreational activities (2 points)	No
Housekeeping	Yes	Twice monthly on-site social events (1 point)	No
Barber/Salon	Yes	<i>To be selected from list to total 7 points</i>	No
TV	Yes		

The owner has complied with the amendment and notification requirements under the Department's rule at Government Code §2306.6712 and 10 TAC §10.405(b) and is providing the opportunity for public input. The public hearing will be held on February 4, 2014 at 3:30 p.m.

Staff recommends approval, subject to no negative public comment received, to amend the LURA for Corinth Autumn Oaks to replace the current Supportive Services provision with the new provision as outlined below.

The Development Owner has been awarded points based on providing a combination of special supportive services appropriate for the proposed tenants through the Extended Use Period. The Development Owner may change, from time to time, the services offered; however, the overall points must remain the same. No rent or fees may be charged to the tenant for providing these services. Services must be provided on-site or transportation to off-site services must be provided. Owner must provide at a minimum seven (7) total points worth of services from the following list:

- joint use library center, as evidenced by a written agreement with the local school district (2 points);
- daily transportation (i.e. bus passes, cab vouchers, specialized van on-site) (4 points);
- food pantry/common household items accessible to residents at least on a monthly basis (1 point);
- English as a second language classes (shall include an instructor providing on-site coursework and exam) (1 point);
- quarterly financial planning courses (i.e. homebuyer education, credit counseling, investing advice, retirement plans, etc.). Courses must be offered through an on-site instructor; a CD-Rom course is not acceptable (1 point);
- annual health fair (1 point);
- quarterly health and nutritional courses (1 point);
- Notary Public Services during regular business hours (§2306.6710(b)(3)) (1 point);
- weekly exercise classes (2 points);
- twice monthly arts, crafts and other recreational activities such as Book Clubs and creative writing classes (2 points);
- annual income tax preparation (offered by an income tax prep service) (1 point);
- monthly transportation to community/social events (i.e. lawful gaming sites, mall trips, community theatre, bowling, organized tours, etc.) (1 point);
- twice monthly on-site social events (i.e. potluck dinners, game night, sing-a-longs, movie nights, birthday parties, etc.) (1 point);
- specific and pre-approved caseworker services for seniors, Persons with Disabilities or Supportive Housing (1 point);
- weekly home chore services (such as valet trash removal, assistance with recycling, furniture movement, etc. and quarterly preventative maintenance including light bulb replacement) for seniors and Persons with Disabilities (2 points); and
- any of the following programs described under Title IV-A of the Social Security Act (42 U.S.C. §§601, et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of wedlock pregnancies; and encourages the formation and maintenance of two-parent families (1 point).

COATS | ROSE

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TAMEA A. DULA
OF COUNSEL

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December 27, 2013

By Email to raquel.morales@tdhca.state.tx.us

Ms. Raquel Morales
Senior Asset Manager – Asset Management
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

RE: Corinth Autumn Oaks Apartments, Corinth, Denton County, Texas;
TDHCA # 1144, CMTS # 386

Dear Raquel:

This letter requests an amendment to an existing Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits (“LURA”) to permit substitution of Tenant Services for the ones initially selected in the 2001 Housing tax Credit Application. Payment of the \$2,500.00 Amendment Fee required under Section 10.901(13) of the 2013 Uniform Multifamily Rules is being sent to your attention under separate cover.

Corinth Autumn Oaks

Our firm represents Corinth Autumn Oaks, LP, a Texas limited partnership (“Partnership”), as the owner of the Corinth Autumn Oaks Apartments (the “Project”). The Project is a 128-unit Qualified Elderly Development that received an allocation of \$330,428 in 9% housing tax credits in 2001 for 76 low-income units. The Project is subject to a LURA dated as of July 14, 2005, recorded in the Official Public Records of Denton County, Texas. At least 76 units are required to be available for tenants having incomes not exceeding 60% of the Area Median Gross Income (“AMGI”), and 38 of those units are required to be available for tenants having incomes not exceeding 50% of the AMGI.

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307
Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

LURA Amendment being requested

The amendment to the LURA being requested is the deletion of the Supportive Services provision on page 2 of Appendix A to the LURA (as shown on Exhibit "A"), and substitution of the LURA provision currently in use (2012 version) for Supportive Services (as shown on Exhibit "B"), which provides a listing of services, from which a number may be selected from time to time, as the needs of the tenant population change.

Support Services Agreement in LIHTC Application

In 2001, a LIHTC applicant could qualify for up to five points by providing evidence of having entered into a supportive services contract under which the applicant paid for the services and the services were required to be provided for at least five (5) years. (See Exhibit "C" attached). The actual services to be provided were at the applicant's election, and the requirements did not specify how many services had to be provided. Scoring depended upon whether the services were appropriate for the tenant population and provided a tangible benefit in enhancing the standard of living of a majority of low-income tenants.

The applicant provided a Support Services Agreement dated April 10, 2001 (the "Agreement") with Holistic Life Care, Inc., a 501(c)(3) corporation that also served as general partner to the Partnership, and claimed five points. The special supportive services that were to be provided to the tenants (and which would not otherwise be available to the tenants) were (i) cafeteria, (ii) laundry, (iii) nursing assistance, (iv) housekeeping, (v) barber/salon and (vi) TV (collectively, the "Contracted Services"). The Agreement was reviewed in a deficiency process for issues relating to the required term of the Agreement and establishing who would be paying for the Contracted Services, and two points were denied. The 2001 QAP emphasized that the Project Owner must pay for supportive services, specifically providing under Section 50.7(e)(5)(B)(i):

- (i) Cost of Services to the Project Owner. The cost shown in the contract must also be included in the Project's operating budget and proforma. The costs must be reasonable for the benefit derived by the tenants. **Services for which the Project Owner does not pay, will not receive a point for this item** (1 point).
[Emphasis added]

The Agreement was ultimately accepted for full points, and in the TDHCA's July 18, 2001 response to the applicant's appeal on the final scoring notice, the Staff indicated that "...it is evident that the cost of services are being borne by the service provider and partial general partner Holistic Life Care." An attachment to the Agreement indicated the number of tenants using the Contracted Services, and showed the daily and annual rates for those Contracted Services. The two points were reinstated.

No Stated Requirement that Services be Free to Tenant

Unfortunately, while the Agreement provided that the service provider would receive compensation for the services, the compensation appears to have not been paid by the Partnership. Instead, charges for these services were passed on to the tenants. A close look at the 2001 QAP requirements for Exhibit 210 and the LURA requirements reveals that the requirement that such services be free to the tenants was never actually stated. Likewise, section 42 of the Internal Revenue Code only addresses supportive services in the context of community

service facilities, services for transient/homeless persons, services provided by a governmental entity or organization that subsidized rent to enable residents to remain independent and avoid placement in a hospital, nursing home, or intermediate care facility for the mentally or physically handicapped, or to assist SRO tenants in locating permanent housing. None of these references apply in this circumstance, so there is no place where the Partnership is actually required to provide the supportive services to the tenants free of charge. In the absence of any clear direction, the Partnership passed the nominal charges on to the tenants. This practice was noted in a monitoring review performed by the TDHCA Compliance Division on December 12, 2012. Efforts by the Partnership to correct the situation through a new Supportive Services Agreement dated April 1, 2013 (the "New Contract") between the Partnership and TLG Family Management, LLC, dba Constant Care Family Management ("CCFM") were not successful because the New Contract was very specific that under no circumstances would the Partnership be responsible for making payment for services on behalf of the tenants. The Partnership's position with regard to its inability to undertake the payment responsibility is due to having insufficient cash flow to increase the operating budget in such a manner.

Partnership Income Will Not Support Selected Services

The Partnership has previously provided you with operating statements for the Project for the last three years (the "Operating Statements"). The Operating Statements show as the annual Gross Rental Income a value that includes collection of the Contracted Services fees from the tenants. Even with those revenues, the Operating Statements indicate that the annual Debt Service Coverage Ratio is under 1.00 to 1.00. No payment has been made on management fees since February 2011, and Asset Management Fees and Partnership Fees have been accrued and deferred for the last three years. The Partnership is simply not experiencing sufficient net cash flow to undertake payment of the Contracted Services without collection from the tenants.

Partnership Provides Additional Services Not in LURA

We wish to point out that the Operating Statements show modest line items in the budget for "Recreational Activities" and "Supplies." The Partnership uses these funds to provide the following additional services and activities to its tenants without charge:

- Annual health fairs (1 point)
- Quarterly health and nutrition classes (1 point)
- Weekly blood pressure clinics
- Weekly Bible study (2 points)
- Exercise classes 4-5 days weekly (Note - employee's salary & benefits paid by Partnership) (2 points)
- Walking Club
- Recreational activities, including Wii Bowling, and Shuffleboard
- Social activities, including game time (poker, bingo, Skip-bo),
Movies, concerts, parties, sing-alongs (1 point)

Additionally, the Partnership provides free transportation on Sundays to afternoon church services at various locations, to shopping/business destinations, and occasional restaurant locations (tenant pays for meal), and provides periodic transportation to casinos (tenant pays \$5.00 for casino trip). While these are not the Contracted Services, the services provided are on

the list of supportive services provided in Section 10.101(b)(7) of the 2013 Uniform Multifamily Rules and would count for at least 7 points for a Selection Criterion that permits a maximum of 8 points under Section 11.9(c)(3) of the 2013 QAP. Copies of the Project's Calendars for September, October and November 2013 are provided to demonstrate the extent of the services being provided (See Exhibit "D" attached).

TDHCA Policy for Material Amendments to LURAs

On March 3, 2011, the TDHCA Board adopted the "Board Policy Regarding Direction to Staff on the Evaluation of Requests for Material Amendments to Land Use Restrictions Agreements ("LURAs") Under the Low Income Housing Tax Credit Program and other Department Programs" (the "Policy"). We will address the nine factors that are to be considered by the Staff pursuant to the Policy in making a recommendation concerning a material amendment to a land use restriction agreement:

- 1. Evaluating if there is good cause for granting the amendment.** The Partnership has been operating the Project since 2005 pursuant to the LURA. During this time the Project has never been materially noncompliant, as indicated by TDHCA monitoring reports. The Partnership routinely provides many more supportive services than are included in the Contracted Services. There is substantial evidence that the TDHCA's rules in place in 2001 did not specifically require that the Contracted Services be free to the tenant, because the rules emphasized that as between the project owner and the service provider, the project owner must pay for the services, or they would not qualify for points. However, there was no indication in the 2001 QAP, the LURA or Section 42 of the Internal Revenue Code that the Contracted Services must be provided without any charge to the tenant. The likelihood that this noncompliance situation arose because of miscommunication or, in the alternative, changing views of a project owner's responsibilities in providing supportive services to its tenant population, suggests that there was no intent to charge fees inappropriately. This would indicate that there is good cause to permit the Partnership to bring the Project into compliance through an updated approach permitting selection of free tenant services from a menu of appropriate services.
- 2. Continuing compliance with federal programmatic requirements.** The Partnership has been operating the Project in compliance with the programmatic requirements of section 42 of the Internal Revenue Code of 1986, as amended. Amending the LURA to permit the Partnership to select supportive services appropriate for an elderly population from a listing in the LURA, and permitting changes from time to time in the services provided will allow the Partnership to provide services that are more tailored to the residents' needs and interests.
- 3. Financial feasibility.** The Partnership has previously provided evidence in the form of Operating Statements showing that it is not able financially to bear the cost of the Contracted Services, especially at today's cost. However, the Partnership is already providing many services without cost that qualify for points under the 2013 QAP. It appears that to provide services that would produce the maximum number of points under the current TDHCA approach to supportive services would be within the financial ability of the Partnership.

4. Compliance status of the requestor. On January 10, 2013, when the monitoring review picked up the issue with fees for services, the Project had a noncompliance score of zero for the Housing Tax Credit Program. This demonstrates that the Partnership has been appropriately operating the project. On June 12, 2013, the Compliance Division wrote to the Partnership to advise that the supportive services problem had not been corrected. At that time, aside from 10 noncompliance points assessed on the supportive services finding, the Project had only 6 noncompliance points for two administrative documentation problems that had been corrected. Housing Tax Credit Properties are considered in material noncompliance if they have a score of 30 points or more. The Partnership and its affiliates do not have any other project in the Housing Tax Credit Program.

5. Addressing the needs of affected tenants. Allowing the Partnership to have a menu of acceptable services from which it must provide a specified number (as determined by the points assigned to the various services) will permit the Partnership to continue to foster the physical and mental health of its tenants by providing a wide variety of services. The Contracted Services are really aimed at tenants who are moving toward assisted living. Removing the requirement that the Contracted Services be provided free of charge by the Partnership will permit the Partnership to continue to operate at the marginal level

6. Delays in the right of first refusal. This factor is not applicable to this request.

7. How to handle the LURA if the property will be “offline” for any period. This factor is not applicable to this request.

8. Notification requirements. Once we have agreement with the TDHCA Staff concerning how to amend the LURA to resolve this continuing issue, we will provide notice to the community concerning the proposed amendment and will hold a public hearing, as required under the TDHCA’s Policy. At that time, we will also undertake to provide evidence of the lender’s consent to the proposed change.

9. Other matters. We are not aware of any additional matters that need to be addressed in connection with the TDHCA’s consideration of this amendment request.

We suggest that a simple method of accomplishing the requested amendment would be to delete the Supportive Services provision in Appendix A to the LURA and substitute the language shown in Exhibit B.

Ms. Raquel Morales, Senior Asset Manager

December 27, 2013

Page 6

Thank you for your consideration of this request. In the event that TDHCA Staff concurs with the suggested manner of amending the LURA, I would be happy to draft a First Amendment to Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits based upon previous amendments for Staff's review.

Sincerely,



Tamea A. Dula

Exhibits A-D

cc: Stacie Herlihy, Esq.
Mattye G. Jones, Esq.

EXHIBIT "A"

SUPPORTIVE SERVICES PROVISION IN RECORDED LURA

[See attached]

Historically Underutilized Businesses (HUB)

Throughout the Compliance Period, unless otherwise permitted by the Department, the HUB shall hold an ownership interest in the Project. The HUB must also maintain regular, continuous, and substantial participation in the development and operation of the Project. At the time this Declaration is filed, the HUB which holds an ownership interest in the Project is _____ . The Project Owner shall notify the Department (i) of any change in the status or role of such organization with respect to the Project and (ii) if such organization is proposed to be replaced by a different qualified HUB.

Supportive Services

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project Owner has contracted for the provision of the following special supportive services that would not otherwise be available to Tenants: _____
Cafeteria, laundry, nursing assistance, housekeeping, barber/salon and TV _____

At the time this Declaration is filed, the organization(s) providing these services is Holistic Life Care, Inc. . The Project Owner shall notify the Department (i) of any change in the status or role of such organization with respect to the Project and (ii) if such organization is proposed to be replaced by a different qualified provider.

Transitional Housing for the Homeless

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide transitional housing for homeless persons, on a non-transient basis, with supportive services designed to assist Tenants in locating and retaining permanent housing.

Public Housing Waiting Lists

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project Owner shall consider prospective Tenants referred to from the waiting list of the Housing Authority of DENTON COUNTY .

QUALIFIED ELDERLY DEVELOPMENTS¹

Qualified Elderly Projects (2000 and later)

Throughout the Compliance Period, unless otherwise permitted by the Department, this project must conform to the Federal Fair Housing Act and must be a project which:

- (i) is intended for, and solely occupied by Persons 62 years of age or older; or
- (ii) is intended and operated for occupancy by at least one person 55 years of age or older per unit, where at least 80% of the total housing units are occupied by at least one person who is 55 years of age or older; and adheres to policies and procedures which demonstrate an intent by the owner and manager to provide housing for persons 55 years of age or older.

¹ Note: The Federal Fair Housing Act requires, generally, that projects which are limited to occupancy by older persons either (i) be restricted to households in which all members are 62 years or older or (ii) to households in which at least one member is 55 years or older. See 24 C.F.R. §§100.300-100.304 for exact requirements. All tax credit projects must comply with these requirements, as applicable under Federal law, in addition to the Declaration.

EXHIBIT "B"

SUPPORTIVE SERVICES PROVISION FROM CURRENT FORM OF LURA

[See attached]

PROVISION OF SUPPORTIVE SERVICES

The Development Owner has been awarded points based on providing a combination of special supportive services appropriate for the proposed tenants through the Extended Use Period. The Development Owner may change, from time to time, the services offered; however, the overall points must remain the same. No rent or fees may be charged to the tenant for providing these services. Services must be provided on-site or transportation to off-site services must be provided. Owner must provide at a minimum _____ total points worth of services (maximum of 10 points) from the following list:

- joint use library center, as evidenced by a written agreement with the local school district (2 points);
- weekday character building program (shall include at least on a monthly basis a curriculum based character building presentation on relevant topics (i.e. teen dating violence, drug prevention, teambuilding, internet dangers, stranger danger, etc.)) (2 points);
- daily transportation (i.e. bus passes, cab vouchers, specialized van on-site) (4 points);
- Food pantry/common household items accessible to residents at least on a monthly basis (1 point);
- GED preparation classes (shall include an instructor providing on-site coursework and exam) (1 point);
- English as a second language classes (shall include an instructor providing on-site coursework and exam) (1 point);
- quarterly financial planning courses (i.e. homebuyer education, credit counseling, investing advice, retirement plans, etc.). Courses must be offered through an on-site instructor; a CD-Rom course is not acceptable (1 point);
- annual health fair (1 point);
- quarterly health and nutritional courses (1 point);
- organized team sports programs or youth programs offered by the Development (1 point);
- scholastic tutoring (shall include weekday homework help or other focus on academics) (3 points);
- Notary Public Services during regular business hours (§2306.6710(b)(3)) (1 point);
- weekly exercise classes (2 points);
- twice monthly arts, crafts and other recreational activities such as Book Clubs and creative writing classes (2 points);
- annual income tax preparation (offered by an income tax prep service) (1 point);
- monthly transportation to community/social events (i.e. lawful gaming sites, mall trips, community theatre, bowling, organized tours, etc.) (1 point);
- twice monthly on-site social events (i.e. potluck dinners, game night, sing-a-longs, movie nights, birthday parties, etc.) (1 point);
- specific and pre-approved caseworker services for seniors, Persons with Disabilities or Supportive Housing (1 point);
- weekly home chore services (such as valet trash removal, assistance with recycling, furniture movement, etc. and quarterly preventative maintenance including light bulb replacement) for seniors and Persons with Disabilities (2 points); and
- any of the following programs described under Title IV-A of the Social Security Act (42 U.S.C. §§601, et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of wedlock pregnancies; and encourages the formation and maintenance of two-parent families (1 point).

TENANT POPULATIONS WITH SPECIAL NEEDS

At least 5% of the Units are set aside for Persons with Special Needs. "Persons with Special Needs" include all of the following:

- has a physical, mental or emotional impairment that:
 - is expected to be of a long, continued and indefinite duration,
 - substantially impedes his or her ability to live independently, and
 - is of such a nature that the disability could be improved by more suitable housing conditions,
- has a developmental disability, as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. Section 15002); or
- a "person with disability," as defined in 24 CFR § 5.403; or
- has alcohol and/or drug addictions; or
- is a Colonia resident; or
- is a victim of domestic violence; or
- has HIV/AIDS; or
- is homeless; or
- is a migrant farm worker.

Throughout the Compliance Period, unless otherwise permitted by the Department, the Development owner agrees to affirmatively market Units to Persons with Special Needs. In addition, the Department will require a minimum 12 month period during which Units must either be occupied by Persons with Special Needs or held vacant. The 12 month period will begin on the date each building receives its certificate of occupancy. For buildings that do not receive a certificate of occupancy, the 12 month period will begin on the placed in service date as provided in the Cost Certification manual. After the 12 month period, the owner will no longer be required to hold Units vacant for Persons with Special Needs, but will be required to continue to affirmatively market Units to Persons with Special Needs.

EXHIBIT "C"

SUPPORTIVE SERVICES REQUIREMENTS FROM SECTION 50.7(e)(5) OF THE 2001 QAP

(5) Exhibit 210. Project Provides Supportive Services to Tenants. Evidence that the Project Owner has an executed agreement with a for profit organization or a tax-exempt entity for the provision of special supportive services for the tenants. The service provider must be an existing organization qualified by the Internal Revenue Service or other governmental entity. The provision of supportive services will be included in the LURA (up to 5 points, depending upon the services committed in accordance with subparagraph (B) of this paragraph).

(A) Both documents described in clauses (i) and (ii) of this subparagraph must be submitted for the service provider to be considered under this exhibit.

(i) A fully executed contract between the service provider and the Applicant that establishes that the services offered provide a benefit that would not be readily available to the tenants if they were not residing in the development.

(ii) A copy of the service provider's Articles of Incorporation or comparable chartering document.

(B) The supportive services contract will be evaluated using the criteria described in clauses (i) through (v) of this subparagraph. The contract must clearly state the:

(i) Cost of Services to the Project Owner. The cost shown in the contract must also be included in the Project's operating budget and proforma. The costs must be reasonable for the benefit derived by the tenants. Services for which the Project Owner does not pay, will not receive a point for this item (1 point).

(ii) Availability of Services - The services must be provided on site or with transportation provided to offsite locations. (1 point).

(iii) Duration of Contract -A commitment to provide the services for not less than five years or an option to renew the contract annually for not less than five years must be provided (1 point).

(iv) Experience of Service Provider - The Department will evaluate the experience of the organization as well as the professional and educational qualifications of the individuals delivering the services (1 point).


















(v) Appropriateness -Services must be appropriate and provide a tangible benefit in enhancing the standard of living of a majority of low-income tenants (1 point).

EXHIBIT "D"











































**PROJECT CALENDARS FOR SEPTEMBER, OCTOBER AND NOVEMBER 2013,
SHOWING SUPPORTIVE SERVICES PROVIDED**

[See attached]






















SEPTEMBER 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 10:00 Exercise 2:30 Lake Cities United Methodist Church Service	2 Labor Day Office Closed No Bible Study Class	3 9:00 Ladies Coffee 2:00 Chocolate Bingo 3:30 Skip-bo 6:00 Evening Game Time	4 9:30 Walking Club 10:00 Exercise 11:00 Lunch out to Macaroni Grill 1:30 Wii Bowling 3:00 Rummy Cube	5 8am, 9am & 9:45 Walmart 9:00 Northstar Bank 10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 Games	6 10:30 Special Exercise Class (Bethany Home Health)  1:00 Quarter Poker  3:00 Karaoke Party	7 10:00 Exercise 2:00 Games 2:00 Movie & Popcorn
8 10:00 Exercise 2:30 First Baptist Church of Lake Dallas Service	9 9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling 3:30 Skip-bo	10 9:00 Ladies Coffee 10:00 Arts & Crafts with Cynthia  2:00 Chocolate Bingo 3:30 Skip-bo 6:00 Evening Game Time	11 9:30 Walking Club  10:00 Exercise 11:00 Red Hat's Lunch to Cotton Patch  1:30 Wii Bowling 3:00 Concert with Karen Grant 	12 8am, 9am & 9:45 Walmart 10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 Games	13 10:00 Exercise 11:00 Shuffleboard  1:00 Quarter Poker  3:00 My Favorite Things	14 10:00 Exercise  12:05 Ranger's Baseball 2:00 Games
15 8:30 Dog Therapy  10:00 Exercise 2:30 First Methodist Church of Denton Church Service	16 9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling  3:00 Games	17 9:00 Ladies Coffee 10:00 Winstar Casino  2:00 Chocolate Bingo (Heart to Heart) 6:00 Evening Game Time	18 9:30 Walking Club 10:00 Exercise 11:00 Lunch out to La Hacienda Ranch  1:30 Wii Bowling 4:00 Concert with Steven Rizzo 	19 8am, 9am & 9:45 Walmart 9:00 Northstar Bank 10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 Games	20 10:00 Exercise 11:00 Shuffleboard 1:00 Quarter Poker 3:00 Wine & Cheese Party	21 10:00 Exercise 2:00 Games  2:00 Movie & Popcorn
22 10:00 Exercise 2:30 First Baptist of Corinth Church Service	23 9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling 3:30 Rummy Cube	24 9:00 Ladies Coffee 10:00 Picnic at the Pond down the  Road 2:00 Chocolate Bingo (Trio Home Care) 6:00 Evening Game Time	25 9:30 Walking Club 10:00 Exercise 1:00 Concert with Norris Perry  2:00 Wii Bowling	26 8am, 9am & 9:45 Walmart 10:00 Exercise 11:00 Reminisce 2:00 Quarter Bingo 3:30 A.L. & I.L. Res. Council	27 10:00 Exercise 11:00 Shuffleboard 1:00 Quarter Poker 3:00 Birthday Celebration with Accordion Accents (Advanced Rehab Trust)	28 10:00 Exercise 2:00 Games 2:00 Movie & Popcorn
29 10:00 Exercise 2:30 Lake Cities United Methodist Church Service	30 9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 11:00 Lunch @ Angelina's 1:00 Bible Study 2:00 Wii Bowling 3:30 Dominoes			Alberto's Emergency Maintenance Phone # 214-938-7597		

OCTOBER 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Alberto's Emergency Maintenance Phone # 214-938-7597	9:00 Ladies Coffee  2:00 Chocolate Bingo  3:30 Skip-bo 6:00 Senior Choir	9:30 Walking Club  10:00 Exercise 11:00 Lunch out to Saltgrass Steak House 1:30 Wii Bowling 3:00 Rummy Cube	8am, 9am & 9:45 Walmart  9:00 Northstar Bank 10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 Games	10:30 Special Exercise Class (Bethany Home Health)  2-4pm Health Fair	10:00 Exercise  1:00 Quarter Poker 2:00 Movie & Popcorn
10:00 Exercise  2:30 Lake Cities United Methodist Church Service 3:25 Cowboy Game	9:30 Daily Devotion  10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling 3:30 Skip-bo	9:00 Ladies Coffee  10:00 Arts & Crafts with Cynthia  2:00 Chocolate Bingo 3:30 Skip-bo 6:00 Senior Choir	9:30 Walking Club  10:00 Exercise 11:00 Red Hat's Lunch to Abuelo's  1:30 Wii Bowling 3:00 Dominoes	8am, 9am & 9:45 Walmart  10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 Games	10:00 Exercise  11:00 Shuffleboard 1:00 Quarter Poker 3:00 Concert with Kenny King 	10:00 Exercise  1:00 Quarter Poker  2:00 Movie & Popcorn
10:00 Exercise  2:30 First Baptist Church of Lake Dallas Service 7:30 Cowboy Game	9:30 Daily Devotion  10:00 Exercise 10:30 Blood Pressure Clinic 11:00 Lunch @ Angelina's 1:00 Bible Study 2:00 Wii Bowling  3:00 Games	9:00 Ladies Coffee  2:00 Chocolate Bingo 3:30 Games 6:00 Senior Choir	9:30 Walking Club  10:00 Exercise 11:00 Lunch out to Olive Garden 1:30 Wii Bowling  4:00 Concert with Steven Rizzo	8am, 9am & 9:45 Walmart  9:00 Northstar Bank 10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 A.L. & L.L. Res. Council	10:00 Exercise  11:00 Shuffleboard 1:00 Quarter Poker 3:00 Birthday Celebration with Accordion Accents (Advanced Rehab Trust)	10:00 Exercise  11-1pm Fall Festival  1:00 Quarter Poker 2:00 Movie & Popcorn
10:00 Exercise  12:00 Cowboy Game 2:30 First Methodist Church of Denton Church Service	10:00 Picnic at the Pond  10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling 3:30 Rummy Cube	9:00 Ladies Coffee  10:00 Winstar Casino  2:00 Chocolate Bingo (Heart to Heart) 6:00 Senior Choir	9:30 Walking Club  10:00 Exercise 11:00 Lunch out to Chilli's 1:30 Wii Bowling 3:00 Rummy Cube	8am, 9am & 9:45 Walmart  10:00 Exercise 11:00 Reminisce with T.J. 2:00 Quarter Bingo 3:30 Games	10:00 Exercise  11:00 Shuffleboard 1:00 Quarter Poker 2:30 Happy Hour 3:00 Concert with Paul & Helen 	10:00 Exercise  1:00 Quarter Poker  2:00 Movie & Popcorn
10:00 Exercise  12:00 Cowboy Game 2:30 First Baptist of Corinth Church Service	9:30 Daily Devotion  10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling 3:30 Dominoes	9:00 Ladies Coffee  2:00 Chocolate Bingo (Trio Home Care) 6:00 Senior Choir	9:30 Walking Club  10:00 Exercise 11:00 Lunch out to Thai Ruby 1:30 Wii Bowling 3:00 Rummy Cube	8am, 9am & 9:45 Walmart  10:00 Exercise 11:00 Reminisce with T.J. 2:00 Halloween Costume Party		

NOVEMBER 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	 Keep your Neighborhood clean! Pick up after your pets!		Alberto's Emergency Maintenance Phone # 214-938-7597		10:00 Exercise 11:00 Shuffleboard 1:00 Quarter Poker 3:00 Karaoke Party 	10:00 Exercise 2:00 Games 2:00 Movie & Popcorn
Daylight Savings 3 10:00 Exercise 12:00 Cowboy Game 2:30 Lake Cities United Methodist Church Service	9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling 3:00 Concert with Norris Perry 	9:00 Ladies Coffee 10:00 Arts & Crafts with Cynthia  2:00 Chocolate Bingo 3:30 Skip-bo 6:00 Sing along	9:30 Walking Club 10:00 Exercise 11:00 Red Hat's Lunch to Red Lobster  1:30 Wii Bowling 3:00 Bunco 6:00 Shuffleboard	8am, 9am & 9:45 Walmart 9:00 Northstar Bank 10:00 Exercise 11:00 Reminiscence with T.J. 2:00 Quarter Bingo 3:30 Games	10:00 Exercise 11:00 Shuffleboard  1:00 Quarter Poker 6:00 Natasha's Wedding at the Clubhouse	10:00 Exercise 2:00 Games 2:00 Movie & Popcorn
8:30 Dog Therapy  10:00 Exercise 2:30 First Baptist Church of Lake Dallas Service 7:30 Cowboy Game	10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study  2:00 Wii Bowling 4:30 Veterans Day Dinner and Concert with Jessie Frank 	9:00 Ladies Coffee 10:00 Picnic at the Pond down the Road  2:00 Chocolate Bingo 3:30 Games 6:00 Sing along	9:30 Walking Club 10:00 Exercise 11:00 Lunch out to Mi Cocina 1:30 Wii Bowling 4:00 Concert with Steven Rizzo 	8am, 9am & 9:45 Walmart 10:00 Exercise 11:00 Reminiscence with T.J. 2:00 Quarter Bingo 3:30 A.L. & L.L. Res. Council	10:00 Exercise 11:00 Shuffleboard 1:00 Quarter Poker 2:30 Concert with Michael O'Hara 	10:00 Exercise 2:00 Games 2:00 Movie & Popcorn 
10:00 Exercise 2:30 First Methodist Church of Denton Church Service	9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 1:00 Bible Study 2:00 Wii Bowling  3:00 Concert with Paul & Helen 	9:00 Ladies Coffee 10:00 Winstar Casino  2:00 Chocolate Bingo (Heart to Heart) 6:00 Sing along	9:30 Walking Club 10:00 Exercise 11:00 Lunch out to Prairie House 1:30 Wii Bowling 3:00 Rummy Cube 6:00 Shuffleboard	8am, 9am & 9:45 Walmart 9:00 Northstar Bank 11:00-2:30 Fashion Jewelry & Gift Sale  12:00 Thanksgiving Luncheon 2:00 Quarter Bingo	10:00 Exercise 11:00 Shuffleboard  1:00 Quarter Poker 3:00 Birthday Celebration with Accordion Accents (Advanced Rehab-Trust)	10:00 Exercise 2:00 Games 2:00 Movie & Popcorn
10:00 Exercise 2:30 First Baptist of Corinth Church Service 3:25 Cowboy Game	9:30 Daily Devotion 10:00 Exercise 10:30 Blood Pressure Clinic 11:00 Lunch @ Angelina's 1:00 Bible Study 2:00 Wii Bowling  3:30 Dominoes	9:00 Ladies Coffee 2:00 Chocolate Bingo (Trio Home Care) 6:00 Sing along	8am, 9am & 9:45 Walmart 10:00 Exercise 1:30 Wii Bowling 3:00 Rummy Cube 6:00 Shuffleboard	3:30 Cowboy Game  Office Closed	 Office Closed	10:00 Exercise 2:00 Games 2:00 Movie & Popcorn

COPY

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY CREDIT UNDERWRITING ANALYSIS**

DATE: July 16, 2001 **PROGRAM:** 9% LIHTC **FILE NUMBER:** #01144

DEVELOPMENT NAME

Corinth Autumn Oaks

APPLICANT

Name: Corinth Autumn Oaks, L.P. **Type:** For Profit Non-Profit Municipal Other
Address: 1701 E. Lamar Blvd., Suite 260 **City:** Arlington **State:** Texas
Zip: 76006 **Contact:** Melvin Warren, Jr. **Phone:** (817) 226-2274 **Fax:** (817) 261-9087

PRINCIPALS of the APPLICANT

Name: LaSalle Equity Group, Inc. **(%):** .009 **Title:** 90% General Partner
Name: Holistic Life Care, Inc. **(%):** .001 **Title:** 10% General Partner
Name: Simpson Housing Solutions, LLC **(%):** 99.99 **Title:** Initial Limited Partner

GENERAL PARTNER

Name: LaSalle Equity Group, Inc. **Type:** For Profit Non-Profit Municipal Other
Address: 1701 E. Lamar Blvd., Suite 260 **City:** Arlington **State:** Texas
Zip: 76006 **Contact:** Melvin Warren, Jr. **Phone:** (817) 226-2274 **Fax:** (817) 261-9087

GENERAL PARTNER

Name: Holistic Life Care, Inc. **Type:** For Profit Non-Profit Municipal Other
Address: 1701 E. Lamar Blvd., Suite 260 **City:** Arlington **State:** Texas
Zip: 76006 **Contact:** Chad Anderson **Phone:** (817) 226-2274 **Fax:** (817) 261-9087

PROPERTY LOCATION

Location: Adjacent to south Corinth Parkway, approx. 1,200 ft east of IH 35 QCT DDA
City: Corinth **County:** Denton **Zip:** 76210

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$330,428	N/A	N/A	N/A
Other Requested Terms:	<u>Annual ten-year allocation of low-income housing tax credits</u>		
Proposed Use of Funds:	<u>New construction</u>	Set-Aside: <input checked="" type="checkbox"/> General <input type="checkbox"/> Rural <input type="checkbox"/> Non-Profit	

SITE DESCRIPTION

Size: 9* acres 392,040 square feet **Zoning/ Permitted Uses:** PD-C2
Flood Zone Designation: Zone X* **Status of Off-Sites:** Raw Land

* Site is approximately 10 acres, however one acre will be used for a retention pond. Part of site appears to be in Zone A of the flood plain.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY CREDIT UNDERWRITING ANALYSIS**

DESCRIPTION of IMPROVEMENTS

Total Units: 128 # Rental Buildings: 25 # Common Area Bldgs: 1 # of Floors: 1 Age: N/A yrs Vacant: N/A at / /

Number	Bedrooms	Bathroom	Size in SF
4	0	1	365
4	0	1	375
20	1	1	475
4	1	1	510
56	1	1	739*
40	2	2	948

Net Rentable SF: 93,804 Av Un SF: 733 Common Area SF: 13,612* Gross Bldng SF 107,416

Property Type: Multifamily SFR Rental Elderly Mixed Income Special Use

* Includes corridors and interior space in community building; arch. drawings for largest 1-BR unit reflect 748sf.

CONSTRUCTION SPECIFICATIONS

STRUCTURAL MATERIALS

Wood frame on a concrete slab on grade, masonry/brick veneer exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing

APPLIANCES AND INTERIOR FEATURES

Carpeting & other flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, central heat and air conditioning, individual water heaters

ON-SITE AMENITIES

Community building with 32 residential units and common dining area, game/recreation room, furnished community room with kitchen, laundry room, senior center, monitored security, public restrooms and telephone, computer room, picnic area, community garden/walking trail.

Uncovered Parking: 158* spaces Carports: N/A spaces Garages: N/A spaces

* Parking spaces not identified in application; 158 uncovered spaces on site plan; 256 spaces identified in market study.

OTHER SOURCES of FUNDS

INTERIM TO PERMANENT FINANCING

Source: Collateral Mortgage Capital, LLC Contact: Bob Prescott

Interim Amount: \$6,396,000 Interest Rate: 7.25%; 18 month term

Permanent Amount: \$6,396,000 Interest Rate: 7.25%

Additional Information: Perm loan interest rate is set at 245 basis points above the yield on the 30-year U.S. Treasury Securities issue.

Amortization: 30 yrs Term: 18 Yrs Commitment: None Firm Conditional

Payment: \$43,632 per month Lien Priority: 1st Commitment Date 4/ 18/ 2001

LIHTC SYNDICATION

Source: Simpson Housing Solutions, LLC Contact: J. Michael Sugrue

Address: 720 E. Park Blvd., Suite 100 City: Plano

State: Texas Zip: 75074 Phone: (888) 261-8390 Fax: (972) 422-0224

Net Proceeds: \$2,544,041 Net Syndication Rate (per \$1.00 of 10-yr LIHTC) 77¢

Commitment None Firm Conditional Date: 4/ 12/ 2001

Additional Information: Commitment letter reflects proceeds of \$2,544,041 based on credits of \$3,303,950

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY CREDIT UNDERWRITING ANALYSIS**

APPLICANT EQUITY

Amount: \$0 Source: _____

VALUATION INFORMATION

APPRAISED VALUE

Land Only: N/A Date of Valuation: / /
Appraiser: _____ City: _____ Phone: () _____

ASSESSED VALUE

Land (50.493 acres): \$294,690 Assessment for the Year of: 2000
Prorated Value (10 acres): \$58,363 Valuation by: Denton County Appraisal District
\$5,836.25/acre Tax rate: \$2.60

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control: Purchase Option Contract
Contract Expiration Date: 8/ 10/ 2001 Anticipated Closing Date: 8/ 31/ 2001
Acquisition Cost: \$ 900,000 Other Terms/Conditions: \$100K option; 9.98 + acres
Seller: Pinnell Ford L.P./ Ben Pinnell Related to Development Team Member: No

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Autumn Oaks of Corinth is a proposed new construction project of 128 units of elderly mixed income housing located in Corinth. The project is a mixture of independent and assisted living elderly units with a central building that houses all of the services, common area, and assisted living units and independent living units contained in fourplexes located around the central building. The project is comprised of one main building and 24 residential buildings as follows:

- (1) Main Building Style with eight efficiency [365 & 375 sf.] units and twenty-four 1-bedroom [475 & 510 sf.] units;
- (13) Building Style I with four 1-bedroom [739 sf.] units (14 according to the rent schedule); and
- (11) Building Style II with four 2-bedroom [948 sf] units (10 according to the rent schedule).

The site plan is somewhat inconsistent with the rent schedule in that the rent schedule identifies the largest 1-BR units at 739sf while the building floorplan drawing identifies this unit as having 748sf. Additionally, the site plan unit mix for the fourplexes identify a total of 52 1-BR [748sf] units and 44 2-BR [948sf] units while the rent schedule reflects a total of 56 1-BR [739sf] units and 40 2-BR [948sf] units. Clarification of these discrepancies is a condition of this report. However, the remainder of this report will assume the rent schedule is correct since it appears the site plan in the market study is inconsistent with the one in the application.

Based on the site plan the apartment buildings are distributed evenly throughout the site arranged around what appear to be flood plain Zone A areas. In fact, it appears from the site plan provided in the application that the site is bifurcated by the flood zone area with three buildings on the south side of the creek but connected to the rest of the site via parking and driveways. It also appears that at least four buildings near the flood plain area will need to have their foundations built up in order for them to be higher than the base flood elevation in their entirety. A large community building is planned to have the leasing/management offices, library, activity center, sun room, sitting room and greenhouse, outdoor courtyard, game room and therapeutic kitchen, nurses station, laundry facilities, a spacious dining room with kitchen, employee lounge

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and mechanical/storage areas. Just to the rear of the main building, a pond is shown, though it is unclear if this pond is an existing feature or will be added as a storm water retention system. The sales contract calls for a retention pond to be created with half of the cost coming from the Seller but it does not indicate whether this required pond is on the site or off site.

Supportive Services: The non-profit general partner, Holistic Life Care, Inc. is to provide the following supportive services to tenants: 24 hour staff (RN on site 10 hours/day), 24 hour availability of professional nurses, administration and monitoring of medication, health monitoring, daily assistance living activities, dining- 3 meals a day, daily activities, special social and educational events. These services will be provided on-site or transportation will be provided to those off site activities. The application indicates that all of the services are available to any of the tenants on an "as needed" basis. Thus, independent living tenants can choose what services they desire on a daily basis. However, the specifics of such are rather limited, as they will fluctuate over time. The Applicant included a copy of the attachment to the supportive service agreement which suggested the following:

Estimated Fees For Assisted Living Services To Be Provided						
	Nursing Care	3 Meals Per Day	Laundry	Bathing	Total 1 Person	Total 2 Person
Daily Charge	\$20	\$10	\$10	\$5	\$45	\$55
Monthly Charge	\$600	\$300	\$300	\$150	\$540	\$660
Est. % Choosing Service	15%	35%	12%	11%		
Monthly Secondary Income	\$11,520	\$17,640	\$4,608	\$2,112		\$35,880

The percentages were estimated by the Applicant. The 2-person total only doubles the cost of the meals.

Schedule: The Applicant anticipates construction to begin in November of 2001, to be completed in September of 2002, to be placed in service by March of 2003, and to be substantially leased-up in September of 2003.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Seventy-six of the units (59% of the total) will be reserved for low-income/elderly tenants. Thirty-eight of the units (50% of the tax credit total) will be reserved for households earning 50% or less of AMGI, 38 units (50%) will be reserved for households earning 60% or less of AMGI, and the remaining 52 units will be offered at market rents. It is important to note that the 50% and 60% income limits for a one person household in Dallas are \$22,550 and \$27,060 (\$1,879 and \$2,255 monthly) and two person limits are \$25,750 and \$30,900.(\$2,146 and \$2,575 monthly)

Special Needs Set-Asides: Sixteen units (12.5% of total) will be built for the handicapped/developmentally disabled population.

Compliance Period Extension: The Applicant has also elected to extend the compliance period an additional ten years.

MARKET HIGHLIGHTS

A market feasibility study dated April 20, 2001 was prepared by James Sawyer & Associates and a summary is attached. The following reflects information extracted by the Underwriter:

- The market analyst suggests a move-up demand factor of 10% and a latent demand in the market of 10%. "Based on pent-up demand in the market, the location, design, and condition of the improvements...the subject will absorb the 118 units required to reach a stabilized occupancy in the first year of operation". (pg. 76)

RENT ANALYSIS (net tenant-paid rents)					
	Proposed	Program Max	Differential	Market	Differential
Efficiency (50%)	\$520	\$524	-\$4	\$397 to \$408	+\$123 to +\$112
Efficiency (MR)	\$703	N/A	N/A	\$397 to \$408	+\$306 to +\$295
1-Bedroom (50%)	\$544	\$549	-\$4	\$455 to \$707	+\$89 to -\$163

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1-Bedroom (60%)	\$665	\$670	-\$5	\$455 to \$707	+\$210 to -\$42
1-Bedroom (MR)	\$739	N/A	N/A	\$455 to \$707	+\$284 to +\$32
2-Bedroom (50%)	\$654	\$659	-\$5	\$795	-\$141
2-Bedroom (60%)	\$799	\$804	-\$5	\$795	+\$4
2-Bedroom (MR)	\$888	N/A	N/A	\$795	+\$93

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100) Based on average square foot rates of comparables.

For the income analysis, the market study compared the development to twelve comparable multifamily projects whose average is reflected in the chart above. However, they are all market unit apartment properties and are not designed specifically for elderly residents. In addition, there was only one comparable from Corinth and all others were from the Denton market area. The actual physical rents ranged from \$469 to \$548 for efficiencies, \$481 to \$887 for one bedroom units, and \$619 to \$1,025 for 2 bedroom units. Therefore the Analyst concluded the Applicant's rents are feasible and appropriate. The Market Analyst also provided information on assisted living units in this market as summarized below:

ASSISTED LIVING RENT ANALYSIS (Full Services)			
	Proposed	Market	Differential
Efficiency (50%)	\$1,060	\$1,773	-\$713
Efficiency (MR)	\$1,243	\$1,773	-\$530
1-Bedroom (50%)	\$1,084	\$1,748 to \$2,720	-\$664 to -\$1,636
1-Bedroom (60%)	\$1,205	\$1,748 to \$2,720	-\$543 to -\$1,515
1-Bedroom (MR)	\$1,279	\$1,748 to \$2,720	-\$469 to -\$1,441
2-Bedroom (50%)	\$1,314	\$2,595	-\$1,281
2-Bedroom (60%)	\$1,459	\$2,595	-\$1,136
2-Bedroom (MR)	\$1,548	\$2,595	-\$1,047

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100) (the Applicant's figures reflect all four services with two tenants in the 2-bedroom units)

While the rents for the units appear to be quite a bit higher in most cases, than the average comparable market rent, they are all, with the exception of the efficiencies, within the range of existing market comparables. As a fully assisted living project the rents and proposed fees charged are much less than the comparable market average and in all cases provide tenants with a quarter to half of their maximum income to use for items not covered by the services provided. This analysis suggests that the fees being proposed for the support services are much lower than the market would expect.

The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Corinth is located adjoining the city of Denton's southern boundary at the apex of the triangle formed by Dallas, Fort Worth and Denton. The City of Corinth encloses approximately 8-square miles. The site is an irregularly-shaped parcel.

Population: The overall population and household growth forecast for the market area is expected to grow. "The population 55-years and older accounted for 13.7% of the total population as of 1990. In 2000, it had grown to 16%" and is estimated by Claritas to grow to 18% by 2005. Total population for the Denton/Corinth area in 2000 was 114,681. This is expected to grow to 135,218 by the year 2005, a 15% growth rate.

Adjacent Land Uses: Land uses in the overall area in which the site is located are mixed with mostly vacant land. There are also some single-family residential homes, city park areas, retail and the Corinth campus of NCT College.

Site Access: Access to the property is from Corinth Parkway. The project is to have two main right of way easement entries that the seller of the land is to build to provide ingress and egress to the property from Corinth Parkway. Access to Interstate Highway 35 is to the east.

Public Transportation: Local public transportation is provided by LINK and has 8 routes.

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Shopping & Services: Denton's new Regional Hospital is located 2 exits north of the site. Albertson's anchors the Corinth Square center at the northwest corner of the intersection of Swisher Road and IH 35E, one exit south. The area is protected by the city of Corinth Police and Denton Fire Departments and is backed up by the Denton Police Department. Denton is the home of two universities (University of North Texas and Texas Woman's University) and Corinth is the home to one college (North Central Texas College). Corinth is in the Denton Independent School District.

Special Adverse Site Characteristics: According to the market study, "there is a small portion of the site located on the south side along the path of Lynchburg creek that is listed as Zone X areas of 500 year floods and Zone A base flood elevations not determined". The site plan in the market study does not reflect any buildings in the flood plain (and is actually 12 units short of the total proposed and reflected in the rest of the study). However, the site plan in the application reflects three fourplex buildings on the south side of the creek (this site plan is not exactly accurate either, however due to the unit mix discrepancy discussed above). Receipt review and acceptance of a revised site plan and confirmation of a flood plain mitigation plan and acceptance of such a plan for the buildings and parking and drive areas by the City of Corinth is a condition of this report. If part of the mitigation plan includes or the City, lender(s) or syndicator ultimately require flood insurance for any of the building structures, then the rent for units in those structures should be reduced by the cost of tenant flood insurance of at least \$25K in coverage, or the owner should be required to acquire such insurance for the benefit of the tenants. Receipt review and acceptance of a revised rent schedule and or operating expense schedule reflecting the building flood insurance and tenant flood insurance at a \$25K per unit minimum for those units affected is a condition of this report.

Site Inspection Findings: Credit Underwriting Division and TDHCA staff member(s) performed a site inspection on May 2, 2001 and found the location to be acceptable for the proposed development. The inspector(s) noted the site to be in a predominantly rural area with land use of 10% developed, 5% vacant, 30% recreational/park area, 25% farm/ranch and 30% of the area under development. Also noted that "new development had started in the area but not much completed yet except for a nearby junior college".

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 12, 2001 was prepared by Patton, Burke & Thompson, LLC and a summary is attached. The only recommendation noted was with regards to "solid waste piles of household trash along a drainage area in the woods...[which] should be removed and properly disposed".

OPERATING PROFORMA ANALYSIS

Income: The Applicant's rent projections are slightly lower than the maximum rents allowed under LIHTC guidelines due to an overstatement by the Applicant of utility allowance estimates. The Applicant included in their estimate a fee for range/microwave and refrigerator totaling \$5 per unit per month. While these net rents are significantly higher than the average rents and in the case of the efficiencies more than the highest of three comparables listed by the Market Analyst they are still considered to be reasonable. Efficiency tenants will have full access to significantly better amenities and assisted living services at very affordable prices.

The Applicant estimates \$470,472 annually in assisted living income. The Underwriter recalculated this amount based on the assumptions provided by the Applicant and estimated a \$7,620 lower amount. The Applicant's other secondary income and vacancy assumptions followed the TDHCA guidelines.

As a net result of these differences the Applicant's effective gross income being a \$3K or within 1% lower than the Underwriter.

Expenses: The Applicant's estimate of total operating expense is \$5,478 or within 1% higher than the Underwriter's TDHCA database-derived estimate, an acceptable deviation. Several differences for specific line items do exist however. Namely, the Applicant's general and administrative expense, management fee and water sewer & trash expenses are all less than the Underwriter's estimates by \$23K, \$21K and \$41K respectively. Conversely payroll, repairs & maintenance, utilities, and taxes are all higher by \$53K, \$10K, \$15K, and \$13K respectively. The Applicant included \$419K in expenses associated with the projected level of assisted living services that are anticipated will be required. The fees discussed above are sufficient for the assisted living portion of the project to do slightly better than break even. However, the year 2000 *Financial Ratios and Trend A of Continuing Care Accreditation Commission (CCAC) Accredited*

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Communities and other sources suggest that assisted living operations typically need an expense ratio at close to 50% of total income in order to be financially stable. Since the commercial portion of this project is only projected to do slightly better than breakeven when itemized out, it does not have a significant effect on the project's debt coverage ratio. Without any income or expense from the assisted living side, the project reflects a DCR of 1.18. Though, without the amenities and low cost services available, because of the assisted living side of the project, it is questionable whether the proposed market rents could be achieved. Since the project could do materially better if higher fees for the assisted living services were charged the space in which these services are conducted should be reduced from eligible basis as commercial space. These areas would include the kitchen and dining area, beauty shop, housekeeping, bathing and nurses' station.

Conclusion: The Applicant's estimated income is consistent with the Underwriter's expectations and total operating expenses are within 5% of the database-derived estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within an acceptable range of TDHCA underwriting guidelines of 1.10 to 1.25.

CONSTRUCTION COST ESTIMATE/EVALUATION

Land Value: The site cost of \$900K is for 9.98 ± acres and is substantiated by a \$100K Option to Purchase contract. The contract specifies that the seller is responsible for the installation and construction of two roads leading to the property, one-half of the cost of construction of a retention pond that will encompass approximately one acre of the property, and all costs associated with bringing off-site utilities to the site. This is consistent with the Applicant's project cost schedule in that no off-site costs are indicated.

Sitework Cost: The Applicant claimed sitework costs of \$6,438K per unit are considered reasonable compared to historical sitework costs for multifamily projects. The other half of the cost of the retention pond is not clearly identified and none of the claimed sitework costs were considered by the Applicant to be ineligible. Since the total site work costs are within the guideline however no additional documentation will be required for allocation. However the Applicant should be reminded of the TAMS and any follow-up information from the IRS regarding eligible sitework costs prior to cost certification and may want to segment out the costs of the retention pond from the sitework costs herein.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$294K or 7% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. These costs include the commercial space discussed in the income section. The Applicant did not segregate these costs however the Underwriter has estimated these costs to be \$232,746 and this amount will be deducted from eligible basis in both the Applicant and Underwriter's estimates.

Ineligible Costs: The Applicant incorrectly included \$5K in indirect construction cost for organization costs as an eligible cost; the Underwriter moved this fee to ineligible costs, resulting in an equivalent reduction in the Applicant's eligible basis.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Applicant has not estimated a contingency line item expense.

Conclusion: The Applicant's total project cost estimate is within \$335K or 4% of the Underwriter's verifiable estimate and is used, as adjusted, to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$7,719,797 is used to determine a credit allocation of \$390,067 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE ANALYSIS

The Applicant intends to finance the development with two types of financing from two sources: an interim to perm loan and syndicated LIHTC equity.

Interim to Permanent: There is a commitment for interim to permanent financing through Collateral Mortgage Capital, LLC, in the amount of \$6,396,000 during the interim and at conversion to permanent. The commitment letter indicated that the lender would "facilitate Borrower's acquisition of the Construction Loan for the construction of the Project from New South Federal Savings Bank and/or a

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participant bank". The construction loan term will be 18 months with the right to request one 6-month extension of the term. Interest only payments will be made during the construction period with interest based upon the Construction Advance Loan Rate plus 20 basis points. The permanent mortgage loan shall bear an interest rate based upon the "Tier II pricing schedule as quoted by Fannie Mae for an eighteen year loan with a fifteen year yield maintenance prepayment provision". As of the commitment letter date, the lender estimates that the note rate would be equal to approximately 245 basis points added to the yield on the 30-year U.S. Treasury security issue. The permanent loan will have a term of 18 years with an amortization period of 30 years.

LIHTC Syndication: Simpson Housing Solutions, LLC has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$2,544,041 based on a syndication factor of 77%. The funds would be disbursed in a three-phased pay-in schedule:

1. 35% upon admission to the partnership, closing of the construction loan and receipt of a commitment for a permanent loan;
2. 35% upon final completion of construction and receipt of certificates of occupancy for all residential units;
3. 30% upon closing of the permanent mortgage loan, occurrence of "rental achievement" and receipt of 8609's.

Deferred Developer's Fees: The Applicant's anticipated no deferral of developer fees.

Financing Conclusions: Since the Applicant's total development costs were within 5% of the Underwriter's estimate, the Applicant's adjusted development costs were used to determine eligible basis. The applicable percentage rate was adjusted upward in order to reflect the current underwriting rate of 8.51%; the Applicant used 8.21%. This adjustment increased the recommended tax credit allocation to \$390,067 per year and resulted in estimated syndication proceeds of \$3,003,214. However, based on the gap analysis, the Applicant's need for syndication proceeds as a source of funds is only \$2,544,044. Therefore, the recommended allocation of credits should not exceed \$330,428. This is consistent with the Applicant's request and to syndication commitment amount.

REVIEW OF ARCHITECTURAL DESIGN

The units appear functional for assisted and independent living purposes. The efficiencies are equipped with separate and complete physical facilities and fixtures for living, sleeping, eating cooking, and sanitation as required by the QAP.

IDENTITIES OF INTEREST

None noted, however, the property management company and developer appear to have principals who are related. (Melvin Warren Jr. and Jane Warren). In addition the supportive service provider and co-general partner are the same non-profit entity and list Mr. Warren as their contact. These do not appear to be prohibited relationships.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.

The 90% General Partner, LaSalle Equity Group, Inc., submitted an unaudited financial statement as of December 31, 2000 reporting total assets of \$966K and consisting of \$35K in cash, \$223K in notes receivable, \$134K in land development receivables, \$319K in real property investment, \$35K in machinery equipment and fixtures and \$220K in other assets. Liabilities totaled \$194K, resulting in a net worth of \$772K. The principals of this general partner, Melvin W. Warren, Jr. and Melvin W. Warren, Sr., both submitted unaudited financial statements as of April 2, 2001.

The 10% general partner, Holistic Life Care, Inc., submitted an unaudited financial statement form reporting no assets or liabilities as of April 6, 2001.

Background & Experience:

- The Applicant is a new entity formed for the purpose of developing the project.
- The principal of the General Partner, Melvin Warren, Jr., has participated in 10 affordable housing

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projects totaling 1,171 units since 1991. One project is currently under construction for which Mr. Warren is acting in the capacity of general partner but in all the other instances his participation has been as limited partner. No disclosures or defaults were listed.

- The General Contractor, Meridian Commercial, Inc. claims to be one of the largest minority owned general contractor and construction management companies in Texas. They were formed in 1991 and have an annual volume of \$15M with \$25M aggregate bonding capacity. They have completed various rehabilitation and new construction projects and are participating as general contractor general partner in several tax credit applications this year.

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant environmental/locational risk exists relating to the flood plain.

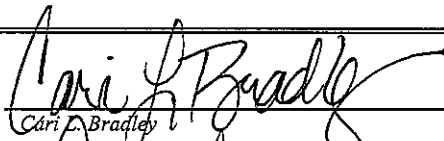
RECOMMENDATION

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$330,428 ANNUALLY FOR TEN YEARS SUBJECT TO CONDITIONS

CONDITIONS

1. Receipt, review, and acceptance of revised site plan consistent with the unit mix (specifically for the 739sf and 948sf units) identified in the rent schedule;
2. Receipt, review, and acceptance of unit floorplan for the 1-BR/1-BA unit identifying the correct square footage consistent with the rent schedule;
3. Receipt review and acceptance of a flood plain mitigation plan and confirmation of acceptance of such a plan for the buildings and parking and drive areas by the City of Corinth; and,
4. Receipt review and acceptance of a revised rent schedule and or operating expense schedule reflecting the building flood insurance and tenant flood insurance at a \$25K per unit minimum for those units affected as determined by the flood mitigation plan and/or required by the City of Corinth, lender or syndicator.

Credit Underwriting Supervisor:


Cari L. Bradley

Date: July 16, 2001

Director of Credit Underwriting:


Tom Gouris

Date: July 16, 2001

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST Comparative Analysis

Corinth Autumn Oaks, Corinth, LIHTC #01144

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt Pd Util	Wtr, Swr, Trsh
TC 50%	4	0	1	365	\$563	\$525	\$2,101	\$1.44	\$37.66	\$30.20
MR	4	0	1	375	703	\$703	2,812	1.87	37.66	30.20
TC 50%	6	1	1	475	603	\$549	3,293	1.16	54.16	40.20
TC 60%	5	1	1	475	724	\$670	3,349	1.41	54.16	40.20
MR	9	1	1	475	\$739	\$739	6,651	1.56	54.16	40.20
TC 60%	4	1	1	510	724	\$670	2,679	1.31	54.16	40.20
TC 50%	16	1	1	739	603	\$549	8,781	0.74	54.16	40.20
TC 60%	17	1	1	739	724	\$670	11,387	0.91	54.16	40.20
MR	23	1	1	739	739	\$739	16,997	1.00	54.16	40.20
TC 50%	12	2	2	948	725	\$659	7,902	0.69	66.48	51.20
TC 60%	12	2	2	948	870	\$804	9,642	0.85	66.48	51.20
MR	16	2	2	948	\$888	\$888	14,208	0.94	66.48	51.20
TOTAL:	128		AVERAGE:	733	\$736	\$702	\$89,804	\$0.96	\$56.98	\$43.01

INCOME & EXPENSE

Total Net Rentable Sq Ft: **93,804**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$10.00
 Other Support Income: Asst. Living Inc. \$301.34

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
 Employee or Other Non-Rental Units or Concessions 0

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	2.60%	\$292	\$0.40
Management	5.00%	562	0.77
Payroll & Payroll Tax	1.83%	206	0.28
Repairs & Maintenance	3.04%	342	0.47
Utilities	1.55%	174	0.24
Water, Sewer, & Trash	3.71%	418	0.57
Property Insurance	1.21%	136	0.19
Property Tax 2.60	8.10%	911	1.24
Reserve for Replacements	1.78%	200	0.27
Other: All supportive service expenses	29.16%	3,278	4.47

TOTAL EXPENSES

57.98% \$6,519 \$8.90

NET OPERATING INC

42.02% \$4,724 \$6.45

Collateral Mortgage

36.38% \$4,090 \$5.58

Additional Financing

0.00% \$0 \$0.00

Additional Financing

0.00% \$0 \$0.00

NET CASH FLOW

5.64% \$634 \$0.87

AGGREGATE DEBT COVERAGE RATIO

1.15 1.15

ALTERNATIVE DEBT COVERAGE RATIO

1.15

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		10.46%	\$7,031	\$9.59
Off-Sites		0.00%	0	0.00
Sitework		9.58%	6,438	8.78
Direct Construction		52.19%	35,082	47.87
Contingency	0.00%	0.00%	0	0.00
General Requirement	6.00%	3.71%	2,491	3.40
Contractor's G & A	2.00%	1.24%	830	1.13
Contractor's Profit	6.00%	3.71%	2,491	3.40
Indirect Construction		2.19%	1,473	2.01
Ineligible Expenses		1.02%	684	0.93
Developer's G & A	1.46%	1.13%	757	1.03
Developer's Profit	13.00%	10.05%	6,759	9.22
Interim Financing		4.74%	3,188	4.35
Reserves		0.00%	0	0.00
TOTAL COST		100.00%	\$67,223	\$91.73

SOURCES OF FUNDS

Collateral Mortgage	74.33%	\$49,969	\$68.18
LIHTC Syndication Proceeds	29.57%	\$19,875	\$27.12
Additional Funds	0.00%	\$0	\$0.00
Deferred Developer Fees	0.00%	\$0	\$0.00
Additional (excess) Funds Required	-3.90%	(\$2,621)	(\$3.58)
TOTAL SOURCES			

	TDHCA	APPLICANT		
	\$1,077,650	\$1,073,304		
	15,360	15,360	\$10.00	Per Unit Per Month
	462,852	470,472	\$306.30	
	\$1,555,862	\$1,559,136		
	(116,690)	(116,940)	-7.50%	of Potential Gross Rent
	0	0		
	\$1,439,172	\$1,442,196		
	\$37,364	\$14,000	\$0.15	\$109 0.97%
	71,959	50,342	0.54	393 3.49%
	26,324	79,838	0.85	624 5.54%
	43,760	53,300	0.57	416 3.70%
	22,317	37,500	0.40	293 2.60%
	53,441	12,500	0.13	98 0.87%
	17,471	17,200	0.18	134 1.19%
	116,566	130,000	1.39	1,016 9.01%
	25,600	25,600	0.27	200 1.78%
	419,635	419,635	4.47	3,278 29.10%
	\$834,437	\$839,915	\$8.95	\$6,562 58.24%
	\$604,735	\$602,281	\$6.42	\$4,705 41.76%
	\$523,584	\$523,584	\$5.58	\$4,091 36.30%
	0	0	\$0.00	\$0 0.00%
	0	0	\$0.00	\$0 0.00%
	\$81,151	\$78,697	\$0.84	\$615 5.46%
	1.15	1.15		

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$900,000	\$900,000	\$9.59	\$7,031	10.07%
	0	0	0.00	0	0.00%
	824,000	824,000	8.78	6,438	9.22%
	4,490,552	4,784,810	51.01	37,381	53.52%
	0	0	0.00	0	0.00%
	318,873	336,529	3.59	2,629	3.76%
	106,291	112,176	1.20	876	1.25%
	318,873	336,529	3.59	2,629	3.76%
	188,500	188,500	2.01	1,473	2.11%
	87,500	87,500	0.93	684	0.98%
	96,838	0	0.00	0	0.00%
	865,162	962,000	10.26	7,516	10.76%
	408,000	408,000	4.35	3,188	4.56%
	0	0	0.00	0	0.00%
	\$8,604,590	\$8,940,044	\$95.31	\$69,844	100.00%

	TDHCA	APPLICANT	RECOMMENDED	Max. Cost Guideline
	\$6,396,000	\$6,396,000	\$6,396,000	
	2,544,041	2,544,041	2,544,041	\$7,149,741
	0	0	0	
	0	0	0	
	(335,451)	3	0	
	\$8,604,590	\$8,940,044	\$8,940,044	

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$42.88	\$4,021,955
Adjustments				
Exterior Wall Finish	8.00%		\$3.43	\$321,756
Elderly	5.00%		2.14	201,098
Roofing			0.00	0
Subfloor			(1.96)	(183,856)
Floor Cover			1.82	170,723
Porches	\$28.10	10,552	3.16	296,511
Plumbing	\$585	120	0.75	70,200
Built-In Appliances	\$1,550	128	2.12	198,400
Stairs/Fireplaces		0	0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.41	132,264
Garages/Carports		0	0.00	0
Comm area + Corridors	\$49.49	11,290	5.96	558,753
Other: Kitchen/ Dining	\$95.38	2,322	2.36	221,472
SUBTOTAL			84.06	6,009,277
Current Cost Multiplier	1.01		0.64	60,093
Local Multiplier	0.91		(5.77)	(540,835)
TOTAL DIRECT CONSTRUCTION COSTS			\$58.94	\$5,528,535
Plans, specs, survy, bld prmts	3.90%		(\$2.30)	(\$215,613)
Interim Construction Interest	3.38%		(1.99)	(186,588)
Contractor's OH & Profit	11.50%		(6.78)	(635,781)
NET DIRECT CONSTRUCTION COSTS			\$47.87	\$4,490,552

PAYMENT COMPUTATION

Primary	\$6,398,000	Term	360
Int Rate	7.25%	DCR	1.15
Secondary	\$2,544,041	Term	
Int Rate	0.00%	Subtotal DCR	1.15
Additional	\$0	Term	
Int Rate		Aggregate DCR	1.15

ALTERNATIVE FINANCING STRUCTURE:

Primary Debt Service	\$523,584
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$81,151

Primary	\$6,398,000	Term	360
Int Rate	7.25%	DCR	1.15
Secondary	\$2,544,041	Term	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,077,650	\$1,109,979	\$1,143,279	\$1,177,577	\$1,212,904	\$1,406,089	\$1,630,042	\$1,889,666	\$2,539,553
Secondary Income	15,360	15,821	16,295	16,784	17,288	20,041	23,233	26,934	36,197
Other Support Income: Asst. Livin	462,852	476,738	491,040	505,771	520,944	603,917	700,105	811,614	1,090,741
POTENTIAL GROSS INCOME	1,555,862	1,602,538	1,650,614	1,700,132	1,751,136	2,030,047	2,353,381	2,728,213	3,666,491
Vacancy & Collection Loss	(116,690)	(120,190)	(123,796)	(127,510)	(131,335)	(152,254)	(176,504)	(204,616)	(274,987)
Employee or Other Non-Rental Un	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,439,172	\$1,482,347	\$1,526,818	\$1,572,622	\$1,619,801	\$1,877,793	\$2,176,877	\$2,523,597	\$3,391,504
EXPENSES at 4.00%									
General & Administrative	\$37,364	\$38,858	\$40,412	\$42,029	\$43,710	\$53,180	\$64,702	\$78,719	\$116,524
Management	71,959	74,117	76,341	78,631	80,990	93,890	108,844	126,180	169,575
Payroll & Payroll Tax	26,324	27,377	28,472	29,611	30,795	37,467	45,585	55,461	82,093
Repairs & Maintenance	43,760	45,510	47,331	49,224	51,193	62,284	75,778	92,195	136,472
Utilities	22,317	23,210	24,139	25,104	26,108	31,765	38,647	47,019	69,600
Water, Sewer & Trash	53,441	55,579	57,802	60,114	62,519	76,064	92,543	112,593	166,665
Insurance	17,471	18,169	18,896	19,652	20,438	24,866	30,253	36,808	54,485
Property Tax	116,566	121,229	126,078	131,121	136,366	165,910	201,855	245,588	363,530
Reserve for Replacements	25,600	26,624	27,689	28,797	29,948	36,437	44,331	53,935	79,837
Other	419,635	436,420	453,877	472,032	490,914	597,271	726,672	884,108	1,308,895
TOTAL EXPENSES	\$834,437	\$867,095	\$901,037	\$936,316	\$972,982	\$1,179,134	\$1,429,210	\$1,732,607	\$2,547,479
NET OPERATING INCOME	\$604,735	\$615,253	\$625,780	\$636,307	\$646,819	\$698,659	\$747,668	\$790,991	\$844,024
DEBT SERVICE									
First Lien Financing	\$523,584	\$523,584	\$523,584	\$523,584	\$523,584	\$523,584	\$523,584	\$523,584	\$523,584
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$81,151	\$91,669	\$102,197	\$112,723	\$123,235	\$175,075	\$224,084	\$267,407	\$320,441
DEBT COVERAGE RATIO	1.15	1.18	1.20	1.22	1.24	1.33	1.43	1.51	1.61

LIHTC Allocation Calculation - Corinth Autumn Oaks, Corinth, LIHTC #01144

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$900,000	\$900,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$824,000	\$824,000	\$824,000	\$824,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$4,784,810	\$4,490,552	\$4,784,810	\$4,490,552
(4) Contractor Fees & General Requirements				
Contractor overhead	\$112,176	\$106,291	\$112,176	\$106,291
Contractor profit	\$336,529	\$318,873	\$336,529	\$318,873
General requirements	\$336,529	\$318,873	\$336,529	\$318,873
(5) Contingencies				
(6) Eligible Indirect Fees				
	\$188,500	\$188,500	\$188,500	\$188,500
(7) Eligible Financing Fees				
	\$408,000	\$408,000	\$408,000	\$408,000
(8) All Ineligible Costs				
	\$87,500	\$87,500		
(9) Developer Fees				
Developer overhead		\$96,838		\$96,838
Developer fee	\$962,000	\$865,162	\$962,000	\$865,162
(10) Development Reserves				
TOTAL DEVELOPMENT COSTS	\$8,940,044	\$8,604,590	\$7,952,543	\$7,617,090

Deduct from Basis:			
Commercial Space Costs		\$232,746	\$232,746
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,719,797	\$7,384,343
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$7,719,797	\$7,384,343
Applicable Fraction		59.38%	59.38%
TOTAL QUALIFIED BASIS		\$4,583,629	\$4,384,454
Applicable Percentage		8.51%	8.51%
TOTAL AMOUNT OF TAX CREDITS		\$390,067	\$373,117

Syndication Proceeds 0.7699 \$3,003,214 \$2,872,713

Actual Gap of Need \$2,544,044
Gap-Driven Allocation \$330,428

SUPPORT SERVICE AGREEMENT

This Support Service Agreement (The "Agreement") made and entered into this 10th day of April, 2001, by and among Corinth Autumn Oaks LP, a Texas Limited Partnership ("Owner") and Holistic Life Care Inc., a Texas non-profit corporation ("Provider"), with reference to:

WHEREAS, Corinth Autumn Oaks LP is the "Owner" of Autumn Oaks of Corinth, a "to be built" 128 unit multi-family complex oriented to senior citizens and affordable housing and located in Corinth, Texas.

WHEREAS, the "Owner" desires to use the services of Holistic Life Care Inc. to provide support services and Holistic Life Care Inc. desires to provide said services at the Autumn Oaks of Corinth community.

NOW THEREFORE, for and in consideration of the mutual covenants herein, the "Owner" and "Provider" agree as follows:

Services

Holistic Life Care Inc. will perform and conduct an evaluation of property tenant profiles once the property has been fully rented to LIHTC qualified tenants and will present to the Owner its preliminary determination of the special support services that could benefit the residents of the property. Basic services to be provided are:

24 Hour Staff (RN on site 10 hours/day)

24 Hour availability of professional nurses

Administration of all medications with outcome monitoring

Monitoring Health – vital signs, lab tests, therapy needs, bowel and bladder program

Assistance with daily living activities including bathing, dressing, eating, mobility/exercise program, toileting, hygiene, laundry and daily housekeeping.

Dining – three nutritious meals daily, dietary prepared meals, monitoring of weight loss/gain, evaluating nutritional on-going needs

Daily activities program in-house

Special events activities for social and educational involvement

These services will be provided on-site or with transportation provided to offsite locations as needed for special events.

Experience

Holistic Life Inc. has experience in the field of care for the elderly. See Exhibit A for experience and professional care provider information.

Costs

Holistic Life will provide these services at a variable rate (see attachment).

Term

The term of this Agreement will commence with its date of execution and continue until the LIHTC compliance period has been completed. This Agreement may be terminated with cause by either party giving thirty (30) days written notice of termination to the other party. Such termination shall not prejudice any remedy that the terminating party may have at law or in equity. In the event of the termination of this Agreement prior to the completion of the term of the Agreement specified above, the Provider shall be entitled to compensation earned by the Provider prior to the date of termination as provided for in this Agreement. Holistic Life shall be entitled to no further compensation after the date of termination.

Notice

Any notice which is required under this Agreement shall be in writing and sent by Certified Mail, Return Receipt Requested, to the designated address contained in the Agreement.

Place of Performance

All obligations to each party of this Agreement shall be performed at Autumn Oak of Corinth in the City of Corinth.

Governing Law

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Texas.

Entire Agreement

This agreement contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter hereof, and all prior agreements between the parties are expressly superseded by this Agreement.

Addresses:

Corinth Autumn Oaks LP
1701 E. Lamar Blvd, Suite 260
Arlington, TX 76006

Holistic Life Care Inc.
1701 E. Lamar Blvd, Suite 260
Arlington, TX 76006

IN WITNESS THEREOF, the parties have executed this Agreement effective as of the date set forth above.

CORINTH AUTUMN OAKS LP

M. W. Wain
PRESIDENT
By: LESALLE EQUITY GROUP, INC.
Its: PRESIDENT

HOLISTIC LIFE CARE INC.

By: *Chad ...*
Its: REGISTERED AGENT

ANNUAL -FORMA (ATTACHMENT TO AGREEMENT)

Autumn Oaks of Corinth

	Rental Income	Regular Expenses	Assisted Expenses	TOTAL EXPENSES	Assisted Income			
					Nursing Care	Meals	Laundry	Bathing
Estimated Percentage Using Service					15%	35%	12%	11%
Total Units	128							
Total Tenants	168							
Total Tenants less vacar	156				23	55	19	17
Daily Rate					\$20	\$10	\$10	\$5
Annual Rate					\$7,300	\$3,650	\$3,650	\$1,825
NET OPERATING								
RENTAL INCOME								
Rental Income	69%	\$1,073,124						
Laundry and Vending	1%	\$15,360						
Assited Income	30%	\$470,478			\$171,083	\$199,597	\$68,433	\$31,365
(After Vac)	\$435,192							
Gross Potential Income	100%	\$1,558,961						
Vacancy		\$116,922						
EFFECTIVE GROSS INCOME (EGI)		\$1,442,039						
Salaries			66,118	199,953	266,071			
Payroll Costs			7,273	21,995	29,268			
Workers Compensation Insurance			1,653	4,999	6,652			
Employee Benefits			4,794	14,497	19,290			
Food				98,431	98,431			
Supplies			8,300	21,000	29,300			
Inside Maintenance			15,000	2,000	17,000			
Utilities			50,000	20,000	70,000			
Outside Maintenance			30,000		30,000			
Property Taxes			130,000		130,000			
Marketing/Advertising			4,000	3,000	7,000			
Property Insurance			17,200		17,200			
Liability Insurance				10,000	10,000			
Professional Fees			5,000		5,000			
Miscellaneous/Office			5,000	2,000	7,000			
Management Fees			50,342	21,760	72,102			
Total Operating Expenses		\$814,314	394,680	419,634	814,314			
Per Unit			3,083	3,278	6,362			
Replacement Reserves		\$25,600						
Total Annual Operating Expenses and Reserves		\$839,914						
NET OPERATING INCOME (LOSS)		\$602,125						
Debt Service - Perm Mortgage		\$523,587						
AVAILABLE FOR FEE PAYMENTS		\$78,538						

Corinth Autumn Oaks 2011													
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	ANNUAL
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	365
Pay Periods	2	2	2	2	2	2	2	2	2	2	2	2	24
	Actuals												Forecast
Revenues:													
Total Units	128	128	128	128	128	128	128	128	128	128	128	128	
Units Occupied	122	120	119	116	120	118	118	117	117	116	116	116	
Percent Vacant	4.69%	6%	7%	9%	6%	8%	7.81%	8.59%	8.59%	9.38%	9.38%	9.38%	
Gross Rental Income	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 119,465	\$ 122,162	\$ 1,436,277
Utility Allowance	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,728)	\$ (5,981)	\$ (68,989)
Rental income (net allowance)	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 113,737	\$ 116,181	\$ 1,367,288
Loss to Lease	\$ (3,149)	\$ (3,956)	\$ (3,555)	\$ (3,503)	\$ (3,420)	\$ (3,001)	\$ (2,848)	\$ (1,435)	\$ (2,576)	\$ (2,606)	\$ (2,378)	\$ (4,650)	\$ (37,077)
Vacancy	\$ (8,892)	\$ (13,394)	\$ (14,670)	\$ (12,077)	\$ (9,811)	\$ (16,025)	\$ (12,574)	\$ (12,542)	\$ (12,232)	\$ (15,716)	\$ (14,225)	\$ (13,952)	\$ (156,110)
Concessions	\$ (1,187)	\$ (1,187)	\$ (1,187)	\$ (1,187)	\$ (1,187)	\$ (956)	\$ (800)	\$ (800)	\$ (800)	\$ (620)	\$ (620)	\$ (620)	\$ (10,971)
Billed Resident Fee	\$ 100,509	\$ 95,200	\$ 94,325	\$ 96,970	\$ 99,319	\$ 93,755	\$ 97,515	\$ 98,960	\$ 98,309	\$ 94,795	\$ 96,514	\$ 96,959	\$ 1,163,130
Accounts Receivable	\$ (1,601)	\$ 1,067	\$ 6,140	\$ 947	\$ 613	\$ 2,877	\$ 570	\$ (1,291)	\$ (5,448)	\$ 1,756	\$ 2,217	\$ (3,297)	\$ 4,549
Net Rents	\$ 98,907	\$ 96,268	\$ 100,465	\$ 97,916	\$ 99,932	\$ 96,632	\$ 98,085	\$ 97,669	\$ 92,861	\$ 96,551	\$ 98,731	\$ 93,662	\$ 1,167,679
Other Income	\$ 1,505	\$ (112)	\$ 844	\$ 379	\$ 855	\$ 33	\$ (894)	\$ (231.83)	\$ 1,474	\$ 1,110	\$ (209)	\$ 1,808	\$ 6,561
Gross Revenues	\$ 100,412	\$ 96,156	\$ 101,308	\$ 98,295	\$ 100,787	\$ 96,665	\$ 97,191	\$ 97,437.06	\$ 94,335	\$ 97,661	\$ 98,522	\$ 95,470	\$ 1,174,239
Operating Expenses:													
Payroll/Benefits	\$ 11,243	\$ 12,114	\$ 13,238	\$ 13,537	\$ 13,768	\$ 17,225	\$ 12,695	\$ 13,955	\$ 12,693	\$ 12,749	\$ 13,635	\$ 16,939	\$ 163,791
Supplies	\$ (24)	\$ 527	\$ 630	\$ 96	\$ 279	\$ 347	\$ 630	\$ 539	\$ 385	\$ 13	\$ 731	\$ 66	\$ 4,219
Telephone	\$ 712	\$ 657	\$ 137	\$ 491	\$ 759	\$ 187	\$ 422	\$ 437	\$ 329	\$ 328	\$ 677	\$ 405	\$ 5,543
Inside Maintenance	\$ 3,015	\$ (4,598)	\$ 3,756	\$ 3,471	\$ (2,519)	\$ 3,216	\$ (281)	\$ 6,923	\$ 1,000	\$ 943	\$ 8,851	\$ 760	\$ 24,537
Outside Maintenance	\$ 1,857	\$ 2,912	\$ 3,803	\$ 1,954	\$ 2,493	\$ 2,328	\$ 1,646	\$ 5,132	\$ 1,960	\$ 1,717	\$ 11,013	\$ 1,800	\$ 38,615
Electric	\$ 4,164	\$ 4,852	\$ 5,084	\$ 3,437	\$ 4,364	\$ 4,339	\$ 5,164	\$ 7,125	\$ 6,996	\$ 6,597	\$ 4,522	\$ 4,594	\$ 61,239
Gas	\$ 963	\$ 755	\$ 513	\$ 278	\$ (29)	\$ 625	\$ -	\$ 374	\$ 292	\$ 326	\$ 329	\$ 500	\$ 4,927
Water	\$ 4,496	\$ 4,790	\$ 5,150	\$ 4,113	\$ 4,380	\$ 4,554	\$ 4,118	\$ 6,245	\$ 8,412	\$ 6,816	\$ 7,029	\$ 4,963	\$ 65,066
Marketing	\$ 49	\$ 774	\$ 566	\$ 1,292	\$ 703	\$ 745	\$ -	\$ 712	\$ 791	\$ 462	\$ 1,462	\$ 140	\$ 7,697
Franchise / Margin Tax	\$ 844	\$ -	\$ -	\$ -	\$ 6,864	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ 7,722
IT Related	\$ 3,214	\$ -	\$ -	\$ -	\$ 27	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,247
Meal & Entertainment	\$ 26	\$ -	\$ 13	\$ 61	\$ 26	\$ -	\$ -	\$ 12	\$ 18	\$ 13	\$ 129	\$ -	\$ 296
Dues & Subscription	\$ -	\$ -	\$ 439	\$ 5	\$ 30	\$ -	\$ -	\$ 79	\$ -	\$ -	\$ 1,900	\$ -	\$ 2,453
Vehicle \ Mileage	\$ 114	\$ 146	\$ 121	\$ 120	\$ 143	\$ 69	\$ 105	\$ 103	\$ 284	\$ 87	\$ 125	\$ -	\$ 1,417
Postage	\$ 84	\$ 85	\$ 98	\$ 65	\$ 136	\$ 112	\$ 93	\$ 92	\$ 199	\$ 39	\$ 164	\$ 1,168	
Miscellaneous	\$ -	\$ -	\$ -	\$ 39	\$ 92	\$ 83	\$ 20	\$ 10	\$ 20	\$ 2,517	\$ 39	\$ 259	\$ 3,079
Management Fees	\$ -	\$ 11,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,667
Total Operating Exp	\$ 30,758	\$ 34,681	\$ 33,549	\$ 28,960	\$ 31,515	\$ 33,836.52	\$ 24,611	\$ 41,754	\$ 33,180	\$ 32,766	\$ 50,480	\$ 30,591	\$ 406,682
Net Income B4 debt	\$ 69,654	\$ 61,475	\$ 67,760	\$ 69,335	\$ 69,272	\$ 62,828.49	\$ 72,580	\$ 55,683	\$ 61,155	\$ 64,895	\$ 48,041	\$ 64,879	\$ 767,557
Other Costs:													
Tax Escrow	\$ 8,865.51	\$ 8,866	\$ 8,866	\$ 8,908	\$ 8,908	\$ 8,908	\$ 8,908	\$ 8,908	\$ 8,908	\$ 8,908	\$ 8,908	\$ 8,908	\$ 106,765
Insurance Escrow	\$ 2,756.88	\$ 2,757	\$ 2,757	\$ 3,088	\$ 3,088	\$ 3,088	\$ 3,088	\$ 3,088	\$ (3,836)	\$ 3,088	\$ 3,088	\$ 3,088	\$ 29,139
Principal & Interest	\$ 50,331.79	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 603,981
Replacement Reserve.	\$ 2,666.24	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 31,995
Professional Fee	\$ -	\$ -	\$ 4,025	\$ 4,185	\$ 50.00	\$ -	\$ 50	\$ 50	\$ 4,143	\$ -	\$ 7,524	\$ -	\$ 20,027
Management Fee	\$ -	\$ 2,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,333
Asset Mgmt Fee(SHS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partnership Fee(LaSalle)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Costs	\$ 64,620	\$ 66,954	\$ 68,645	\$ 69,179	\$ 65,044	\$ 64,994	\$ 65,044	\$ 65,044	\$ 62,213	\$ 64,994	\$ 72,518	\$ 64,994	\$ 794,242
Total Operating Income	\$ 5,034	\$ (5,479)	\$ (886)	\$ 156	\$ 4,228	\$ (2,165)	\$ 7,536	\$ (9,361)	\$ (1,058)	\$ (99)	\$ (24,477)	\$ (115)	\$ (26,684)
Due to LaSalle											\$ 25,000		\$ 25,000
Total Income	\$ 5,034	\$ (5,479)	\$ (886)	\$ 156	\$ 4,228	\$ (2,165)	\$ 7,536	\$ (9,361)	\$ (1,058)	\$ (99)	\$ 523	\$ (115)	\$ (1,684)
Cumulative Total	\$ 5,034	\$ (445)	\$ (1,330)	\$ (1,174)	\$ 3,054	\$ 889	\$ 8,425	\$ (937)	\$ (1,994)	\$ (2,093)	\$ (1,570)	\$ (1,684)	
												DSC Ratio	0.9928

Corinth Autumn Oaks 2011													
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	ANNUAL
Cash Reconciliation													
Month Beginning Cash	1,969	7,003	1,524	639	795	5,023	2,857	10,393.32	1,032	(25)	(124.48)	398.84	-
North Star Bank -Operating Acct	5,245	721	(165)	(995)	2,793	2,808	10,344	982	(75)	(174)	349	235	-
PNC Bank	50	50	50	50	50	50	50	50	50	50	50	50	-
Signature -Reserve Acct	721	721	721	721	668	-	-	-	-	-	-	-	-
Signature - Other Accts	987	33	33	1,019	1,512	-	-	-	-	-	-	-	-
Month Ending Cash	7,003	1,524	639	795	5,023	2,857	10,393	1,032	(25)	(124)	399	284	-
Net Cash change for the period	5,034	(5,479)	(886)	156	4,228	(2,165)	7,536	(9,361)	(1,058)	(99)	523	(115)	-
Reconciliation	(0)	-	0.00	0	-	(0.00)	-	(0.00)	(0.00)	(0.00)	(0.00)	0.0	11,667

Escrow Balance													
Escrow - Replacement Reserve Balance	18,578	21,244	17,716	20,382	23,048	20,863	23,529	2,704	5,370	8,036	10,702	13,369	16,035
Reserve Draw			(6,194)			(4,852)		(23,492)					
Escrow - Insurance Balance	30,102	32,859	35,616	38,373	8,930	12,018	15,106	18,194	21,282	24,370	27,459	30,547	33,635
Insurance Payment					(32,531)								
Escrow -Tax Balance	104,726	113,591	19,676	28,542	37,449	46,357	55,265	64,172	73,080	81,988	90,895	99,803	108,711
Tax Payment		(102,781)											

Capital Improvement													
Replacement Reserve Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Improvement													
Cost of Capital Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of Replacement Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-

Property Loans														
Due from/to LaSalle	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	412,904	412,904
Accrued Interest														98,688
Loan repay	-	-	-	-	-	-	-	-	-	-	-	(25,000)	-	-
Ending Balance	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	387,904	412,904	412,904	511,592
Due to Lake Superior Contracting	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403
Loan repay	-	-	(7,872)	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	59,403	59,403	59,403	67,275	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403

Other Loan - SHS Bridge Loan														
Due to SHS Bridge	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221
Loan repay		0												
Ending Balance	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221

Management Fee - LaSalle Group														
Accrued Management Fee	28,054	6,025	5,769	6,079	5,898	6,047	5,800	5,831	5,846	5,660	5,860	5,911	5,728	70,454
Paid Management fee		-	14,000	-	-	-	-	-	-	-	-	-	-	14,000
YTD Balance	28,054	34,078	25,848	31,926	37,824	43,871	49,671	55,503	61,349	67,009	72,869	78,780	84,508	84,508

Corinth Autumn Oaks 2012														
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	ANNUAL	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	365	
	Actual													
OCCUPIED UNITS														
Assisted (32)	27.00	27.00	24.00	24.00	22.00	21.00	26.00	31.00	28.00	28.00	25.00	26.00	26.00	
Independent (96)	89.44	90.00	93.00	92.00	94.00	95.00	94.00	95.00	94.00	94.00	92.00	92.00	92.00	
Total Units Occupied	116.44	117.00	117.00	116.00	116.00	116.00	120.00	126.00	122.00	122.00	117.00	118.00	118.00	
% Vacant	128	8.59%	8.59%	9.38%	9.38%	9.38%	6.25%	1.56%	4.69%	4.69%	8.59%	7.81%	7.81%	
Revenues:														
Gross Rental Income		\$ 124,446	\$ 124,446	\$ 124,446	\$ 124,446	\$ 124,446	\$ 124,446	\$ 124,446	\$ 124,446	\$ 115,042	\$ 115,042	\$ 115,042	\$ 115,042	\$ 1,455,736
Utility Allowance		\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (75,696)
Rental income (net allowance)		\$ 118,138	\$ 118,138	\$ 118,138	\$ 118,138	\$ 118,138	\$ 118,138	\$ 118,138	\$ 118,138	\$ 108,734	\$ 108,734	\$ 108,734	\$ 108,734	\$ 1,380,040
Loss to Lease		\$ (7,026)	\$ (6,894)	\$ (6,831)	\$ (6,000)	\$ (5,905)	\$ (7,839)	\$ (8,893)	\$ (9,076)	\$ (3,210)	\$ (2,920)	\$ (2,704)	\$ (2,652)	\$ (69,950)
Vacancy		\$ (14,334)	\$ (12,368)	\$ (11,061)	\$ (13,152)	\$ (14,926)	\$ (11,900)	\$ (4,766)	\$ (2,667)	\$ (4,082)	\$ (9,756)	\$ (10,140)	\$ (8,927)	\$ (118,079)
Billed Resident Fee		\$ 96,778	\$ 98,876	\$ 100,246	\$ 98,986	\$ 97,307	\$ 98,399	\$ 104,479	\$ 106,395	\$ 101,442	\$ 96,058	\$ 95,890	\$ 97,156	\$ 1,192,011
Accounts Receivable		\$ (1,019)	\$ 4,974	\$ 4,368	\$ 1,845	\$ 3,486	\$ (10,514)	\$ (8,093)	\$ (2,294)	\$ (1,669)	\$ 1,652	\$ 1,740	\$ 106	\$ (4,420)
Net Rents		\$ 95,758	\$ 103,849	\$ 104,614	\$ 100,831	\$ 100,793	\$ 87,885	\$ 96,386	\$ 104,101	\$ 99,773	\$ 97,710	\$ 97,630	\$ 97,261	\$ 1,186,591
Other Income		\$ 718	\$ (254)	\$ (305)	\$ 723	\$ (1,391)	\$ (829)	\$ 914	\$ (3,184)	\$ 872	\$ (379)	\$ (964)	\$ (85)	\$ (4,165)
Gross Revenues		\$ 96,476	\$ 103,595	\$ 104,309	\$ 101,554	\$ 99,401	\$ 87,056	\$ 97,300	\$ 100,917	\$ 100,644	\$ 97,331	\$ 96,666	\$ 97,176	\$ 1,182,426
Operating Expenses:														
Salary Payroll		\$ 11,922	\$ 15,727	\$ 10,303	\$ 10,408	\$ 6,916	\$ 9,947	\$ 13,078	\$ 12,636	\$ 6,345	\$ 8,576	\$ 6,831	\$ 12,560	\$ 125,250
Hourly Payroll		\$ 1,454	\$ 3,538	\$ 2,495	\$ 2,270	\$ 2,457	\$ 2,361	\$ 2,072	\$ 2,545	\$ 1,719	\$ 6,462	\$ 2,379	\$ 5,774	\$ 35,525
Other Payroll Costs		\$ 2,066	\$ 2,790	\$ 2,014	\$ 1,805	\$ 1,104	\$ 1,433	\$ 1,454	\$ 1,630	\$ 1,144	\$ 1,237	\$ 1,200	\$ 2,645	\$ 20,521
Employee Benefits		\$ 411	\$ 1,114	\$ 635	\$ 630	\$ 351	\$ 340	\$ 306	\$ 326	\$ 169	\$ 466	\$ 523	\$ 467	\$ 5,739
Supplies		\$ 514	\$ (157)	\$ 508	\$ 441	\$ 245	\$ 965	\$ 566	\$ 557	\$ 532	\$ 428	\$ 335	\$ 215	\$ 5,150
Inside Maintenance		\$ 2,188	\$ 1,547	\$ 6,458	\$ 4,554	\$ 4,950	\$ 10,096	\$ 4,036	\$ 2,101	\$ 8,008	\$ 4,403	\$ 3,163	\$ 5,008	\$ 56,511
Recreational Activities		\$ -	\$ 175	\$ 174	\$ 175	\$ 175	\$ 175	\$ 180	\$ 175	\$ 350	\$ -	\$ 175	\$ 175	\$ 1,929
I.T. Services		\$ 3,301	\$ -	\$ 280	\$ 158	\$ 873	\$ 197	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 211	\$ 5,027
Telephone		\$ 262	\$ 610	\$ 360	\$ 331	\$ 25	\$ 506	\$ 326	\$ 431	\$ 441	\$ 376	\$ 248	\$ 515	\$ 4,432
Electric		\$ 4,176	\$ 5,001	\$ 4,430	\$ 3,717	\$ 3,995	\$ 3,933	\$ 4,810	\$ 5,617	\$ 6,296	\$ 4,866	\$ 3,515	\$ 3,445	\$ 53,800
Gas		\$ 524	\$ 490	\$ -	\$ 670	\$ 234	\$ 180	\$ 172	\$ 227	\$ 211	\$ 238	\$ 269	\$ 318	\$ 3,534
Water		\$ 5,344	\$ 4,781	\$ 5,785	\$ 4,596	\$ 4,957	\$ 4,316	\$ 5,009	\$ 5,421	\$ 7,428	\$ 6,809	\$ 8,374	\$ 7,656	\$ 70,477
Outside Maintenance		\$ 928	\$ 564	\$ 1,700	\$ 2,071	\$ 4,445	\$ 2,391	\$ 1,597	\$ 2,235	\$ 4,254	\$ 4,321	\$ 2,207	\$ 3,733	\$ 30,447
Marketing/Advertising		\$ 259	\$ 779	\$ 1,016	\$ 410	\$ 1,144	\$ 424	\$ 490	\$ 419	\$ 737	\$ 86	\$ 253	\$ 926	\$ 6,943
Office Expense/Misc.		\$ 2,582	\$ 84	\$ 716	\$ 264	\$ 590	\$ 503	\$ 197	\$ 848	\$ 774	\$ 1,517	\$ 2,452	\$ 1,155	\$ 11,683
Professional Fees		\$ -	\$ 1,572	\$ 735	\$ 373	\$ 1,078	\$ 3,017	\$ 2,800	\$ 395	\$ 2,918	\$ 115	\$ 567	\$ 2,306	\$ 15,876
Management Fees	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Escrow		\$ 14,390	\$ 8,908	\$ 8,908	\$ 8,942	\$ 15,672	\$ 8,942	\$ 8,942	\$ 8,942	\$ 8,951	\$ 8,942	\$ 8,942	\$ 12,692	\$ 123,175
Insurance Escrow		\$ 3,088	\$ 3,088	\$ (11,835)	\$ 3,280	\$ 3,280	\$ 3,280	\$ 3,280	\$ 3,280	\$ (23,527)	\$ 3,280	\$ 2,080	\$ 2,080	\$ (5,343)
Replacement Reserve.		\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 31,995
Total Operating Exp		\$ 56,076	\$ 53,277	\$ 37,348	\$ 47,761	\$ 55,157	\$ 55,672	\$ 51,991	\$ 50,452	\$ 29,417	\$ 54,789	\$ 46,180	\$ 64,548	\$ 602,668
Net Operating Income		\$ 40,400	\$ 50,318	\$ 66,960	\$ 53,794	\$ 44,244	\$ 31,384	\$ 45,309	\$ 50,465	\$ 71,228	\$ 42,542	\$ 50,485	\$ 32,628	\$ 579,758
GP Loan Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
Other Costs:														
Principal & Interest		\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 603,981
Management Fee	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Mgmt Fee(SHS)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partnership Fee(LaSalle)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures		\$ -	\$ -	\$ 7,012	\$ 1,204	\$ (11,215)	\$ -	\$ 5,013	\$ -	\$ (422)	\$ 1,488	\$ 3,247	\$ (10,055)	\$ (3,728)
Total Other Costs		\$ 50,332	\$ 50,332	\$ 57,344	\$ 51,535	\$ 39,117	\$ 50,332	\$ 55,345	\$ 50,332	\$ 49,910	\$ 51,820	\$ 53,579	\$ 40,277	\$ 600,254
Total Operating Income		\$ (9,932)	\$ (14)	\$ 9,617	\$ 2,258	\$ 5,127	\$ (18,948)	\$ (10,035)	\$ 133	\$ 21,318	\$ (9,278)	\$ 6,907	\$ (7,649)	\$ (10,496)
Cumulative Total		\$ (9,932)	\$ (9,945)	\$ (328)	\$ 1,930	\$ 7,057	\$ (11,890)	\$ (21,926)	\$ (21,793)	\$ (475)	\$ (9,753)	\$ (2,847)	\$ (10,496)	
*** Management Fees are being accrued and deferred												DSC Ratio	0.9599	

Cash Reconciliation													
Month Beginning Cash	284.28	(9,647)	(9,661)	(44)	2,214	7,341	(11,606)	(21,642)	(21,509)	(191)	(9,469)	(2,562)	-
North Star Bank -Operating Acct	(9,697)	(9,711)	(92)	2,166	7,294	(11,654)	11,113	(19,276)	2,520	16,029	10,289	23,666	-
PNC Bank	50	50	48	48	48	48	48	48	48	48	48	48	-
Less: Prepayments	-	-	-	-	-	-	(32,802)	(2,280)	(2,759)	(25,546)	(12,899)	(33,926)	-
Month Ending Cash	(9,647)	(9,661)	(44)	2,214	7,341	(11,606)	(21,642)	(21,509)	(191)	(9,469)	(2,562)	(10,212)	-
Net Cash change for the period	(9,932)	(14)	9,617	2,258	5,127.30	(18,947)	(10,035)	133	21,318	(9,278)	6,907	(7,649)	-
Reconciliation	(0.0)	0.0	-	0.0	0.0	(0.0)	0	0	(0.00)	0.00	-	(0.0)	-

Escrow Balance													
Escrow - Replacement Reserve Balance	16,035	18,701	21,367	24,033	26,700	8,902	11,568	14,235	16,901	7,756	10,422	13,088	2,680
Reserve Draw	-	-	-	-	-	(20,464)	-	-	-	(11,812)	-	-	(13,074)
Escrow - Insurance Balance	33,635	36,723	39,811	27,976	31,257	11,841	15,121	18,401	21,682	(1,845)	1,435	3,516	5,596
Insurance Payment	-	-	-	(14,923)	-	(22,696)	-	-	-	(26,807)	-	-	-
Escrow -Tax Balance	108,711	117,618	23,345	32,253	41,195	50,138	59,080	68,022	76,965	85,907	94,849	103,792	112,734
Tax Payment	-	(103,180)	-	-	-	-	-	-	-	-	-	-	-

Property Loans														
Due from/to LaSalle		412,904	412,904	412,904	412,904	412,904	412,904	412,904	412,904	412,904	412,904	422,904	422,904	422,904
Accrued Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		412,904	412,904	412,904	412,904	412,904	412,904	412,904	412,904	412,904	412,904	422,904	422,904	422,904
Due to Lake Superior Contracting	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403
Loan repay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403

Other Loan - SHS Bridge Loan														
Due to SHS Bridge	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221
Loan repay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221

Management Fee - LaSalle Group														
Accrued Management Fee		5,789	6,216	6,259	6,093	5,964	5,223	5,838	6,055	6,039	5,840	5,800	5,831	70,946
Paid Management fee		-	-	-	-	-	-	-	-	-	-	-	-	-
YTD Balance	84,508	5,789	12,004	18,263	24,356	30,320	35,544	41,382	47,437	53,475	59,315	65,115	70,946	155,454

MORTGAGE NOTE BALANCE & DEBT SERVICE COVERAGE														
		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	
Mortgage Note Balance	7,054,936	7,047,252	7,039,521	7,028,997	7,021,156	7,011,898	7,003,953	6,994,594	6,986,545	6,978,447	6,968,939	6,960,734	6,951,123	
Principal Reduction		7,685	7,731	10,523	7,842	9,258	7,945	9,359	8,049	8,098	9,508	8,205	9,612	
Interest Payment		42,647	42,601	39,808	42,490	41,074	42,387	40,973	42,282	42,234	40,824	42,127	40,720	
Debt Service Coverage Ratio														
Annual		0.80	0.90	1.04	1.05	1.02	0.95	0.94	0.95	1.00	0.99	0.99	0.96	

Corinth Autumn Oaks 2013														
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	ANNUAL	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	365	
	ACTUAL									FORECAST				
OCCUPIED UNITS														
Assisted (32)	26.00	28.00	32.00	31.00	31.00	31.00	32.00	32.00	32.00	30.08	30.08	30.08		
Independent (96)	92.00	92.00	92.00	96.00	91.00	92.00	92.00	92.00	96.00	90.96	90.96	90.96		
Total Units Occupied	118.00	120.00	124.00	127.00	122.00	123.00	124.00	124.00	124.00	121.04	121.04	121.04		
% Vacant	128	6.25%	3.13%	0.78%	4.69%	3.91%	3.13%	3.13%	0.00%	5.44%	5.44%	5.44%		
Revenues:														
Gross Rental Income	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 118,594	\$ 1,423,128	
Utility Allowance	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (6,308)	\$ (75,696)	
Rental income (net allowance)	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 112,286	\$ 1,347,432	
Loss to Lease	\$ (5,931)	\$ (5,630)	\$ (5,509)	\$ (5,324)	\$ (4,737)	\$ (5,139)	\$ (5,431)	\$ (5,117)	\$ (5,064)	\$ (2,469)	\$ (2,149)	\$ (1,809)	\$ (54,304)	
Vacancy	\$ (9,113)	\$ (6,386)	\$ (4,016)	\$ (5,789)	\$ (6,680)	\$ (3,692)	\$ (1,343)	\$ (32)	\$ (2,008)	\$ (6,858)	\$ (6,858)	\$ (6,858)	\$ (59,633)	
Billed Resident Fee	\$ 97,242	\$ 100,270	\$ 102,762	\$ 101,173	\$ 100,869	\$ 103,456	\$ 105,513	\$ 107,138	\$ 105,215	\$ 102,959	\$ 103,279	\$ 103,619	\$ 1,233,495	
Accounts Receivable	\$ (2,562)	\$ (562)	\$ (1,700)	\$ (1,354)	\$ 7,607	\$ (1,857)	\$ 770	\$ (366)	\$ (2,221)	\$ -	\$ -	\$ -	\$ (2,246)	
Net Rents	\$ 94,680	\$ 99,709	\$ 101,062	\$ 99,819	\$ 108,476	\$ 101,598	\$ 106,282	\$ 106,772	\$ 102,993	\$ 102,959	\$ 103,279	\$ 103,619	\$ 1,231,249	
Other Income	\$ 155	\$ 1,124	\$ (219)	\$ (1,449)	\$ (143)	\$ 1,501	\$ (980)	\$ 114	\$ 63	\$ 400	\$ 400	\$ 400	\$ 1,365	
Gross Revenues	\$ 94,835	\$ 100,833	\$ 100,843	\$ 98,370	\$ 108,333	\$ 103,099	\$ 105,302	\$ 106,886	\$ 103,056	\$ 103,359	\$ 103,679	\$ 104,019	\$ 1,232,614	
Operating Expenses:														
Salary Payroll	\$ 8,609	\$ 10,209	\$ 8,346	\$ 8,005	\$ 9,010	\$ 8,036	\$ 9,140	\$ 7,494	\$ 7,521	\$ 8,016	\$ 8,092	\$ 8,092	\$ 100,570	
Hourly Payroll	\$ 6,969	\$ 4,978	\$ 4,980	\$ 4,869	\$ 5,399	\$ 4,494	\$ 3,427	\$ 7,969	\$ 7,215	\$ 5,056	\$ 5,056	\$ 5,302	\$ 65,713	
Other Payroll Costs	\$ 3,241	\$ 2,800	\$ 2,446	\$ 2,211	\$ 2,729	\$ 2,500	\$ 2,326	\$ 2,354	\$ 1,534	\$ 1,948	\$ 1,543	\$ 1,181	\$ 26,812	
Employee Benefits	\$ 641	\$ 514	\$ 1,831	\$ 1,315	\$ 1,322	\$ 1,320	\$ 983	\$ 1,215	\$ 929	\$ 789	\$ 789	\$ 790	\$ 12,439	
Supplies	\$ 268	\$ 308	\$ 1,716	\$ 122.22	\$ 384	\$ 186	\$ 576	\$ 334	\$ 547	\$ 410	\$ 410	\$ 410	\$ 5,670	
Inside Maintenance	\$ 2,829	\$ 4,851	\$ 3,948	\$ 5,018	\$ 14,630	\$ 4,444	\$ 1,810	\$ 3,358	\$ 4,213	\$ 2,629	\$ 2,629	\$ 2,629	\$ 52,988	
Recreational Activities	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 250	\$ 250	\$ 250	\$ 2,325	
I.T. Services	\$ 708	\$ 144	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ -	\$ 32	\$ 150	\$ 884	\$ 150	\$ 2,120	
Telephone	\$ 271	\$ 365	\$ 358	\$ 236	\$ 630	\$ 817	\$ 272	\$ 267	\$ 567	\$ 330	\$ 330	\$ 330	\$ 4,773	
Electric	\$ 3,268	\$ 3,976	\$ 3,752	\$ 3,759	\$ 3,863	\$ 4,227	\$ 458	\$ 9,149	\$ 5,021	\$ 4,584	\$ 3,474	\$ 2,843	\$ 48,372	
Gas	\$ 482	\$ 451	\$ 452	\$ -	\$ 325	\$ 378	\$ 311	\$ 481	\$ 25	\$ 224	\$ 247	\$ 864	\$ 4,239	
Water	\$ 6,457	\$ 5,223	\$ 4,888	\$ 5,937	\$ 4,654	\$ 4,607	\$ 5,305	\$ 6,306	\$ 6,882	\$ 9,007	\$ 4,714	\$ 4,365	\$ 68,345	
Outside Maintenance	\$ 2,475	\$ 4,120	\$ 8,864	\$ 8,774	\$ 10,480	\$ 3,483	\$ 4,158	\$ 4,599	\$ 88	\$ 3,528	\$ 3,528	\$ 3,528	\$ 57,623	
Marketing/Advertising	\$ 123	\$ 469	\$ 284	\$ 43	\$ 2,096	\$ 263	\$ 1,407	\$ 147	\$ 299	\$ 1,078	\$ 1,078	\$ 1,078	\$ 8,365	
Office Expense/Misc.	\$ 1,047	\$ 328	\$ 226	\$ 177	\$ 1,161	\$ 892	\$ 787	\$ 409	\$ 504	\$ 783	\$ 2,683	\$ 783	\$ 9,782	
Professional Fees	\$ 56	\$ -	\$ -	\$ 121	\$ 8,805	\$ 2,150	\$ 636	\$ 145	\$ 627	\$ 545	\$ 545	\$ 545	\$ 14,175	
Management Fees	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Tax Escrow	\$ 10,863	\$ 8,942	\$ 8,942	\$ 8,082	\$ 8,082	\$ 14,989	\$ 8,082	\$ 8,082	\$ 8,082	\$ 8,082	\$ 8,082	\$ 8,082	\$ 108,390	
Insurance Escrow	\$ 2,080	\$ 2,080	\$ 2,080	\$ 2,080	\$ 2,080	\$ 13,647	\$ 2,080	\$ 2,080	\$ (2,920)	\$ 4,308	\$ 4,308	\$ 4,308	\$ 38,215	
Replacement Reserve.	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 2,666	\$ 31,995	
Total Operating Exp	\$ 53,228	\$ 52,600	\$ 55,954	\$ 53,592	\$ 78,542	\$ 69,275	\$ 44,600	\$ 57,231	\$ 44,007	\$ 54,382	\$ 51,307	\$ 48,195	\$ 662,913	
Net Operating Income	\$ 41,607	\$ 48,233	\$ 44,889	\$ 44,778	\$ 29,791	\$ 33,824	\$ 60,702	\$ 49,655	\$ 59,049	\$ 48,978	\$ 52,372	\$ 55,824	\$ 569,701	
GP Loan Funding	\$ 20,000	\$ -	\$ -	\$ 12,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,000	
Other Costs:														
Principal & Interest	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 50,332	\$ 603,981	
Management Fee	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Asset Mgmt Fee(SHS)	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Partnership Fee(LaSalle)	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Expenditures	\$ -	\$ 1,305	\$ 2,945	\$ 834	\$ 17,573	\$ 3,384	\$ -	\$ 768	\$ 1,939	\$ 1,000	\$ 1,000	\$ 1,000	\$ 31,748	
Total Other Costs	\$ 50,332	\$ 51,636	\$ 53,277	\$ 51,165	\$ 67,905	\$ 53,716	\$ 50,332	\$ 51,100	\$ 52,271	\$ 51,332	\$ 51,332	\$ 51,332	\$ 635,729	
Total Operating Income	\$ 11,276	\$ (3,403)	\$ (8,388)	\$ 5,612	\$ 11,887	\$ (19,893)	\$ 10,370	\$ (1,445)	\$ 6,778	\$ (2,354)	\$ 1,040	\$ 4,492	\$ 15,972	
Cumulative Total	\$ 11,276	\$ 7,872	\$ (516)	\$ 5,097	\$ 16,983	\$ (2,909)	\$ 7,461	\$ 6,016	\$ 12,794	\$ 10,440	\$ 11,480	\$ 15,972		
*** Management, Asset Mgmt & Partnership Fees are being accrued and deferred														

CASH RECONCILIATION

Month Beginning Cash	(10,212)	1,063.76	(2,339.66)	(10,727.67)	(5,115.25)	6,771.54	(13,121.00)	(2,751.02)	(4,195.87)	-	-	-	-	-
Signature -Operating Acct	24,606	32,854	3,293	9,250	42,276	(508)	13,873	29,735	15,661	-	-	-	-	-
PNC Bank	48	48	48	48	48	48	48	48	48	-	-	-	-	-
Less: Prepayments	(23,590)	(35,241)	(14,069)	(14,413)	(35,552)	(12,661)	(16,671)	(33,978)	(13,126)	-	-	-	-	-
Month Ending Cash	1,064	(2,340)	(10,728)	(5,115)	6,772	(13,121)	(2,751)	(4,196)	2,583	-	-	-	-	-
Net Cash change for the period	11,276	(3,403)	(8,388)	5,612	11,887	(19,893)	10,370	(1,445)	6,778	-	-	-	-	-
Reconciliation	0.00	(0.00)	0.00	0.00	0.00	0.00	(0.00)	0.00	-	-	-	-	-	-

DEFERRED MANAGEMENT FEES

Management Fee (TLG)																										
Deferred Management Fees	\$	5,690.10	\$	6,049.97	\$	6,050.57	\$	5,902.20	\$	6,499.98	\$	6,186	\$	6,318.12	\$	6,413.19	\$	6,183.37	\$	6,201.56	\$	6,220.75	\$	6,241.12	73,957	
Repayment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(15,972)
Cumulative Deferred Balance	155,454	\$	161,144	\$	167,194	\$	173,244	\$	179,146	\$	185,646	\$	191,832	\$	198,150	\$	204,564	\$	210,747	\$	216,949	\$	223,169	\$	213,438	
Asset Mgmt Fee(SHS)																										
Deferred Management Fees	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	5,000.00
Repayment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Cumulative Deferred Balance	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	\$	40,486	45,486
Partnership Fee(LaSalle)																										
Deferred Management Fees	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	5,000.00
Repayment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Cumulative Deferred Balance	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	\$	40,332	45,332

GENERAL PARTNER / PROPERTY LOANS

General Partner/Working Capital Loans														
(Advance)/Repayment		(20,000)	-	-	-	(12,000)	(50,000)	-	-	-	-	-	-	-
GP Loan Balance	382,571	402,571	402,571	402,571	414,571	464,571	464,571	464,571	464,571	464,571	464,571	464,571	464,571	464,571
Interest		4,502	4,066	4,502	4,356	4,502	4,356	4,502	4,356	4,502	4,356	4,502	4,356	53,002
Accrued Interest	279,958	284,460	288,526	293,027	297,384	301,885	306,242	310,743	315,245	319,601	324,103	328,459	332,961	332,961
Cumulative GP Loan Balance	662,529	687,031	691,097	695,598	711,955	766,456	770,813	775,314	779,816	784,172	788,674	793,030	797,532	797,532

Other Loans - SHS Bridge Loan

SHS Bridge														
Advance/Repayment		-	-	-	-	-	-	-	-	-	-	-	-	-
Due to SHS Bridge	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221	260,221
Interest		3,462	3,127	3,462	3,350	3,462	3,350	3,462	3,462	3,350	3,462	3,350	3,462	40,764
Accrued Interest	249,326	252,788	255,915	259,377	262,728	266,190	269,541	273,003	276,465	279,815	283,277	286,628	290,090	290,090
Cumulative Loan Balance	509,547	513,009	516,136	519,598	522,949	526,411	529,761	533,223	536,686	540,036	543,498	546,849	550,311	550,311

Lake Superior Contracting

Due to Lake Superior Contracting	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403
Loan repay		-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance		59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403	59,403

BALANCE OF ESCROWS & RESERVES

	BB	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Replacement Reserve	2,380	5,047	7,713	10,379	13,045	15,712	18,378	21,044	23,710	26,377	29,043	31,709	34,375
Long-Term Capital Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Escrow)	32,403	34,484	36,564	38,645	40,725	42,806	44,887	46,968	49,049	51,130	53,211	55,292	57,373
Property Taxes (Escrow)	79,020	(5,288)	3,654	12,597	20,678	28,760	36,842	44,924	53,006	61,088	69,170	77,252	85,334

MORTGAGE NOTE BALANCE & DEBT SERVICE COVERAGE

		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Mortgage Note Balance	6,951,123	6,942,810	6,934,448	6,921,978	6,914,137	6,904,879	6,895,002	6,885,644	6,877,594	6,869,496	6,859,988	6,851,784	6,842,172
Principal Reduction		8,312	8,363	12,470	7,842	9,258	9,876	9,359	8,049	8,098	9,508	8,205	9,612
Interest Payment		42,020	41,969	37,862	42,490	41,074	40,455	40,973	42,282	42,234	40,824	42,127	40,720
Debt Service Coverage Ratio													
Annual		0.827	0.892	0.892	0.892	0.832	0.805	0.862	0.878	0.911	0.917	0.928	0.943

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BOARD ACTION REQUEST

BOND FINANCE DIVISION

FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action on Resolution No. 14-016 authorizing a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 82) along with related program documents to be administered by the Texas Department of Housing and Community Affairs.

RECOMMENDED ACTION

WHEREAS, the Governing Board desires to authorize the filing with the Texas Bond Review Board of an application for reservation of Volume Cap in an amount not-to-exceed \$525,000,000 for mortgage credit certificates (“MCCs”); and

WHEREAS, the Department desires to convert an amount not-to-exceed \$525,000,000 of the amount of the State ceiling reserved for qualified mortgage bonds to MCCs, to be used for the Department’s 2014 Mortgage Credit Certificate Program to be designated as Program 82; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the MCC Program Participation Agreement; and

WHEREAS, the Governing Board desires to approve the Program Manual, setting forth the terms and conditions upon which MCCs will be issued by the Department; and

WHEREAS, the Governing Board desires to approve the Program Summary setting forth the terms of the MCC Program 82; and

WHEREAS, the Governing Board desires to approve the use of an amount not-to-exceed \$100,000 of Department funds to pay the costs of implementing the MCC Program 82,

NOW, therefore, it is hereby

RESOLVED, that Resolution No. 14-016 is hereby adopted in the form presented to this meeting.

BACKGROUND

TDHCA’s current MCC program was released on August 1, 2013 (Program 81). Under this program, over 90% of funds available have been originated or are in the pipeline. In order to

ensure a continuous flow of available MCC funds, Staff is requesting approval of this resolution which will continue the issuance of new MCCs under Program 82 and to obtain approval of the MCC program along with related program documents to be administered by TDHCA.

Today, Staff is seeking approval to submit an application to the Texas Bond Review Board for an amount not-to-exceed \$525 million from existing carry-forward single family private activity bond authority. The \$525 million in volume cap will be able to provide MCC certificates to support an estimated \$328 million in related mortgage loans (at a 40% credit rate) or approximately \$375 million (using a 35% credit rate).

A mortgage credit certificate is an instrument designed to assist persons of low to moderate income to better afford individual ownership. The procedures for issuing MCCs were established by the United States Congress as an alternative to the issuance of single family mortgage revenue bonds. As distinguished from a bond program, in an MCC program no bonds are issued, no mortgage money is actually used, many of the costs associated with a bond program are not incurred, and lenders are required to pay only nominal up-front fees.

MCC Program 82 Example

Volume Cap Allocated for MCCs	\$525 million
IRS MCC Conversion Factor	\$0.25
MCC Issuance Authority	\$131.25 million
Average P81 Mortgage Credit Certificate Program Mortgage Amount	\$146,433
Market Mortgage Interest Rate	4.50%
First Year Mortgage Interest	\$6,589
MCC Certificate Credit Rate	40%/35%
Tax Credit Amount	\$2,635/\$2,306
Maximum Tax Credit Allowed	\$2,000
Schedule "A" Mortgage Interest Deduction	\$4,589

Mortgage Credit Certificates help make ownership of a new or existing home more affordable by entitling the homeowner to a personal tax credit of up to \$2,000 against their federal tax liability for a portion of the interest paid on their home mortgage. For example, a homeowner that purchased a home with a mortgage loan in the amount of \$146,433 at a 4.50% interest rate for 30 years would have a monthly principal and interest payment of \$742. With an MCC, homeowners can submit a revised W-4 Withholding Form to his or her employer to reduce the federal withholding tax by up to \$166.67 per month (\$2,000 / 12). By reducing their federal income tax liability the borrower has more disposable income to service the mortgage and pay for living expenses. This same homeowner can continue to deduct the remaining yearly mortgage interest paid of approximately \$4,589 (\$6,589 less \$2,000) as an itemized deduction on their annual federal income tax return. Simply put, an MCC is a dollar for dollar reduction of income taxes owed.

In order to be eligible for an MCC, borrowers must comply with the same first-time homebuyer requirements stipulated by the Internal Revenue Code for mortgage revenue bonds. For example, MCC recipients must occupy the residence as their primary residence, comply with

income limits and comply with home purchase price limits. MCCs cannot be used when mortgages are funded with tax-exempt bond proceeds.

Under Federal guidelines, the Department, as an issuer of mortgage revenue bonds can trade \$1 of bond authority for \$0.25 of MCC authority. Today, staff is recommending using \$525 million of private activity volume cap authority for \$131.25 million in MCC authority.

Lenders participating in TDHCA's previous Mortgage Credit Certificate Programs have expressed continued interest in mortgage credit certificates. The proposed program would assist over 2,200 Texas families in attaining the "American Dream" of homeownership. The Department's MCC programs in the past three fiscal years have assisted 2,231 homebuyers and subsidized approximately \$301 million in mortgage loan financing. Currently, Programs 80/81 have enough remaining MCC commitment authority to support approximately \$20 million in additional mortgage loan commitments. It is staff's intention to release Program 82 once Programs 80/81 have been fully committed.

RESOLUTION NO. 014-016

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING THE IMPLEMENTATION OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MORTGAGE CREDIT CERTIFICATE PROGRAM 82; APPROVING THE FORM AND SUBSTANCE OF THE PROGRAM MANUAL AND THE PROGRAM SUMMARY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT MORTGAGE CREDIT CERTIFICATE PROGRAM 82; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "state ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended; and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the state ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the “Allocation Rules”) require that an Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Governing Board has determined to authorize the filing of an Application for Reservation in the maximum amount of \$525,000,000 with respect to qualified mortgage bonds; and

WHEREAS, the Department desires to convert an aggregate amount not to exceed \$525,000,000 of the Reservation to mortgage credit certificates (“MCCs”), to be used for the Department’s Mortgage Credit Certificate Program to be designated as Program 82 (“MCC Program 82”); and

WHEREAS, the Governing Board desires to approve the Program Manual (the “Program Manual”) in substantially the form attached hereto, setting forth the terms and conditions upon which MCCs will be issued by the Department; and

WHEREAS, the Governing Board desires to approve the Program Summary (the “Program Summary”) in substantially the form attached hereto setting forth the terms of MCC Program 82; and

WHEREAS, the Governing Board desires to approve an initial range for the mortgage credit certificate rate; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$100,000 of Department funds to pay the costs of implementing MCC Program 82 and to approve MCC processing and compliance fees in an amount not to exceed \$300 per loan; and

WHEREAS, the Governing Board desires to approve the forms of the Program Manual and the Program Summary, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement MCC Program 82 in accordance with such documents by authorizing MCC Program 82, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out MCC Program 82; NOW, THEREFORE,

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

ARTICLE 1

APPLICATION FOR RESERVATION; USE OF PRIVATE ACTIVITY BOND VOLUME CAP

Section 1.1. Application for Reservation. The Governing Board hereby authorizes Bracewell & Giuliani LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board an Application for Reservation in the amount of \$525,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 1.2. Authorization of Certain Actions. The Governing Board authorizes the Executive Director of the Department, the staff of the Department as designated by the Executive Director and Bond Counsel to take such actions on its behalf as may be necessary to carry out the actions authorized in Section 1.1.

Section 1.3. MCC Authority. The Department shall take such steps as are necessary to convert \$525,000,000 of its authority to issue qualified mortgage bonds to authority to issue MCCs in order to implement MCC Program 82.

ARTICLE 2

APPROVAL OF MCC DOCUMENTS

Section 2.1. Approval of Program Manual and Program Summary. The form and substance of the Program Manual and Program Summary are hereby authorized and approved.

Section 2.2. Mortgage Credit Certificate Rate. The mortgage credit certificate rate shall be specified by the Department in the manner set forth in the Program Manual, provided that the initial mortgage credit certificate rate shall not exceed 40%.

Section 2.3. Execution and Delivery of Other Documents and Waiver of Fees. The Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests, public notices 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, the Participation Agreement, the Program Manual and the Program Summary. The staff of the Department is authorized to waive the fees described in the Program Manual from time to time for marketing purposes.

Section 2.4. Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell & Giuliani LLP, Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 2.5. Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Program Manual
- Exhibit B - Program Summary

Section 2.6. 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 referred to in this Article 2: the Chair of the Governing Board, the Vice Chair of the Governing Board, the Executive Director of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any the Assistant Secretary to the Governing 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.

Section 2.7. Department Contribution and Fees. The Department authorizes the contribution of Department funds in an amount not to exceed \$100,000 to pay certain costs of implementing MCC Program 82 and approves MCC processing and compliance fees not to exceed \$300 per loan.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. Purposes of Resolution. The Governing Board of the Department has expressly determined and hereby confirms that the implementation of MCC Program 82 contemplated by this Resolution accomplishes a valid public purpose of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State.

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

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

PASSED AND APPROVED this 20th day of February, 2014.

Chair, Governing Board

ATTEST:

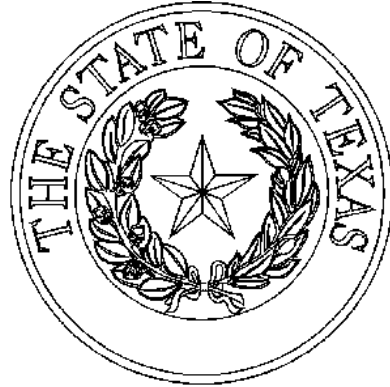
Secretary to the Governing Board

(SEAL)

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2014 DOE WAP STATE PLAN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS



**PY 2014 STATE PLAN & APPLICATION
FOR
WEATHERIZATION ASSISTANCE PROGRAM
FOR LOW-INCOME PERSONS**

February 2014

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		2. Type of Application: If Revision, select appropriate letter(s) <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation Other (specify): <input type="checkbox"/> Revision	
3. Date Received 04/01/2013		4. Applicant Identifier: R830010	
5a. Fed Entity Identifier:		5b. Federal Award Identifier: DE-EE0006186	
State Use Only:			
6. Date Received by State: 04/01/2013		7. State Application Identifier: TX-W-200	
8. APPLICANT INFORMATION:			
a. Legal Name: STATE OF TEXAS			
b. Employer/Taxpayer Identification Number (EIN/TIN): 742610542		c. Organizational DUNS: 806781902	
d. Address:			
Street 1: P.O. BOX 13941 Street 2: City: AUSTIN County: State: TX Province: Country: U.S.A. Zip / Postal Code: 787113941			
e. Organizational Unit:			
Department Name: TEXAS HOUSING & COMMUNITY AFF.		Division Name: TEXAS DEPT. OF HOUSING & COMMUNITY AFFAIRS	
f. Name and contact information of person to be contacted on matters involving this application:			
Prefix: Mr First Name: Michael Middle Name: Last Name: DeYoung Suffix:			
Title: Community Affairs Division Director			
Organizational Affiliation: Texas Dept. of Housing and Community Affairs			
Telephone Number: 5124752125		Fax Number: 5124753935	
Email: michael.deyoung@tdhca.state.tx.us			

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

9. Type of Applicant:

A State Government

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance for Low-Income Persons

12. Funding Opportunity Number:

DE-WAP-0002014

Title:

2014 Weatherization Assistance Funding Opportunity

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Statewide

15. Descriptive Title of Applicant's Project:

Statewide Weatherization Assistance Program

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

16. Congressional District Of:

a. Applicant: Texas Congressional District 01

b. Program/Project: TX-Statewide

Attach an additional list of Program/Project Congressional Districts if needed:

17. Proposed Project:

a. Start Date: 04/01/2013

b. End Date: 03/31/2014

18. Estimated Funding (\$):

a. Federal	0.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	0.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

- a. This application was made available to the State under the Executive Order 12372 Process for review on:
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code Title 218, Section 1001)**

I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr First Name: Timothy
Middle Name: K.
Last Name: Irvine
Suffix:

Title: Executive Director

Telephone Number: 5124753296 Fax Number: 5124753858

Email: tim.irvine@tdhca.state.tx.us

Signature of Authorized Representative:

Date Signed:

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0006186		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
3. Name and Address STATE OF TEXAS P.O. BOX 13941 AUSTIN TX 787113941		4. Program/Project Start Date 04/01/2014	5. Completion Date 03/31/2015

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DOE	81.042	\$ 0.00		\$ 4,289,956.00		\$ 4,289,956.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 4,289,956.00	\$ 0.00	\$ 4,289,956.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTR ATION	(2) SUBGRANTE E ADMINISTR	(3) GRANTEE T&TA	(4) SUBGRANT EE T&TA	
a. Personnel	\$ 103,177.00	\$ 0.00	\$ 95,389.00	\$ 0.00	\$ 198,566.00
b. Benefits	\$ 25,794.00	\$ 0.00	\$ 23,847.00	\$ 0.00	\$ 49,641.00
c. Travel	\$ 21,164.00	\$ 0.00	\$ 23,604.00	\$ 0.00	\$ 44,768.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 3,000.00	\$ 0.00	\$ 2,000.00	\$ 0.00	\$ 5,000.00
f. Contract	\$ 0.00	\$ 364,658.00	\$ 0.00	\$ 229,970.00	\$ 3,876,554.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 18,029.00	\$ 0.00	\$ 14,000.00	\$ 0.00	\$ 32,029.00
i. Total Direct Charges	\$ 171,164.00	\$ 364,658.00	\$ 158,840.00	\$ 229,970.00	\$ 4,206,558.00
j. Indirect	\$ 43,335.00	\$ 0.00	\$ 40,063.00	\$ 0.00	\$ 83,398.00
k. Totals	\$ 214,499.00	\$ 364,658.00	\$ 198,903.00	\$ 229,970.00	\$ 4,289,956.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0006186		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
3. Name and Address STATE OF TEXAS P.O. BOX 13941 AUSTIN TX 787113941		4. Program/Project Start Date 04/01/2014	5. Completion Date 03/31/2015

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 4,289,956.00	\$ 0.00	\$ 4,289,956.00

SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	Grant Program, Function or Activity				Total (5)	
	(1) PROGRAM OPERATION S	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS		
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 198,566.00	
b. Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 49,641.00	
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 44,768.00	
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,000.00	
f. Contract	\$ 2,479,634.00	\$ 619,908.00	\$ 161,584.00	\$ 20,800.00	\$ 3,876,554.00	
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
h. Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 32,029.00	
i. Total Direct Charges	\$ 2,479,634.00	\$ 619,908.00	\$ 161,584.00	\$ 20,800.00	\$ 4,206,558.00	
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 83,398.00	
k. Totals	\$ 2,479,634.00	\$ 619,908.00	\$ 161,584.00	\$ 20,800.00	\$ 4,289,956.00	
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0006186, State: TX, Program Year: 2014)

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Alamo Area Council of Governments (San Antonio)	\$324,701.00 32
Big Bend Community Action Council (Marfa)	\$59,715.00 5
Brazos Valley Community Action Agency (College Station)	\$133,220.00 13
Cameron-Willacy Counties Community Projects (Brownsville)	\$123,401.00 12
Combined Community Action Agency (Giddings)	\$89,193.00 8
Community Action Committee of Victoria Texas (Victoria)	\$121,024.00 11
Community Action Corporation of South Texas (Alice)	\$325,623.00 32
Community Services Agency of South Texas (Carrizo Springs)	\$82,139.00 7
Community Services, Inc. (Corsicana)	\$229,233.00 22
Concho Valley CAA (San Angelo)	\$75,210.00 7
Dallas County Health & Human Services (Dallas)	\$313,042.00 31
El Paso Community Action Program, Project Bravo (El Paso)	\$180,710.00 17
EOAC of Planning Region XI (Waco)	\$79,327.00 7
Fort Worth, City of (Fort Worth)	\$193,845.00 19
Greater East Texas Community Action Program (Nacogdoches)	\$116,702.00 11
Hill Country Community Action Agency, Inc. (San Saba)	\$109,108.00 10
Nueces County Community Action Agency (Corpus Christi)	\$68,022.00 6
Panhandle Community Services, Inc. (Amarillo)	\$111,038.00 10
Programs for Human Services (Orange)	\$119,496.00 11
Rolling Plains Management Corp. (Crowell)	\$149,289.00 14
Sheltering Arms Senior Services, Inc. (Houston)	\$349,999.00 34
South Plains Community Action Agency (Levelland)	\$101,189.00 9
Texoma Council of Governments (Sherman)	\$119,422.00 11
Travis County Health & Human Services Dept. (Austin)	\$121,806.00 11

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Tri-County Community Action Agency (Center)	\$70,186.00 6
West Texas Opportunities, Inc. (Lamesa)	\$109,914.00 10
Total:	\$3,876,554.00 366

IV.2 WAP Production Schedule

Weatherization Plans	Units
Total Units (excluding reweatherized)	366
Reweatherized Units	0

Note: Planned units by quarter or category are no longer required, no information required for persons.

Average Unit Costs, Units subject to DOE Project Rules		
<i>VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)</i>		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	366
C	Total Units Reweatherized	00
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	366
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
<i>AVERAGE COST PER DWELLING UNIT (DOE RULES)</i>		
F	Total Funds for Program Operations	\$2,479,634.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	366
H	Average Program Operations Costs per Unit (F divided by G)	\$6,774.96
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$6,774.96

IV.3 Energy Savings

Method used to calculate savings: WAP algorithm Other (describe below)

Method used to calculate savings description:

The PY 2014 energy saving calculations methodology was developed by the Department using the most recent Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493). This methodology estimates annual savings of 30.5 MBtu according to DOE's PY 2005 Application Instructions and Forms for PY 2006. The 2014 Plan is estimated according to funding allocation and adjusted average expenditure limit per unit allowed to weatherize a home. The total number of units projected to be weatherized in PY 2014 is 366 for a total of annual estimated energy savings of 11,163 MBtu.

This year estimated energy savings (MBtus):
Prior year estimated energy savings (MBtus): **Actual:**

IV.4 DOE-Funded Leveraging Activities

N/A

IV.5 Policy Advisory Council Members

**U.S. Department of Energy
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Check if an existing state council or commission serves in this category and add name below

Combined Community Action Inc.	Type of organization: Non-profit (not a financial institution) Contact Name: Kelly Franke Phone: (979)540-2985 Email: KJFranke@ccaction.com
Greater East Texas Community Action Program	Type of organization: Non-profit (not a financial institution) Contact Name: Karen Swenson, Executive Director Phone: (936)564-2491 Email: kswenson@sbcglobal.net
Railroad Commission of Texas, Alt. Fuels Div.	Type of organization: Unit of State Government Contact Name: Heather Ball, Dir. Marketing & Public Education Phone: (512)463-7359 Email: heather.ball@rrc.state.tx.us
Texas Department of Aging and Disability Services	Type of organization: Unit of State Government Contact Name: Toni Packard Phone: (512)438-4290 Email: toni.packard@dads.state.tx.us
Ysleta del Sur Pueblo Housing Department	Type of organization: Indian Tribe Contact Name: Al Joseph Phone: (915)859-9196 Email: ajoseph@ydsp-nsn.gov

IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)

Date Held	Newspapers that publicized the hearings and the dates the notice ran
01/23/2014	Draft PY 2014 Plan was presented at the TDHCA Board of Directors meeting on January 23, 2014, approving release of the Draft plan for public comment.
01/24/2014	Draft plan and notice of public hearing was posted on the Department's website on January 24, 2014.
02/07/2014	Notice of Public Hearing for the Texas 2014 WAP Plan was posted in the February 7, 2014 edition of the Texas Register.
02/10/2014	Public Hearing for the Texas 2014 WAP Plan was held on February 10, 2014.
02/11/2014	The WAP Policy Advisory Council meeting was held on February 11, 2014.
02/20/2014	Final PY 2014 Plan was presented at the TDHCA Board of Directors meeting on February 20, 2014, approving submission of the Final plan to DOE.

IV.7 Miscellaneous

Policy Advisory Council

The Policy Advisory Council (PAC) is broadly representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems. Historically, the PAC has met annually after the public hearing for the DOE plan.

The low-income elderly population is represented by the PAC members from Combined Community Action and the Greater East Texas Community Action Association. The low-income handicapped population is represented by the PAC member from the Texas Department of Aging and Disability Services. The low-income Native American population is represented by the PAC member from the Ysleta del Sur Pueblo Housing Department.

Liability Insurance

The liability insurance separate line item was increased to enable Subrecipients to purchase pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for pollution occurrence. Subrecipients should review existing policies to ensure that lead paint measures are also covered and if not, secure adequate coverage for all units to be weatherized. If Subrecipients require additional funding for liability insurance, they must first provide the Department with three price quotes. When approved, additional liability insurance costs may be paid from administrative or program support categories. The Department strongly recommends the Subrecipients require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each Subrecipient should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

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This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Household income will be up to 200% of federal poverty level or less, or contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12-month period preceding the determination of eligibility for weatherization assistance.

Describe what household Eligibility basis will be used in the Program

Prior to weatherizing any home, the Department will ensure that its subrecipients have determined the following eligibility criteria: Subrecipients should follow the Department's Texas Administrative Code rules, Title 10, Part 1, Chapter 5, Subchapters A, E, and F for details on eligibility and income determination criteria.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

TEMPORARY DISQUALIFICATION OF CERTAIN NEWLY LEGALIZED ALIENS FROM RECEIPT OF WEATHERIZATION BENEFITS: Sections 245A and 210A of the Immigration and Nationality Act (INA), as amended, made certain aliens, legalized under the Immigration and Control Act (ICA) of 1986, temporarily ineligible for weatherization assistance. The provisions of this law have expired. The only potential implications affecting weatherization services are those individual cases that were open while this law was in effect.

The Welfare Reform Act, officially referred to as the Personal Responsibility and Work Opportunity Act of 1996, H.R. 3734, placed specific restrictions on the eligibility of aliens for "Federal means-tested public benefits" for a period of five years. As defined in a Federal Register notice dated August 26, 1997 (62 FR 45256) the Department of Health and Human Services (HHS) is interpreting "Federal means-tested public benefits" to include only those benefits provided under Federal means-tested, mandatory spending programs. HHS Information Memorandum LIHEAP-IM-25 dated August 28, 1997, states that all qualified aliens, regardless of when they entered the U.S., continue to be eligible to receive assistance and services under the Low-Income Home Energy Assistance Program (LIHEAP) if they meet other program requirements. To eliminate any possible contradiction of eligibility for weatherization services at the State and local level for qualified aliens, the definition adopted by HHS will also apply to the DOE Weatherization Assistance Program.

HHS issued Information Memorandum LIHEAP-IM-98-25 dated August 6, 1998, outlining procedures for LIHEAP and Weatherization grantees serving non-qualified aliens to implement new status verification requirements. This memorandum is based on a proposed rule issued by the Department of Justice (DOJ) on August 4, 1998. The Welfare Reform Act is a complex issue and there is some confusion on the specific application of this part of the Act. To insure Program continuity between LIHEAP and DOE Weatherization for the many subrecipients operating both programs, the DOE Weatherization Assistance Program will follow the interpretation as adopted by HHS. The primary area of confusion resides in the types of local agencies that are exempt/non-exempt from "status verification requirements." Local agencies that are both charitable and nonprofit would be exempt, which comprise about three-quarters of the local agency network. However, those agencies which are designated as local government agencies operating the Weatherization Program would not be exempt and, therefore, must conduct "status verification." Under the DOJ ruling, grantees subject to this ruling have 2 years to fully implement this procedure after the publication date of the final rule. The final rule has not yet been issued.

The DOE and LIHEAP WAP are in compliance with **LIHEAP-IM-99-10 issued June 15, 1999 retracting any requirement that weatherization providers must do any type of certification of citizenship in multifamily buildings.**

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Documented proof is on file that the dwelling unit is an eligible dwelling unit as defined in §440.22.

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Describe Reweathering compliance

Texas limits Reweathering to 5% of all units weatherized. If agencies need to exceed the 5% cap, the agency should send a written request for prior approval to the Department.

Reweathering will be allowed on units that have received limited weatherization prior to September 30, 1994. A new energy audit must be conducted on each unit reweatherized.

Describe what structures are eligible for weatherization

A dwelling unit shall be eligible for weatherization assistance if it is occupied by a family unit which contains a current household member who has received TANF or SSI at any time during the twelve month period preceding the determination of eligibility. The eligibility of dwelling units for WAP services can be found in 10 CFR §440.22.

Describe how Rental Units/Multifamily Buildings will be addressed

The Department addresses Rental Units and Multifamily units in the same manner. In accordance with §440.22(b)(3), the Department requires that Subrecipients keep on file procedures that address protection of renters' rights, to ensure:

- Written permission of the building owner or his agent before commencing work.
- Benefits of the services accrue primarily to the low-income tenants residing in such units.
- For a reasonable period of time after completion, the household will not be subjected to rent increases (unless those increases are demonstrably related to other matters other than the weatherization work performed).
 - There are adequate procedures whereby the Grantee can receive tenant complaints and owners can appeal, should rental increases occur.
- No undue or excessive enhancement shall occur to the value of the dwelling unit.
- To secure the federal investment and to address issues of eviction from and sale of property, per 10 CFR 440.22(c), Grantees may seek landlord agreement to placement of a lien (or other contractual restrictions) upon the property being weatherized.

Assessments and client file documentation for rental units and multifamily units are also detailed in the Multifamily Weatherization Best Practice posted on the Department's website at

<http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-BP-MFWeatherization.pdf>.

Further, for Multifamily buildings, in the final rule, DOE offered flexibility by adding certain eligible types of large multifamily buildings to the list of dwellings that are exempt from the requirement that at least 66 percent of the units are to be occupied by income-eligible persons. In these large multifamily buildings, as few as 50 percent of the units would have to be certified as eligible before weatherization. This exception would apply only to those large multifamily buildings where an investment of DOE funds would result in significant energy-efficiency improvement because of the upgrades to equipment, energy systems, common space, or the building shell and when leveraged funds are available. By providing this flexibility, local agencies will be better able to select the most cost-effective investments and enhance their partnership efforts in attracting leveraged funds and/ or landlord contributions. This flexibility does not apply to any other type of multifamily unit(s).

Local agencies should use caution utilizing flexibility in this area. **The key is the investment of DOE funds coupled with leveraged resources which result in significant energy savings.** Absent this investment, lowering the eligibility to 50% may lead to disallowed costs. Local agencies must obtain prior written approval through the Department to use the 50% eligibility. DOE Regional Office must approve. The Department will seek DOE approval.

Describe the deferral Process

Deferral Standards Section of the Texas Health and Safety Plan:

A dwelling unit should not be weatherized where there is a potentially harmful situation that may adversely affect the occupants or agency's weatherization crew and staff. Only after the unit owner corrects the problems, shall weatherization work begin. It is not necessarily the responsibility of the weatherization agencies to correct such problems. The crew must declare their intent to defer weatherization on an eligible unit on the audit sheet. The audit form should include the client's name and address, dates of the audit/assessment and when the client was informed in writing, a clear description of the problem, conditions under which weatherization could continue, the responsibility of all parties involved, and the client(s) signature(s) indicating that they understand and have been informed of their rights and options. A copy should be given to the client and a copy sent to the state weatherization manager.

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Should a client request a second opinion on a deferral or walk-away, the agency is encouraged to contact their local county health, building, electrical, or other county inspector to request an inspection of the site. Should the client refuse to have a county inspector inspect the unit, the crew will note the refusal in the client file, and no work shall be performed on the unit. If the inspector deems that work pending deferral can or should be performed, crews/contractors and contractors are encouraged to work with the inspector's suggestions to make the improvements. However, the inspector does not make the final determination on the amount, cost of work, or measures applied to the unit. Should the agency deem the suggested measures to be financially or programmatically out of the scope of weatherization, the agency may still defer the weatherization work on the unit.

Crewmembers or contractors who work on a unit that could or should be a deferral or walk-away, do so at their own risk.

V.1.3 Definition of Children

Definition of children (below age): **6**

V.1.4 Approach to Tribal Organizations

Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

The 70th Texas Legislature created the Native American Restitutionary Program (Oil Overcharge Restitutionary Act, Texas Government Code, Chapter 2305) for the purposes of providing oil overcharge restitution to the Texas Native Americans. In the Texas WAP, the Native-American Indian population is treated and served in the same manner as regular clients.

V.2 Selection of Areas to Be Served

The WAP is available to low-income households in all 254 counties of the state. The subrecipients are held responsible for all intake, eligibility, and weatherization activities. If the subrecipient's performance record is satisfactory according to both state and federal regulations, then the Department will offer to renew the contract if the subrecipient so desires.

New or additional subrecipients for counties unserved by Weatherization will be selected according to DOE regulations found in 10 CFR§440.15. A new or additional subrecipient is defined as a CAA or other public or nonprofit entity that is not currently operating a DOE Weatherization Assistance Program. At present, all Texas counties are served with a network of 34 existing subrecipients. This number is subject to change depending on the needs of the Program throughout the year.

Each proposed new or additional subrecipient must satisfy the following conditions of 10 CFR§440.15:

- (1) Each subrecipient is a CAA or other public or nonprofit entity;
- (2) Each subrecipient is selected on the basis of public comment received during a public hearing conducted pursuant to §440.14 (a) and other appropriate findings regarding:
 - (i) The subrecipient's experience and performance in weatherization or housing renovation activities;
 - (ii) The subrecipient's experience in assisting low-income persons in the area to be served; and
 - (iii) The subrecipient's capacity to undertake a timely and effective weatherization program.
- (3) In selecting a subrecipient, preference is given to any CAA or other public or nonprofit entity which has, or is currently administering an effective program under this part or under Title II of the Economic Opportunity Act of 1964. Program effectiveness will be evaluated by consideration of factors including, but not necessarily limited to the following:
 - (i) The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
 - (ii) The quality of work performed by the subrecipient;

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(iii)The number, qualifications, and experience of the staff members of the subrecipient; and

(iv)The ability of the subrecipient to secure volunteers, training participants, and public service employment workers.

Formula Distribution

The Department updates the budget allocation proportion by county and Subrecipient based on poverty income, elderly poverty, median household income (from the 2010 U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010).

The Department allocates funds to Subrecipients by applying a formula based upon the DOE allocation for program year 2013. The allocation formulas reflect the 2010 Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized. The adjusted average expenditure limit per unit for program year 2013 is \$6,904. Texas limits Reweathering to 5% of all units weatherized. If agencies need to exceed the 5% cap, the agency should send a written request for prior approval to the Department.

If the Department determines it is necessary to permanently reassign a service area to a new Subrecipient, the Subrecipient will be chosen in accordance with 10 CFR §440.15 and the Department's Texas Administrative Code. The fund allocations for individual service areas are determined by a distribution formula with five (5) factors:

- (1) Number of non-elderly poverty households per county;
- (2) Number of elderly poverty households (65+) per county;
- (3) Median income variance per county;
- (4) Inverse poverty household density ratio per county; and
- (5) Heating/Cooling Degree days per county.

The Department may deobligate all or part of the funds provided under this contract, if Subrecipient has not expended funds as specified in the contract of each Subrecipient according to the expenditure rate and households served during the sixth month of the program year. Subrecipient's failure to expend the funds provided under this contract in a timely manner may also result in the Subrecipient's ineligibility to receive additional funding during the program year. Note: CFR: Code of Federal Regulation

V.3 Priorities for Service Delivery

The Department will ensure by contract that its subrecipients give priority to weatherizing units occupied by low-income elderly and/or low-income persons with disabilities. However, no specific percentage of elderly or disabled households will be required of subrecipients. Children residing in the units to be weatherized who are under 6 years of age will also be prioritized. Other prioritized clients include those households experiencing a high energy burden and high demand residential energy users. The monitoring/evaluation of the subrecipients will enable the Department to be assured the subrecipient is giving proper attention to these requirements.

V.4 Climatic Conditions

The climatic conditions for the State of Texas are imbedded in the algorithms of the Weatherization Assistant Program (WA 8.9) engineered by the Oak Ridge National Laboratory for the Department of Energy. As part of the Energy Audit modeling, the Department requires the Subrecipient Network to select the nearest weather station to the dwelling units. The Weather files imbedded in the WA 8-9 contains 30 year data of Heating and Cooling degree days for each weather station.

As described in the report prepared by the Pacific Northwest National Laboratory & Oak Ridge National Laboratory for the Department of Energy, the state of Texas has several IECC climate zones. http://apps1.eere.energy.gov/buildings/publications/pdfs/building_america/ba_climateguide_7_1.pdf. These climate zones are used as an aid in helping subrecipients to identify the appropriate climate designation for the counties in which they are providing WAP services. In addition to prescribing appropriate mechanical equipment (example of climate specific measures would be evaporative cooling which may be prescribed in the Hot Dry climate of Texas and not in the Mixed Humid part of Texas) the IRC prescriptive thermal envelope of measures are different. The climate zones found in Texas are as follows:

1. Hot-Humid

A hot-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation and where one or both of the following occur:

- A 67°F (19.5°C) or higher wet bulb temperature for 3,000 or more hours during the warmest six consecutive months of the year; or

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- A 73°F (23°C) or higher wet bulb temperature for 1,500 or more hours during the warmest six consecutive months of the year.

IRC Prescriptive Thermal Envelope Measures:

Zone 2A and 2B			Zone 3A		
Ceiling	R	30			R30
Windows	U	0.65			U 0.50
Walls	R	-13			R-13
Floors	R	- 13			R 13
SHGC		0.30			0.30

1. Hot-Dry

Also see Document Library

A hot-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation and where the monthly average outdoor temperature remains above 45°F (7°C) throughout the year.

IRC Prescriptive Thermal Envelope Measures:

Zone 3A and 3B		
Ceiling		R30
Windows	U	0.50
Walls		R13
Floors	R	13
SHGC		.030

1. Mixed-Humid

A mixed-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (65°F basis) or fewer, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 3A		
Ceiling		R30
Windows	U	0.50
Walls		R13
Floors	R	13
SHGC		.030

1. Mixed-Dry

A mixed-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (50°F basis) or less, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 4		
Ceiling		R38
Windows	U	0.35

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Walls R13
Floors R 19

In addition to the 2009 IRC adopted by the State of Texas, several individual cities have adopted amendments to the code. Several of the largest metropolitan areas have adopted more stringent prescriptive envelope paths.

Enclosed is an example of the stricter envelop requirements for the City of Austin and Dallas as found in the report provided by the Pacific Northwest National Laboratory for the U.S. Department of Energy http://www.energycodes.gov/publications/techassist/residential/Residential_Texas.pdf

City of Austin

Component	Window to Wall area	Austin Code R value	2009 IECC R value
Ceiling	15 20 25	30 38 38	30 30 30

City of Dallas

Component	Window to Wall area	Dallas Code R value	2009 IECC R value
Ceiling	15 20 25	30 38 38	30 30 30

The adoption and amendments to the 2009 IRC will impact the WA 8-9 energy audits in that cities are required to evaluate user defined measures to meet the codes adopted by each individual City.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

The following Technical Guides and Materials are available on the Department's website (<http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm>):

- Material Installation Standards Manual (September 28, 2012)
- Weatherization Field Guide (May 21, 2010)
- Mechanical Systems Field Guide (October 30, 2010)
- NEAT Training Guide (October 25, 2011)

Further, the Department has several Weatherization Best Practices posted at:
<http://www.tdhca.state.tx.us/community-affairs/wap/wap-best-practices.htm>

All work is being performed in accordance to the DOE-approved energy audit procedures and 10 CFR 440 Appendix A.

New for 2014 Plan: Texas Implementation of WPN 14-4, Section 1

During PY 2014, TDHCA will obtain SWS cards and crosswalk card guidance with the following existing field guides:

- *Weatherization Field Guide (2010)*

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- *Material Installation Standards Manual (2012)*
- *Mechanical Systems Field Guide (2010)*

Once SWS guidance has been added to the Texas Field Guides, each document will be released for public comment.

Following the public comment period, TDHCA will provide final update versions of the field guides and Subrecipient network on the TDHCA WAP website. Hard copies of the SWS cards will be provided the Subrecipient network by mail.

New for 2014 Plan: Texas Implementation of WPN 14-4, Section 2

TDHCA includes technical requirements for field work in each Subrecipient's annual DOE WAP contract. Beginning in PY2014, TDHCA will include a certification document with the Subrecipient contract, to document acknowledgement and receipt of these technical requirements.

The Department shall allow subrecipients to perform the following funded Weatherization services:

Types of Work to be Done

A.Low Cost/No Cost: The Department shall not require any low cost/no cost services. (See §440.20)

B.Incidental Repair: If such repairs are necessary to make the installation or preservation of weatherization materials effective, the cost of incidental repair materials shall not exceed the cost of weatherization materials. The goal of the WAP remains energy conservation, not housing rehabilitation.

C.Expenditures of financial assistance provided under DOE funding or other resources for the WAP for labor, weatherization materials, and related matters shall not exceed the new adjusted average expenditure limit for program year per dwelling unit, without special agreement via an approved waiver from the Department. The adjusted average expenditure limit per dwelling unit for the current year is referenced in the annual file.

Labor, weatherization materials, and related matters include but are not limited to:

- (1)Weatherization materials;
- (2)The appropriate portion of the cost of tools and equipment used to install weatherization materials for a dwelling unit;
- (3)The cost of transporting labor, tools and materials for a dwelling unit;
- (4)The cost of having on-site supervisory personnel;
- (5)The cost of making WAP incidental repairs; and
- (6)Office space, utilities, telephones and similar costs associated with program support personnel;
- (7)Sales taxes (if not exempt) incurred on weatherization materials and costs associated with any locally required permits to complete weatherization work.

D.Allowable WAP Expenditures: The Department shall allow expenditures for the following Weatherization materials which conform to standards in Appendix A of the DOE regulations:

Insulation, ceiling attic, wall, floor, duct, water heater, and pipe and boiler;

Weather-stripping;

Caulking;

Windows to replace ones which cannot be repaired in a cost effective manner (including necessary hardware such as latches);

Exterior doors to replace ones which cannot be repaired in a cost effective manner (including necessary hardware such as doorknobs and latches);

Storm windows (or materials for construction of);

Clock thermostats;

Items to improve attic ventilation including whole house fans;

Materials used as a patch to reduce air infiltration through the building envelope;

Furnace efficiency modification, including but not limited to:

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Replacement of burners, furnaces, or boilers or any combination thereof;

Devices for minimizing energy loss through heating systems, chimney, or venting devices;

Electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

Note: Measures must have an SIR of 1 or greater OR Subrecipient justified through the DOE approved Texas Priority List.

(11) Water flow controllers;

(12) Insulators for electrical outlets and switches;

(13) Multiglazed windows and doors;

(14) Heat-absorbing or heat reflective windows and door materials as defined in Appendix A in the DOE regulations;

(15) Movable insulation systems for windows;

(16) Materials to construct vestibules;

(17) Heat exchangers;

(18) Thermostat control systems;

(19) Materials used for water heater modifications which will result in improved energy efficiency;

(20) Hot water heat pumps;

(21) Waste heat recovery devices;

(22) Materials used for heating and cooling system replacements, tune-ups, repairs and modifications which will result in improved energy efficiency; and materials used for boiler tune-ups, repairs and modifications which will result in improved energy efficiency; and

(23) Allowable health and safety measures (including, but not limited to, UL approved smoke detectors).

(24) The purchase and installation of through the door water/ ice units and stand along freezers in not allowed. All replaced units will be disposed of.

(25) Additional items relating to water heaters, refrigerators, fluorescent lamps as listed in Appendix A of 10 CFR 440, February 1, 2002.

Storm doors are not allowable weatherization measures in the State of Texas.

E.All expenditures on material and/or contract labor must follow the Department's procurement policy as set forth in the Department General Policy Issuance #02-10.2 for procuring goods or services.

F.The Department will not require a minimum material expenditure ratio.

G.The Department shall not allow subrecipients to use grant funds for any of the following purposes:

To weatherize a dwelling unit which is designated for acquisition or clearance by a Federal, State, or local program within 12 months from the date weatherization of the dwelling unit would be scheduled to be completed; or

To install or otherwise provide weatherization materials for a dwelling unit weatherized previously with grant funds under 10 CFR Part 440, except:

(i)As provided under 10 CFR § 440.20;

(ii)If such dwelling unit has been damaged by fire, flood, or act of God and repair of the damage to weatherization materials is not paid for by insurance; or

(iii)To implement re-weatherization, as outlined below.

Shelters

Shelters may be weatherized. Living space (size) for purposes of determining expenditure level is to be calculated at 800 square feet per unit or each floor considered a unit.

Fuel Switching

The Department will not permit the general practice of fuel switching when replacing furnaces and water heaters. The Department will permit fuel switching on a case-by-case basis.

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Electric Base Load Measures (EBL)

DOE has approved the inclusion of selected Electric Base Load (EBL) measures as part of the weatherization of eligible residential units. Currently, the approved EBL measures include replacement of refrigerators, electric water heaters, and compact fluorescent lights. All EBL measures must be determined cost effective with an SIR of 1 or greater by either audit analysis or separate DOE approved analytical tools. DOE has approved analytical tools to measure EBL. Instructions for incorporating EBL measures in to the WAP are detailed in the Texas Administrative Code. All dwelling units will be evaluated to determine the most cost effective measures to be installed in each unit weatherized and to determine the order in which measures will be installed. The evaluation of each unit must include building envelope measures, mechanical measures, and Electric Base Load measures.

Lead-Based Paint Safe Work Practices

The State of Texas provided Lead, Renovation, Repair, and Painting Program (LRRPP) training to all program monitors and Subrecipients through the Training Academy during Program Year 2011. The State will provide LRRPP training to new Subrecipient hires on an on-going case by case basis.

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Single-Family : NEAT- DOE approved March 28, 2011

Manufactured Housing : MHEA- DOE approved March 28, 2011

Multi-Family : NEAT- under 24 units NEAT (which are individually heated or cooled)- DOE approved March 28, 2011

Comments

Energy Audit Procedures

Each dwelling unit weatherized or reweatherized in Texas must be evaluated by the computerized energy audit. The Department has implemented the U.S. Department of Energy approved Priority List that identifies cost effective recurring measures that are performed.

In December 2009, the Department implemented the U.S. Department of Energy approved Priority List that identifies cost effective recurring measures that can be performed. Additionally, the NEAT and MHEA audits have been approved by DOE for use on single family dwellings, manufactured homes and multifamily buildings containing 24 or fewer units. The energy audits have not been approved for multifamily buildings containing 25 or more units. For buildings with 25 or more units, the Department will acquire a DOE approved energy audit, such as EA-QUIP or TREAT, or require an engineering study.

Energy Audit Procedures

Each dwelling unit weatherized or reweatherized in Texas must be evaluated by the computerized energy audit. The Department is modifying the savings-to-investment ratio (SIR), effective April 1, 2006, by lowering the SIR to one or greater for repair/replacement of primary doors, primary windows and storm windows.

The Department will change the State blower door requirements in order to gain higher savings. The changes will be based on information provided ASHRAE, George Tsongas and Lawrence Berkley Labs, as well as information provided by Saturn Resource Management, Inc.

Advanced Energy Audit Procedures

Subrecipients shall assess the condition of each eligible dwelling and determine the measures and repairs to correct any deficiencies that are not energy efficient. Assessments shall include a Blower Door test to measure air infiltration and an assessment to determine the efficiency of each heating/cooling appliance and carbon monoxide test for Health and Safety. The measures, repair and health and safety items shall be entered into the Texas energy audit or the multifamily energy audit. These computerized audits determine the estimated savings of each measure and weigh those savings against the cost of each measure to determine that its savings-to-investment ratio (SIR) is greater than one. Accounting for the interaction between measures, the audit lists those measures according to their SIR's from the highest to the least. The total of costs of all measures with an SIR greater than one is added to the total cost of the repairs necessary to install the savings measures. This total is divided into the total savings of all the measures that have an SIR greater than one (health and safety measures are not included in this calculation). When this "Whole House SIR" is one or greater, the dwelling can be weatherized in the most cost effective manner. (If whole house SIR is less than 1, the dwelling must be considered beyond the scope of the weatherization program.)

Audit Modifications

The NEAT and MHEA audits have been approved by DOE for use on single family dwellings, manufactured homes and multifamily buildings containing 24 or fewer units. Multifamily units containing 25 or more units will require an engineering study. Texas is working towards implementation of a computerized approved audit for use in multifamily buildings containing 25 or more units.

Use of the Blower Door & Determination of Acceptable Air Changes per Hour at 50 Pascal (ACH50)

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Since 1992, the Department's WAP has utilized the blower door to determine beginning air changes and to measure air changes upon completion of weatherization work. The standard for acceptable air changes for 1-4 occupants in Zone #1 is 1200-1500 CFM 50, and Zone #2 is 1500-1800 CFM 50. Following this requirement has resulted in a high rate of houses being denied weatherization services because the Desired Air Exchange (DAE) could not be achieved.

Effective April 1, 2005, the Department is proposing the implementation of a new methodology to determine acceptable Building Tightness Levels (BTL). The following steps are required:

- oAn initial blower door reading must be taken at 50 Pascal, (if 50 Pascal cannot be attained, the Department will provide a conversion chart to adjust lower Pascal readings to a 50 Pascal equivalent);
- oThe initial blower door reading at 50 Pascal is to be entered into the energy audit;
- oThe square footage of the home's conditioned space must be determined;
- oThe number of stories (1, 1 and ½, 2, etc.) must be identified,
- oA shielding factor must be determined (3 choices, shielded, normal, or exposed)
- oUse the three factors above and the Department provided chart to determine the homes' acceptable Building Tightness Limit.

In order to determine the target ACH50, subrecipients will consult the "Percentage Target Air Leakage Reduction Chart." This chart will indicate the minimum required percentage reduction of air flow. The initial blower door test reading will be used in the calculation of the target ACH50. This number will be the target reading to be entered in the energy audit. The exception would be if the target is lower than the BTL. In such instances, the BTL would be the target.

Please note:

oThe final CFM reading must, at a minimum, meet the Target Air Leakage Reduction Calculation (TALRC) for ACH50. Final CFM readings below the TALRC ACH50 are recommended and acceptable if the readings remain above the BTL. Final CFM readings below the BTL may result in potential health hazards and will require additional work to loosen the house. If loosening the house does not result in an acceptable blower door reading, some of the weatherization measures installed may be disallowed.

oFor those units whose initial CFM reading is below the BTL, no air tightening measures shall be performed.

oIf during a monitoring visit, the program officer determines that the subrecipient installed energy efficiency measures which rank with the target blower door reading and the target was not reached, the program officer will conduct a blower door test and enter the test reading as the new target. If the measure(s) rank with this new target, the cost of the measure(s) will be allowed. If the measure(s) does not rank, the cost will be disallowed.

oAll air sealing work must begin in the attic, before insulation is installed and continue moving down to the floor of the unit. Following this new procedure, the Department anticipates fewer denials and increased energy savings.

V.5.3 Final Inspection

New for 2014 Plan: Texas Implementation of WPN 14-4, Section 3

Beginning in the spring of 2014, Texas will send members of its state training and technical assistance staff and monitoring staff to be trained in the Guidelines and Standards at an IREC-accredited training center.

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During the summer and fall of 2014 and winter 2015, members of subgrantee staff will be sent for training.

Prior to the beginning of the PY 2015 WAP (April 1, 2015):

- *Texas will have a sufficient number of certified individuals available to meet the requirements the DOE Guidelines and Standards;*
- *All units reported to DOE as completed will be inspected to endure compliance with specifications outlined in the SWS; and*
- *All quality control inspections, including final inspections and monitoring inspections, will be conducted and signed off by a certified QCI as outlined in the DOE Guidelines and Standards.*

The State will perform monitoring and verification measures to ensure that no dwelling units are reported as completed prior to the installation of all prescribed weatherization measures, final inspections, and certification of completion of work in a workmanlike manner and in accordance with the priorities determined by required audit procedures. In conducting the fiscal portion of the monitoring process, the State will verify that all files reviewed and all units inspected have appropriate documentation and supporting fiscal records that demonstrate the completion of the unit prior to reporting the unit as completed. The subrecipient may not pay an independent third party for any work performed on a unit until the unit has been completed and approved during final inspection. Verification will be accomplished by review of fiscal records, including: purchase request/orders, invoices, general ledgers, check request, dates checks are issued and clearing dates.

V.6 Weatherization Analysis of Effectiveness

In order to keep an updated evaluation of each subrecipient, the Department developed a detailed management system to address this type of analysis. The subrecipients report monthly on their production and financial status. Each program officer is assigned a certain number of agencies and has the responsibility of overseeing their activities and arranging for the provisions of training and technical assistance when necessary. Analysis of records includes the following:

- Number of homes completed;
- Number of applications pending;
- Number of homes in progress;
- Contract amount;
- Total funds expended;
- Balance of funds; and
- Special comments

The Department maintains a monitoring tracking system, which indicates the monitoring visits completed and scheduled. The Department also maintains the monitoring files, which include all the contracts and related information, from which staff can obtain a current and complete financial picture. Each subrecipient's file contains related correspondence or other information, plus the Department-generated materials. The information kept in the files provides an updated picture of how each subrecipient is meeting contractual responsibilities.

Each subrecipient will be monitored/evaluated on-site at least once during the contract year, and the Department anticipates inspecting 10% of the houses weatherized in the State each year.

Subrecipient performance is reviewed periodically and at the end of the program year. See sections regarding monitoring activities and procedures for further information on subrecipient/program effectiveness.

The State will cooperate with the U.S. Department of Energy as they implement a national evaluation project.

V.7 Health and Safety

Attached to SF-424

V.8 Program Management

V.8.1 Overview and Organization

The Texas Department of Housing and Community Affairs (the Department) is the state's lead agency responsible for affordable housing and community assistance programs. The Department annually administers funds derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.

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In 1991, the 72nd Texas Legislature created the Department. The Department's enabling legislation combined programs from the Texas Housing Agency, the Community Development Block Grant Program from the Texas Department of Commerce, and the Texas Department of Community Affairs.

On September 1, 1992, two programs were transferred to the Department from the Texas Department of Human Services: the Low Income Home Energy Assistance Program and the Emergency Nutrition and Temporary Emergency Relief Program. Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant and Local Government Services Programs were transferred to the newly created Office of Rural Community Affairs. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA. As a state agency, the Department is under the authority of the Governor of the State of Texas.

The Department's services are offered through four program divisions: Office of Colonia Initiatives, Multifamily Finance Production, Single Family Finance Production, and Community Affairs, which administers the WAP.

The Department subcontracts with a network of subgrantees that provide the WAP services. The network is comprised of community action agencies (CAAs), regional Councils of Government (COGs), and organizations in the other public or private nonprofit entity category (PPNPs). All network subgrantees are provided a draft copy of the yearly weatherization state plan, a notice of the state public hearing, and invited to participate in the public comment process.

The regular weatherization program year runs from April through March.

The Department will continue to administer the program through subgrantees in accordance with 10 CFR §440.15 provisions and State regulations. If existing subgrantees are successfully administering the Program, the Department will offer to renew the contract if the subgrantee so desires and if grant funds are available. When the Department determines that an organization is not administering the Program satisfactorily, it may take the following action:

--Correction of the problem(s) with training or technical assistance;

--Re-assignment of the service area (or service area portion) to another Department existing subgrantee; or,

--Solicitation or selection of a new or additional subgrantee in accordance with 10 CFR §440.15 provisions. A new or additional subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a DOE Weatherization Assistance Program.

Each proposed new or additional subgrantee must satisfy the following conditions of 10 CFR §440.15

(1) Each subgrantee is a CAA or other public or nonprofit entity;

(2) Each new subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to §440.14 (a) and other appropriate findings regarding:

(i) The subgrantee's experience and performance in weatherization or housing renovation activities;

(ii) The subgrantee's experience in assisting low-income persons in the area to be served; and

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(iii) The subgrantee's capacity to undertake a timely and effective weatherization program.

(3) In selecting a subgrantee, preference is given to any CAA or other public or nonprofit entity which has, or is currently administering, an effective program under this part or under Title II of the Economic Opportunity Act of 1964, with program effectiveness evaluated by consideration of factors including, but not necessarily limited to the following:

(i) The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;

(ii) The quality of work performed by the subgrantee;

(iii) The number, qualifications, and experience of the staff members of the subgrantee; and

(iv) The ability of the subgrantee to secure volunteers, training participants, and public service employment workers.

Consolidation/downsizing: Any downsizing will occur through normal attrition.

Reassignment of service areas for just cause: In the event that a service area can no longer be served by a subgrantee, the Department reserves the right to reassign services areas. If it appears necessary to permanently reassign the service area, a new subgrantee may be chosen in an open, competitive solicitation process in accordance with 10 CFR §440.15 or the reassignment may become permanent.

Client Education

The Department will continue to require WAP Subrecipients to provide client education to each WAP client. Subrecipients will be required to provide (at a minimum) educational materials in verbal and written format. Client education will include temperature strips that indicate the temperature in the room and energy savings materials.

V.8.2 Administrative Expenditure Limits

The Department will use 5% of its grant funds for state administration. An additional 5% will be distributed for local WAP field operations under contract. Contract funds are intended for local administration, liability insurance coverage, local fiscal audit, materials, labor, program support and health and safety measures. To help ensure that subrecipients comply with the full and proper use of all the contract funds, written definitions are to be provided to subrecipients on budget categories as deemed necessary. The Department has elected to provide the maximum allowable funds for subrecipient administration to subrecipients receiving less than \$350,000, so it has not included procedures for deciding which subrecipients will receive additional funds. This decision is based on the following factors:

- Subrecipients often have to rely on other programs for WAP outreach and other administrative support;
- Subrecipients have had to adjust budgeting to keep pace with cost-of-living increases -- staff salaries, fringe benefits, rent, postage, travel, etc.
- The State of Texas is 877 miles from Northern to Southern tips, 834 miles from Eastern to Western tips, and is comprised of a total of 266,807 square miles. The extra geography that subrecipients have to cover to serve all the area's clients equitably requires additional staff, staff time, postage and phone costs, and vehicle wear and maintenance. (Source of Mileage Data: Texas Department of Transportation).
- Salaries, space, utilities, telephone, and similar costs associated with program support personnel should be charged to program support.

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For subrecipients receiving over \$350,000, the administrative allowance will be 5% of each subgrant. For subrecipients receiving less than \$350,000, the administrative allowance will be 10% of each subgrant.

V.8.3 Monitoring Activities

The Texas Department of Housing and Community Affairs (the Department) plans to monitor the Weatherization Assistance Program (WAP) with the Monitoring staff included in the budget. Training and technical assistance shall be provided to the Subrecipient, whenever necessary, by the Training staff. Subrecipient is defined as an organization with whom the Department contracts and provides WAP funds.

Names and credentials of department staff dedicated to monitoring activities follow. Monitoring staff are paid out of Grantee Administration budget category.

- David Escamilla – 9 years of weatherization monitoring, has attended DOE sponsored conferences and has attended BPI training
- Rosy Falcon – over 5 years of weatherization monitoring, BPI certified, and has attended DOE sponsored conferences.
- J.R. Mendoza – over 11 years of program management and weatherization monitoring experience, Certified Fraud Examiner, attended KBSI and HERS trainings and has attended DOE sponsored conferences.
- Walter Griner – over 10 years of weatherization monitoring experience, 9 years of weatherization assessment and inspection experience, has attended BPI training and DOE sponsored conferences.

Prior to execution of contracts with Subrecipients, the Department does not develop a monitoring schedule. When the schedule is developed, the Department will first inspect completed units. However, if there are not enough completed units to inspect, the Department may inspect units in progress.

Monitorings will be scheduled using a risk management-based assessment. Primary consideration will consist of amount of contract, previous findings, status of finding resolution, and submission of annual Single Audit. Periodic desk reviews of expenditures and production levels will be conducted during the program year. The scheduling of on-site monitoring will depend on availability of staff, minimum number of completed units, geographic and climatic considerations. The Department may utilize a desk monitoring of Subrecipients that are not high-risk entities. The schedule may vary and dates will be confirmed with each Subrecipient in advance. The Department will conduct a monitoring review of each Subrecipient at least once a year. The purpose of the onsite or desk monitoring is to ensure that program activities are completed and that funds are expended in accordance with the contract provisions and applicable State and Federal rules, regulations, policies and related Statutes. The Department will utilize this monitoring to determine the effectiveness of the Subrecipients performance and program compliance to ensure that eligible low-income families are receiving quality and appropriate weatherization of their homes.

The Department WAP program year is April 1 through March 31. Upon the Department's completion of the Monitoring process for a program year, the Department will review all monitoring findings in order to evaluate any improvements in the agencies' performances in May. The Department will submit to DOE a written summary of its monitoring findings.

Monitoring will include health and safety procedures, client eligibility, energy audit procedures, and client education procedures. In addition, Monitors will review financial management control and ensure the quality of work via established monitoring procedures.

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The Department views its role as that of a partner with subrecipients in striving to achieve the successful delivery of services to our mutual clients. The monitoring approach will be a two-fold effort, consisting of a detailed fiscal review and a detailed review of the quality and scope of work performed on dwelling units.

- Monthly desk review of all subrecipient expenditure ratios and production levels. This will serve as an indicator of potential areas of noncompliance or low production levels.
- Request copies of fiscal records/support documentation for desk review as required. This will allow for a predetermination of fiscal condition prior to monitoring or an extended post monitoring review to clarify any fiscal questions raised at the time of the monitoring.
- On-site in-depth fiscal review and provision of on-site training/technical assistance as required when fiscal staff assists with monitoring.
- Communication links between the fiscal staff and program officers will be maintained to enhance the value of the information reviewed, obtained and used as a basis for the development of the monitoring reports returned to all subrecipients.
- On-site in-depth annual programmatic review of subrecipient management, client files, and service delivery.
- Reviews of individual NEAT Audit performed on dwelling units. Program Officers will review the hard copy of each audit to be included in the client file to assure that the scope of the work was directed by the audit.
- On-site inspection of weatherized dwellings will be performed on 10% of units weatherized state-wide. The State intends to maintain past ratios regarding the number of dwelling units reviewed with consideration of compliance to all existing installation standards and material quality guidelines established by DOE and State criteria.
- Program Officers will continue to perform financial reviews as a portion of the monitoring process.

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- Findings that may be overlooked at an exit conference will be brought to the attention of the subrecipient prior to the report being issued.

Non-compliance findings are sent out in a monitoring report to our subrecipients 30 days after the monitoring occurred. The subrecipients have 30 days to respond to the monitoring report findings. If they need to provide additional response, they will be given an additional 15 days to respond. At the conclusion of this process, any unresolved compliance issues will be reported to DOE (instances of suspected fraud or serious program abuse will be reported immediately to DOE).

With a goal of improving the performance of all Subgrantee agencies participating in the Texas Weatherization Assistance Program (WAP), the Texas Department of Housing and Community Affairs ("the Department" or "TDHCA") will incorporate the following plan when a Subgrantee has significant and lasting findings of program non-compliance. Organizations participating in a Subgrantee Improvement Plan will be identified by our Training and Technical Assistance Team using monitoring findings and information gleaned from technical assistance visits. Those organizations will be required to meet assigned milestones before they are released from the plan. Failure to meet milestones may result in contract sanctions, up to and including placement on cost reimbursement method of payment, contract suspension, or contract termination.

1. Program Oriented Management Training – Prior to continuing any weatherization-related program activity, all Subgrantee staff that performs any action related to the WAP will be required to complete Program Oriented Management Training (POM). POM will include:

1. Review of WAP statutes and rules
 2. Review of state program requirements
 3. Review of financial and administrative best practices
 4. Review of program best practices
2. Intensive Training and Technical Assistance – Once POM is completed, Subgrantee staff will receive training on critical program components. At each stage of Intensive T&TA, TDHCA team members will provide one-on-one guidance to Subgrantee staff to ensure the correct completion of each component. At the end of Intensive T&TA, Subgrantee staff will have completed another step toward completion a weatherized unit.
1. Client file documentation
 2. Payment and reimbursement documentation
 3. Accompanied unit assessment
 4. Accompanied Audit completion
 5. Accompanied Interim construction walk-through
 6. Accompanied Final inspection
3. Staged Program Operation – When Subgrantee staff has completed Intensive T&TA, the Subgrantee will be released to complete a determined number of client intakes. Once the client intakes are completed, TDHCA team members will review the ensuing steps of the weatherization process in the following steps:
1. Review of the client file documentation
 2. Review of unit assessments
 3. Review of audit input and completion to work order
 4. Accompanied final inspection

Once the Subgrantee has completed the determined number of units and the process and the units have passed TDHCA monitoring, the Subgrantee will be released from the Improvement Plan for the remainder of the program year. The Subgrantee will be reviewed at the end of the program year for determination of continued funding.

At some point, however, the Department may be forced to conclude that the best interests of the clients are not being served. In those few instances, the Department will initiate a process to replace those subrecipients that have a consistent record of being unable to perform satisfactorily, as defined in the Department's *Criteria and Procedures for Termination or Nonrenewal of Weatherization Subrecipient Contracts*. The following are conditions which may trigger this process. These conditions are listed as a guide for subrecipients to use as a tool to assist in assuring proper management of contract funds and are not intended to serve as an exclusive list of conditions which might result in termination or nonrenewal of a contract.

Production: Failure to weatherize eligible dwelling units in a timely manner often results in funding being reallocated to other portions of the state where subrecipients maintain higher production levels. Subrecipients who fail to maintain adequate production penalize the residents of their service areas by reducing the benefits available to them.

- At sole discretion of the Department, a contract may not be renewed with a subrecipient that fails to expend at least 85% of the allocation for federally supported weatherization programs (Contract for Services) during two consecutive program years or in two of three consecutive years. While the 85% production requirement applies to all sources of program funds, it does not apply to the addition of funds not listed as anticipated in the Contract for Services.

Financial Management: Proper accounting for funds received and expended is essential to successful program management.

- Failure to submit an annual financial and compliance audit, in accordance with the Single Audit Act of 1984, in a timely manner, as defined by federal law, may result in immediate suspension of payments to the subrecipient and may result in termination or nonrenewal of contracts.
- Financial audits resulting in unresolved disallowed costs, and/or unresolved reportable conditions shall result in termination or nonrenewal of contracts (Contract for Services).
- Allegations of fraud or other intentional mismanagement of weatherization funds may result in the immediate suspension of payments to the subrecipient, pending resolution of the allegations. Documentation of such allegations will result in the termination of the contract unless the subrecipient takes immediate steps to remedy the problem and strengthen its internal controls (Contract for Services).

Program Management: Proper compliance with materials requirements and the correct installation of materials ensures that recipients receive the full benefit from weatherization services. A failure

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to achieve any of the following during two of three successive years may result in contract termination.

- Effective use of blower door technology in compliance with the most current Blower Door Policy in at least 90% of feasible units completed under the weatherization program. (Feasible dwelling units are those dwelling units determined to be both income eligible for weatherization services and that will benefit from weatherization services as demonstrated by the energy audit.)
- Compliance with the Department's Texas Administrative Code rules, Title 10, Part 1, Chapter 5, Subchapters A, E, and F.
- Compliance with use of materials meeting DOE Standards in 100% of completed units (10 CFR §440.21 (b) and Appendix A).
- Compliance with record keeping requirements regarding client file forms for the units weatherized (Contract for Services).
- Compliance with final reporting requirements and corrective actions listed in monitoring reports (Contract for Services).
- Compliance with procurement standards regarding competitive solicitation of bids for materials, labor and equipment and adherence to guidelines for selection and award of sub-contracts (Contract for Services and the Department's Texas Administrative Code rules).

General Conditions. Contracts will be terminated if a subrecipient ceases to exist, becomes legally incapable of performing its responsibilities or loses its status as a nonprofit (Contract for Services).

Procedure: The Department will notify the subrecipient in writing upon becoming aware of any of the preceding areas of noncompliance which may result in termination, suspension or nonrenewal of the contract. Notification will include specific findings of noncompliance as well as a request for a Corrective Action Plan from the subrecipient to avoid termination or nonrenewal.

If such deficiencies are of a very serious and immediate nature such as evidence of fraud, the Department may take immediate action to suspend the contract until final resolution can be made.

If suspension is not required, the Department will provide training and technical assistance with the caveat that improvement must occur or the contract will have to be terminated.

If the problems of noncompliance persist as identified earlier in this document as justification for termination, the Department will notify the subrecipient in writing of its intent to terminate or not renew the contract. The subrecipient will also be notified that an appeal may be filed within 15 days of the receipt of the letter if the subrecipient has information to present which might convince the Department to delay or avoid this course of action. This notification will include to whom the appeal shall be filed, the time frames for filing the appeal and the right to have counsel. If the contract is either not renewed or terminated, the subrecipient may request a public hearing with the appeal in accordance with 10 CFR §440.15. The Department shall comply with said request.

If an appeal is filed which requests a public hearing, the Department will schedule the hearing in a location convenient for the subrecipient and provide ample opportunity for testimony from citizens concerning the proposed action.

Testimony received at the hearing will be carefully evaluated with any other evidence provided by the subrecipient to arrive at a final decision on this matter within 15 days following the conclusion of the hearing.

If a decision to replace the subrecipient has been reached, a request for proposals may be issued for the area to be served. The selection of the new subrecipient will be in accordance with the criteria in 10 CFR §440.15 (a). Prior to the Department selecting a new subrecipient, a public hearing will be held to receive public comment. The Department will select a successful applicant, then provide a contract for the provision of weatherization services.

Close-Out: The Department shall close out a grant within a reasonable period of time. The completion date may be either the last day of a project period or the date of termination of a grant. The Department defines close-out as the process by which the Department determines that the subrecipient has performed all required work and completed all applicable administrative actions.

Final Reports: The subrecipient must submit all final financial, performance and other reports required by the terms and conditions of the contract within 60 days of the completion date.

Final Payments and Adjustments: When required or authorized by the terms and conditions of the contract, the Department may adjust the subrecipient's share of the approved budget based on the information contained in the subrecipient's final report or in any audit. The Department shall promptly pay the subrecipient for any unreimbursed allowable costs under the grant at the request of that subrecipient. The subrecipient must immediately refund, to the Department, any unobligated funds advanced to them.

Property: The subrecipient shall provide a list of property furnished by the Department or acquired with grant funds when that grant requires such a list. The subrecipient shall secure and maintain all such property until such time as it is transferred to the subrecipient's replacement.

Audit: If the Department closes out a grant without an audit or without benefit of an organization-wide or single audit covering the full period of Department support, the subrecipient must refund to the Department the full amount of any costs subsequently disallowed under the close-out grant on the basis of any applicable audit.

Later Disallowance and Adjustments: The close-out of a contract does not affect the following:

- 1.The Department's right to disallow costs and recover funds on the basis of a later audit or review.
- 2.The subrecipient's obligation to repay any funds due as a result of later refunds, corrections or other transactions.

Reference:10 CFR §600.123

10 CFR §600.450

10 CFR §600.451

Terminology: The following is provided to assist with the interpretation of the above criteria and procedures:

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Termination: Termination is an action that occurs during a contract period.

Nonrenewal: Nonrenewal is an action that occurs following a contract period but prior to execution of a new contract.

Suspension: Suspension is a temporary action that occurs during a contract period.

Timely manner: Timely manner as it applies to production is defined as the completion of required number of eligible dwelling units and maximum expenditure of funds during a contract period.

Timely manner: Timely manner as it applies to production is defined as the completion of required number of eligible dwelling units and maximum expenditure of funds during a contract period.

V.8.4 Training and Technical Assistance Approach and Activities

New for 2014 Plan: Texas Implementation of WPN 14-4, Section 4

Tier 1 training will begin in the spring of 2014. Texas will send members of its state technical assistance and monitoring staff to be trained in the Guidelines and Standards at an IREC-accredited training center.

During the summer and fall of 2014 and winter 2015, members of subgrantee staff will be sent for training.

Tier 2 training will be provided on an as-needed basis by TDHCA training and technical assistance staff.

The Department will conduct training and technical assistance throughout the program year. Department staff may determine that additional training is needed for a particular Subrecipient or the Subrecipient may request it. The Training staff is actively conducting training and technical assistance and continually works with feedback from Monitoring and department staff to determine Subrecipients additional training needs on an on-going basis. Training will include manufactured housing, lead safe work practices, building envelope measures, energy audit, and health and safety.

The Department will provide training through a four pronged approach, to the extent financially feasible.

- A) Review of Findings entered in the Monitoring Tracking Database The training team will provide training to address specific findings in order to correct identified monitoring deficiencies.
- B) Referral by the Monitoring staff Training areas will focus on input from the referring Monitor.
- C) Online request produced by the Subrecipient The Department has created an online training and technical assistance database to track training requested by the Subrecipient network. The requestor has a menu of WAP topics to select from. The online training request form can be found on the Department's website, <http://www.tdhca.state.tx.us/community-affairs/wap/index.htm>. The Department's training staff will contact the requestor and customize the training around their needs.
- D) Management Request Management may make a specific request and dictate the type of training needed.

Evaluation of Training Activities

In order to evaluate the efficiency of its training activities, the training staff will review its training activities semi-annually and compare those to the Subrecipient monitoring reports. Additionally, Subrecipients will be given the opportunity to provide feedback through evaluation forms distributed at all training sessions. Training staff will conduct periodic surveys to solicit input from Subrecipients as to their training needs. The Department will also utilize input from Monitors and Subrecipient monitoring reports to determine areas of additional training needed. A database of all monitoring findings provides the training group with analysis of training needs and opportunities that correlate to monitoring reports.

Training will be designed for each Agency based on the information prompting the request. Technical Assistance will be documented by using the online training and technical assistance database. Additionally, for onsite Training and Technical Assistance visits, a report will be produced indicating Subrecipient staff present, Training and Technical Assistance materials and documents presented to the Subrecipient.

The Department does not require licensing or certification of Subrecipient staff. Should a Subrecipient hire a new weatherization coordinator, the Subrecipient will be required to notify the Department in writing within 30 days of the date of hiring the coordinator and request training. The Department will contact Subrecipients within 30 days of the date of notification to arrange for training. The Department will use in-house staff and may use other program professionals to provide training. The Department will provide travel assistance to Subrecipients that receive training.

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The Department will assign programmatic trainers and Program Officers to conduct training and technical assistance. The trainers will be sent to subrecipients to conduct training if a Program Officer determines that the additional training is needed, or when requested by the subrecipient. In addition, the trainers will conduct training at state sponsored workshops.

The Department does not require licensing or certification of subrecipient staff at this time. However, if a subrecipient hires a new weatherization coordinator, the subrecipient will be required to contact the Department with written notification within 30 days of the date of hiring the coordinator and request training. Within 30 days of the date of notification the Department will contact the subrecipient to set a training schedule. The Department will use in-house staff as well as other subrecipient staff to provide training. The Department will provide travel assistance to subrecipients that provide training.

Both the program officers and programmatic trainers will monitor monthly performance/expenditure reports for production and compliance issues (materials, administrative ratios, per unit expenditures, etc.) to determine if additional training is needed.

The Department will conduct cluster workshops throughout the program year to continue training the subrecipients on the Texas computerized energy audit, heating and cooling systems assessments and blower door usage. The Department plans to assist subrecipients in their travel costs to the State sponsored and DOE sponsored workshops as funds permit.

In order to evaluate the efficacy of its training activities, the training staff will annually review its training activities and compare those to the subrecipient monitoring reports, the annual analysis and the results of the in-house evaluation study. Additionally, subrecipients will be given the opportunity to provide feedback through evaluation forms distributed at all training sessions.

The Department will continue to require WAP Subrecipients to provide client education to each WAP client. Subrecipients will be required to provide (at a minimum) educational materials in verbal and written format. Client education may include temperature strips that indicate the temperature in the room and energy savings materials.

V.9 Energy Crisis and Disaster Plan

n/a

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BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action on adoption of the Final 2014 State of Texas Low Income Housing Plan and Annual Report, and Final Order adopting amendments to 10 TAC §1.23 concerning the 2014 Final State of Texas Low Income Housing Plan and Annual Report, and directing its publication in the *Texas Register*.

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs enabling legislation, Tex. Gov't. Code Section §2306.0721, requires the submission of a state low income housing plan;

WHEREAS, Tex. Gov't. Code §2306.072 requires an annual low income housing report and Tex. Gov't. Code §2306.0723 requires that the report be adopted by following rulemaking procedures, and proposed amendments to 10 TAC §1.23 were published in the *Texas Register* for public comment;

NOW, therefore, it is hereby

RESOLVED, the amendments to 10 TAC §1.23 are hereby approved and adopted, together with the preambles presented to this meeting, for publication in the *Texas Register*; and

FURTHER RESOLVED, that the final 2014 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable, is approved and adopted.

BACKGROUND

The Texas Department of Housing and Community Affairs (“TDHCA”) is required to prepare and submit to the Board, not later than March 18 of each year, an annual report of TDHCA’s housing activities for the preceding year. This State of Texas Low Income Housing Plan and Annual Report (“SLIHP”) must be submitted annually to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members not later than 30 days after the Board receives and approves the final SLIHP. The SLIHP offers a comprehensive reference to statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state

housing needs, and reports on 2013 performance during the preceding fiscal year (September 1, 2012, through August 31, 2013).

The proposed rule and the SLIHP were made available for public comment January 3 through February 3, 2014. TDHCA and the Texas State Affordable Housing Corporation held a public hearing to gather comments on the SLIHP on January 16, 2014, in Austin. The proposed rule amendment, adopting by reference the 2014 SLIHP, was published in the *Texas Register* on December 28, 2013 (37 TexReg 10070). Six public comments were received.

The 2014 SLIHP for approval by the Board is posted online at <http://www.tdhca.state.tx.us/board/meetings.htm>

The following attachments are provided:

Attachment A – Adoption preamble and amendment to 10 TAC §1.23 with comments and response to comments.

Attachment A – Adoption preamble and amendment to 10 TAC §1.23 with comments and response to comments.

Adoption preamble and amendment to 10 TAC §1.23 with comments and response to comments

The Texas Department of Housing and Community Affairs (the “Department” or “TDHCA”) adopts amendments to 10 TAC §1.23, concerning the State of Texas Low Income Housing Plan and Annual Report (“SLIHP”) without changes to the proposed text of the rule as published in the January 3, 2014, issue of the *Texas Register* (39 TexReg 18). The section adopts by reference the 2014 SLIHP. While the rule text has not been changed, changes have been made to the SLIHP in response to comment, as discussed below. The purpose of the rule and referenced SLIHP is to serve as a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The document reviews the Department’s programs, current and future policies, resource allocation plan to meet state housing needs, and reports on State Fiscal Year 2013 performance.

The Department received comments from two sources: International AIDS Empowerment (IAE) and City of Houston.

Comment 1: IAE commented that the data for the HIV/AIDS population in the Housing Analysis chapter was from 2010 and suggested that this data be updated to 2012. The 2012 HIV/AIDS surveillance data is available from the Texas Department of State Health Services (DSHS).

Department Response: The Department agrees with the commenter and has made the suggested changes. The Department had been working since October 2013 to obtain a copy of the 2012 HIV/AIDS surveillance data from DSHS, but formatting issues were impeding the data transfer. TDHCA was able to obtain the 2012 HIV/AIDS surveillance data in the required format for the final version of the SLIHP.

Comment 2: IAE suggests the Housing Opportunities for Persons with AIDS/HIV (HOPWA) Program be reported in the SLIHP in order to illustrate the U.S. Department of Housing and Urban Development’s (HUD) short term and long term housing efforts for the HIV/AIDS population.

Department Response: The Department disagrees with the statement and no changes have been made to the SLIHP in response. The SLIHP is a document required by the State of Texas and is not required by HUD. The SLIHP legislation in Texas Government Code chapter 2306 does not require reporting on the HOPWA Program. The reporting for HOPWA is already accomplished in the Consolidated Annual Performance and Evaluation Report (CAPER), which is required yearly by HUD. The 2013 CAPER is currently available at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm> and the 2014 CAPER will be available for public comment in early April.

Comment 3: IAE suggests that the Department work with DSHS to create a workgroup, similar to the workgroups listed in Action Plan’s Community Involvement section, to target the needs of the persons with HIV/AIDS in Texas.

Department Response: The Department participates in over 10 workgroups which have been created through legislative requirements or formed to provide ongoing guidance on how TDHCA's programs can be most effective. TDHCA and DSHS already work closely to create HUD's Consolidated Planning documents, which includes serving persons with HIV/AIDS and does not believe there is sufficient agenda to warrant the creation of a new workgroup at this time.

Comment 4: IAE has requested that the list showing cities that receive funding directly for HOPWA from HUD include El Paso. El Paso has been receiving HOPWA funding since 2009.

Department Response: The Department agrees with the commenter and El Paso will be listed as a city with HOPWA to correct the oversight.

Comment 5: IAE commented that the policy driven action for people with HIV/AIDS is wholly inadequate and needs to be more formidable.

Department Response: While almost all of TDHCA programs have incentives for providers to serve persons with special needs, only the Housing Tax Credit Program incentivizes serving persons with HIV/AIDS. In order to expand the number of programs which incentivize serving people with HIV/AIDS, proposed changes need to be suggested during the annual update of the programs' rules or during the public comment during the draft of the Notice of Funding Availability for each program. In addition, the description of DSHS' efforts to address unmet housing need for persons living with HIV and their families represents a significant portion of the State's efforts to serve this population.

Comment 6: The City of Houston commented that the "greater than" sign (<) was accidentally reversed throughout the Housing Analysis chapter.

Department Response: The Department agrees with the comment and will make the appropriate changes.

While changes have been made to the SLIHP, the amendment to the rule is adopted as proposed.

The TDHCA Governing Board approved the final 2014 SLIHP at the February 20, 2014 Board meeting.

As referenced in the rule, the full text of the both the final 2014 SLIHP may be viewed at the Department's website: www.tdhca.state.tx.us. The public may also receive a copy of the 2014 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

The amendment is adopted pursuant to the authority of the Texas Government Code, §2306.053 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, and specifically §2306.0723, which requires the Department to consider the report to be a rule and to follow rulemaking procedures.

No other statutes, articles, or codes are affected by the amendment.

REPORT ITEMS

R1

TDHCA Outreach Activities, January 2014

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Housing and Health Services Coordination Council Meeting	Austin	Jan 8	Executive, Housing Resource Center	Participant
NCSHA's HOME and Housing Tax Credit Conference	Washington, D.C.	Jan 11-16	Compliance, Legal, Multifamily Finance	Moderator, Participant
Public Hearing/State Low Income Housing Plan	Austin	Jan 16	Housing Resource Center	Public Hearing
Promoting Independence Advisory Committee	Austin	Jan 16	Housing Resource Center	Participant
United Texas – Housing Initiatives That Work	New Braunfels	Jan 16	Homeownership	Training
Grand Opening/The Works at Pleasant Valley	Austin	Jan 17	Executive, Neighborhood Stabilization, Multifamily Finance, Housing Resource Center	Remarks, Participant
Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders	Austin	Jan 17	Housing Resource Center	Participant
Texas State Independent Living Council	Austin	Jan 27	Housing Resource Center	Participant
Public Hearing/Multifamily Bonds - Patriots Crossing	Dallas	Jan 28	Multifamily Finance, External Affairs	Public Hearing
MCC Lender Training/Wells Fargo Home Mortgage	Austin	Jan 31	Homeownership	Training

Internet Postings of Note, January 2014

A list of new or noteworthy documents posted to the Department's web site

Training Registration for 1st Thursday — updating registration information for February 2014 Compliance training session:

www.tdhca.state.tx.us/pmcomp/COMPtrain.html

2014 Real Estate Analysis Rules and Guidelines — detailing information relating to the Department's standards for underwriting, market analyses, appraisals, environmental site assessments, property condition assessments and replacement reserve requirements:

www.tdhca.state.tx.us/rea/index.htm

Final Asset Management Rules, Chapter 10, Subchapter E — specifying the requirements governing post award and asset management activities associated with Department awards to multifamily developments (links to the Secretary of State's Web site):

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=E&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=E&rl=Y)

Draft 2014 State of Texas Low Income Housing Plan and Annual Report — draft reference document regarding statewide housing needs, housing resources, and strategies for funding allocations:

www.tdhca.state.tx.us/housing-center/pubs-drafts.htm

Cost Certification Forms — reflecting updated forms required for Cost Certification submission:

www.tdhca.state.tx.us/asset-management/pca-manual.htm

2014 MF Bond Pre-Application — *required for individuals seeking financing through a multifamily Private Activity Bond transaction with the Department:*

www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

2014 4% Housing Tax Credit and Tax Exempt Bond Process Manual — *setting forth essential information needed by individuals filing a Private Activity Bond application with the Department:*

www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

ICP Response to Annual Report — *providing the response from the Inclusive Communities Project to the Department's annual report summarizing the 2014 Housing Tax Credit Program allocation:*

www.tdhca.state.tx.us/multifamily/inclusive-communities-project.htm

2014 Housing Tax Credit Award Limits and Estimated Regional Allocation — *outlining At-Risk & Regional funding estimates, applicant funding request and award limits for the 2014 9% Tax Credit allocation cycle:*

www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

Section 811 PRA Program Presentation — *providing training regarding new program providing a subsidy to rental properties to house persons with disabilities earning less than 30% AMFI:*

www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

2014 Quantifiable Community Participation: Neighborhood Information Packet — *provided to neighborhood organizations and includes requirements for QCP Submission, QCP form:*

www.tdhca.state.tx.us/multifamily/communities.htm

Targeted Area Census Tracts by County — *identifying areas of the state experiencing economic distress in which participants in the My First Texas Home and MCC programs may retain eligibility at higher income levels:*

www.tdhca.state.tx.us/homeownership/fthb/buyer_reqs_step2.htm

Approved Fair Housing Training Providers — *listing approved organizations providing required fair housing training to architects and engineers, and to property owners and managers:*

www.tdhca.state.tx.us/housing-center/fair-housing/fair-housing-training.htm

Emergency Solutions Grant State Consultation with Continuums of Care for 2014 ESG funds — *seeking input on the allocation of funds, performance standards, and information management policies and procedures for the Department's 2014 ESG funds:*

www.tdhca.state.tx.us/community-affairs/announcements.htm

2014 HOME Homeownership Value Limits — *establishing HOME Homeownership value limits, for both new and rehab homes, effective January 1, 2014:*

www.tdhca.state.tx.us/home-division/manuals-rules.htm

Annual Audited Financial Statements — *including financial statements for the Department's Revenue Bond Program Enterprise fund for the year ended August 31, 2013:*

www.tdhca.state.tx.us/bond-finance/index.htm

9% HTC Competitive Application Schedule for 2014 — *highlighting key dates and deadlines associated with the 2014 Housing Tax Credit allocation cycle:*

www.tdhca.state.tx.us/multifamily/dates.htm

2014 Post Bond Closure Submission Packet — *relating to information developers utilizing bond financing must submit within 60 calendar days after closing on the bonds:*

www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm

2014 9% HTC Application Logs by Date — detailing applications participating in the competitive 2014 Housing Tax Credit pre-application cycle:

www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

Request for Proposals: Organizational Assessment Provider — to identify a nonprofit firm/firms to provide organizational assessment services for subrecipients receiving funding through the Community Affairs Division programs (links to Comptroller's Web site):

http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=109737

2014 Income Limits — providing updated data at specific percentages of federal poverty guidelines for households determining eligibility under the Comprehensive Energy Assistance, Weatherization Assistance, and Community Service Block Grant programs:

www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm; www.tdhca.state.tx.us/community-affairs/wap/guidance.htm; www.tdhca.state.tx.us/community-affairs/csbj/guidance.htm

2014 Multifamily Bond Refunding Application and Procedures Manual — providing application and instructions setting forth the basic information needed for filing a refunding Bond Application:

www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

Community Services Block Grant Program Eligible Entities — updating the list of and contact information for entities currently administering CSBG funds under this program:

www.tdhca.state.tx.us/community-affairs/csbj/index.htm

2013 Annual Owner's Compliance Report Cheat Sheet — aiding owners of rental housing developments funded by the Department in completing a five-part annual report:

www.tdhca.state.tx.us/pmcomp/reports.htm

2014 9% Individually Imaged Pre-Applications — providing links to all applications participating in the 2014 Housing Tax Credit Program pre-application cycle:

www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

R2

<p style="text-align:center">BOARD REPORT ITEM</p> <p style="text-align:center">PROGRAM PLANNING, POLICY, AND METRICS (3PM)</p> <p style="text-align:center">FEBRUARY 20, 2014</p>

Presentation and Discussion on the Department Quarterly Snapshot tool.

BACKGROUND

The Program Planning, Policy, and Metrics group (“3PM”) was established in the spring of 2012 with the purpose of promoting an agency-wide use of uniform metrics as a key management tool. 3PM has been coordinating efforts to enhance interdivisional efficiency and to create uniform cross agency reporting and performance tools. One of 3PM’s priorities since its inception has been the creation of the “Department Snapshot.” The Snapshot is intended to give Board members and stakeholders a quick reference resource to gauge where each program stands in meeting its highest level objectives, chiefly expenditures.

As directed by the Board at its February 2013 meeting, staff over the last year has presented all programs to the Board either individually or in small groups to demonstrate how the Snapshot will highlight the unique aspects of each program. Now that the Board and stakeholders have been introduced to the design and organization of the Snapshot tool, staff will be publishing and submitting the complete Snapshot to the Board on a quarterly basis.

Staff anticipates that the report will be either on the Consent Agenda or in the Report Items section and that presentations will be made only if questions or concerns arise from Board members. Staff has included the User Guide to accompany this Snapshot to enable readers to reference the definition of any metric for any program. Additionally, a brief presentation is included to refresh readers’ as to the design and layout of the tool. Staff anticipates that future presentations will only include the Snapshot itself however the backup information will be provided on the Department’s website.



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

**TDHCA Quarterly Snapshot Intro
Program Planning, Policy, and Metrics
(3PM)
February 20, 2014**

The background of the slide features a soft-focus image of a house with a red roof and white walls on the left, and a large, leafy tree on the right. The overall color palette is warm, with yellows, oranges, and soft blues.

Objective

- **Recap Quarterly Snapshot tool**
- **List of Snapshot Programs**

The background of the slide features a soft-focus image of a red house on the left and a field of tall grass or reeds on the right, under a bright sky. The overall tone is warm and natural.

Quarterly Snapshot RECAP

- Designed for Executive Mgmt, Board, external stakeholders
- High-level gauge of Department's progress
- Shows advancement towards full implementation of funds under current awards/authorities
- Every program has nuances – staff has used comparable benchmarks for each program at each stage

Snapshot General Layout - RECAP

Story of progress from left to right

Grant Funded Programs - Formula-Based																
Programs	A Awards to be Administered	B Program Income	C Cumulative Total Funds	TDHCA Admin		F Non-TDHCA Admin Funds for Programming	G Funds Unencumbered	H Funds Contracted	I % Contracted	J Change Indicator	K Expended /Drawn	L % Expended	M Change Indicator	N Units/ Households	O Persons	P Properties
				D Retained	E Expended											
HHSP	\$ 20,000,000	N/A	\$ 20,000,000	N/A	N/A	\$ 20,000,000	\$ 3,400,000	\$ 16,600,000	83%		\$ 13,600,000	68%		18,419	28,440	
LIHEAP-WAP	\$ 10,000,000	N/A	\$ 10,000,000	\$ 500,000	\$ 400,000	\$ 9,500,000	\$ -	\$ 1,425,000	100%		\$ 475,000	59%		92		
CEAP								\$ 8,075,000			\$ 5,130,000			3,043		
DOE-WAP	\$ 13,000,000	N/A	\$ 13,000,000	\$ 650,000	\$ 180,000	\$ 12,350,000	\$ 9,386,000	\$ 2,964,000	24%		\$ 1,605,500	13%		535		
CSBG	\$ 10,000,000	N/A	\$ 10,000,000	\$ 500,000	\$ 50,000	\$ 9,500,000	\$ 95,000	\$ 9,405,000	99%		\$ 6,270,000	66%			101,581	



DEMONSTRATION DATA ONLY
Does not reflect actual performance



Programs Portrayed in the Snapshot

- Mortgage Credit Certificate (MCC)
- My First Texas Home Program (TMP)
- HOME
- Neighborhood Stabilization Program (NSP)
- Housing Trust Fund (HTF)
- Colonia Self Help Centers (CSHC)
- Housing Tax Credits (4% and 9% HTC)
- Multifamily Bond Program (MF Bond)
- Low Income Home Energy Assistance Program (LIHEAP-WAP & CEAP)
- Emergency Solutions Grant (ESG)
- Homeless Housing and Services Program (HHSP)
- Dept. of Energy Weatherization Assistance Program (WAP)
- Community Services Block Grant (CSBG)
- Balance of State: Continuum of Care (BSCC)
- Section 8



Questions, Concerns, or Ideas?

Please contact:

David Johnson

Program, Planning, Policy & Metrics (3PM)

david.johnson@tdhca.state.tx.us

Quarterly Snapshot Department Level

Program Type	Program	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Persons Served	Properties
					Retained	Expended	% Expended											
Single Family	MCC	\$ 185,714,286	N/A	\$ 185,714,286	N/A	N/A	N/A	\$ 185,714,286	\$ 18,354,030	\$ 167,360,255	90.1%		\$ 138,655,007	39.8%		974		
	TMP	\$ 600,000,000	N/A	\$ 600,000,000	N/A	N/A	N/A	\$ 600,000,000	\$ 343,303,937	\$ 256,696,063	42.8%		\$ 217,254,859	36.2%		1,645		
	HOME	\$ 256,486,748	\$ 30,465,406	\$ 286,952,154	\$ 14,637,611	\$ 13,961,531	0%	\$ 272,314,544	\$ 22,718,137	\$ 249,596,407	91.7%		\$ 185,845,309	68.2%		5,639		
	NSP	\$ 98,608,251	\$ 3,816,233	\$ 102,424,484	\$ 6,109,394	\$ 5,774,902	94.5%	\$ 95,432,027	\$ 3,507,927	\$ 91,924,100	96.3%	[Pending]	\$ 75,954,296	79.6%	[Pending]	1,923		161
	HTF	\$ 29,412,694	\$ -	\$ 29,412,694	\$ 1,204,859	\$ 691,620	57.4%	\$ 28,207,835	\$ 1,711,180	\$ 26,496,654	93.9%		\$ 21,458,518	76.1%		3,242		
	CSHC	\$ 8,852,174	\$ -	\$ 8,852,174	\$ 139,886	\$ 50,263	35.9%	\$ 8,712,288	\$ 618,460	\$ 8,093,828	92.9%		\$ 2,960,833	34.0%		101	25,311	
Multi-Family	9% HTC	\$ 58,633,207	\$ 2,915,861	\$ 61,549,068	N/A	N/A	N/A	\$ 61,549,068	\$ 1	\$ 61,549,067	100%	[Pending]	N/A	N/A	N/A	0		
	4% HTC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,372,608	100%	[Pending]	\$ -	0%	[Pending]	2,152		
	MF Bonds	\$ -	N/A	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	0%	[Pending]	N/A	N/A	N/A	0		
Community Affairs	LIHEAP	\$ 108,174,802	N/A	\$ 108,174,802	\$ 5,131,819	\$ 2,025,745	39.5%	\$ 103,042,983	\$ 72,928,093	\$ 25,316,358	29.2%	[Pending]	\$ 11,569,031	11.6%	[Pending]	1,468		
	CEAP												\$ 398,651					
	ESG	\$ 6,909,591	N/A	\$ 6,909,591	\$ 225,690	\$ 89,527	39.7%	\$ 6,683,901	\$ -	\$ 6,683,901	100%	[Pending]	\$ 666,061	10.0%	[Pending]		5,525	
	HHSP	\$ 5,000,000	N/A	\$ 5,000,000	N/A	N/A	N/A	\$ 5,000,000	\$ 2,291,236	\$ 2,708,764	54.2%	[Pending]	\$ 211,883	4.2%	[Pending]		1,908	
	CSBG	\$ 30,420,666	N/A	\$ 30,420,666	\$ 1,773,649	\$ 315,039	17.8%	\$ 28,647,017	\$ 468,417	\$ 28,178,600	98.4%	[Pending]	\$ 22,760,382	79.5%	[Pending]		359,503	
	BSCC	\$ 50,000	N/A	\$ 50,000	N/A	N/A	N/A	\$ 50,000	\$ -	\$ 50,000	100%	[Pending]	\$ 11,944	23.9%	[Pending]			
	Section 8	\$ 6,450,022	N/A	\$ 6,450,022	\$ 555,334	\$ 71,059	12.8%	\$ 5,894,688	\$ -	\$ 5,894,688	100%		\$ 909,159	15.4%		815		

Trendlines represent the percent Contracted and Expended for each program. The markers represent a past quarter represented on a Snapshot. Some programs are able to recreate past data such that a trendline can be generate retroactively. For other programs, trendline data can only be gathered going forward. As such, these programs will have "Pending" until the next Snapshot where a trendline will begin.

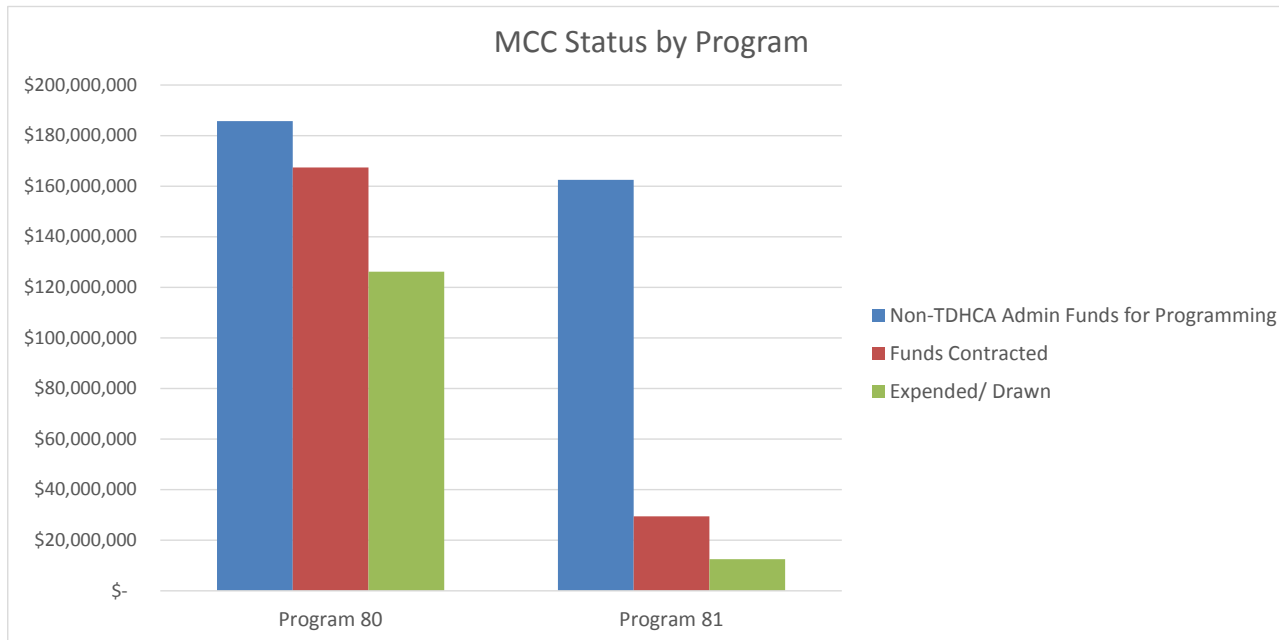
Performance data varies from program to program. Some programs track "Units" or "Households." Others track "Persons Served" or "Properties." For most programs, only one of the measures of performance is represented. For those where more are represented, the figures do not overlap but instead represent separate services.

Quarterly Snapshot

Program Area - Mortgage Credit Certificate

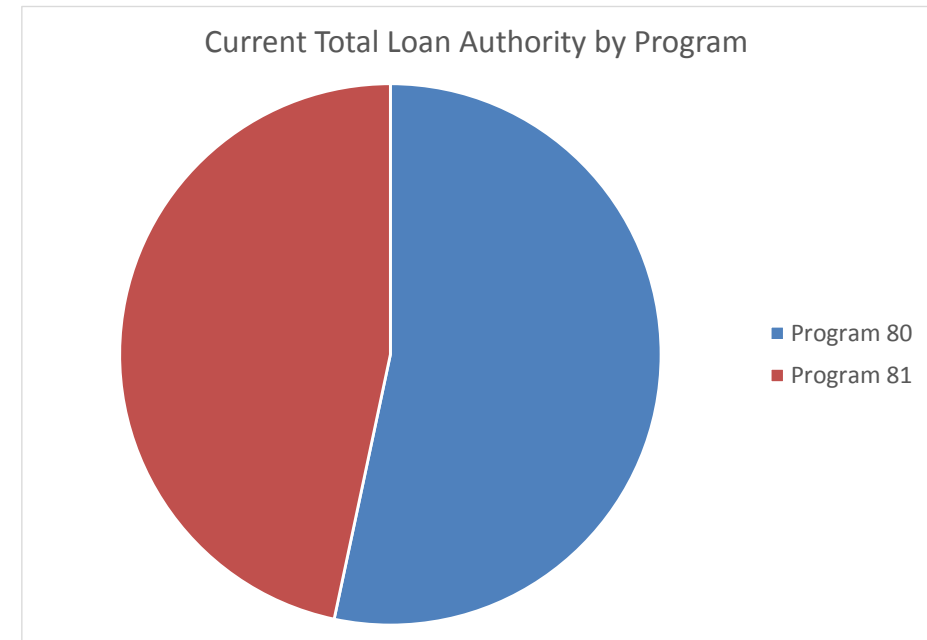
MCC Program	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Deadline
				Retained	Expended	% Expended										
Program 80	\$ 185,714,286	N/A	\$ 185,714,286	N/A	N/A	N/A	\$ 185,714,286	\$ 18,354,030	\$ 167,360,255	90.1%		\$ 126,180,071	67.9%		886	N/A
Program 81	\$ 162,500,000	N/A	\$ 162,500,000	N/A	N/A	N/A	\$ 162,500,000	\$ 133,068,252	\$ 29,431,748	18.1%		\$ 12,474,936	7.7%		88	N/A
Total	\$ 348,214,286	N/A	\$ 348,214,286	N/A	N/A	N/A	\$ 348,214,286	\$ 151,422,282	\$ 196,792,003	56.5%		\$ 138,655,007	39.8%		974	N/A
Prog. Terms	Loan Authority						Loan Authority		Committed in Pipeline			Issued				

The purpose of the Program Area Snapshot is to articulate some of the attributes of the program that make it unique. These items cannot usually be articulated on the Department Snapshot, which necessitate a closer look. For the MCC program, one unique attribute is that the program uses different terminology than "awarded," "contracted," and "expended." To clarify those distinctions, the "Prog. Terms" row was added to show the terminology used by staff in the program area. Hopefully this information will not only clarify how the program fits into the Snapshot and its comparable stages, but will also help in any communications with the program area.



The bar chart shows the status of each MCC program. The chart shows the progress of the total loan authority as its Committed in the Pipeline and then Issued. The blue lines show how much funding is intended to go to the subrecipients or households. This is essentially the yardstick by which we can measure progress. The red bar shows the amount contracted. For example, the red bar for Program 80 shows that roughly 90% of the Total Loan Authority has been obligated, also referred to as Committed in the Pipeline. Finally, the green bar indicates the amount of funds that have been expended, also referred to in the MCC program as "Issued." In the MCC program, the issuance of credits is the goal of the program and thus the final metric used to determine progress.

As one might expect, the older program is further along in both Funds Contracted as well as Expended where the most recent year is moving along but not as fully obligated.



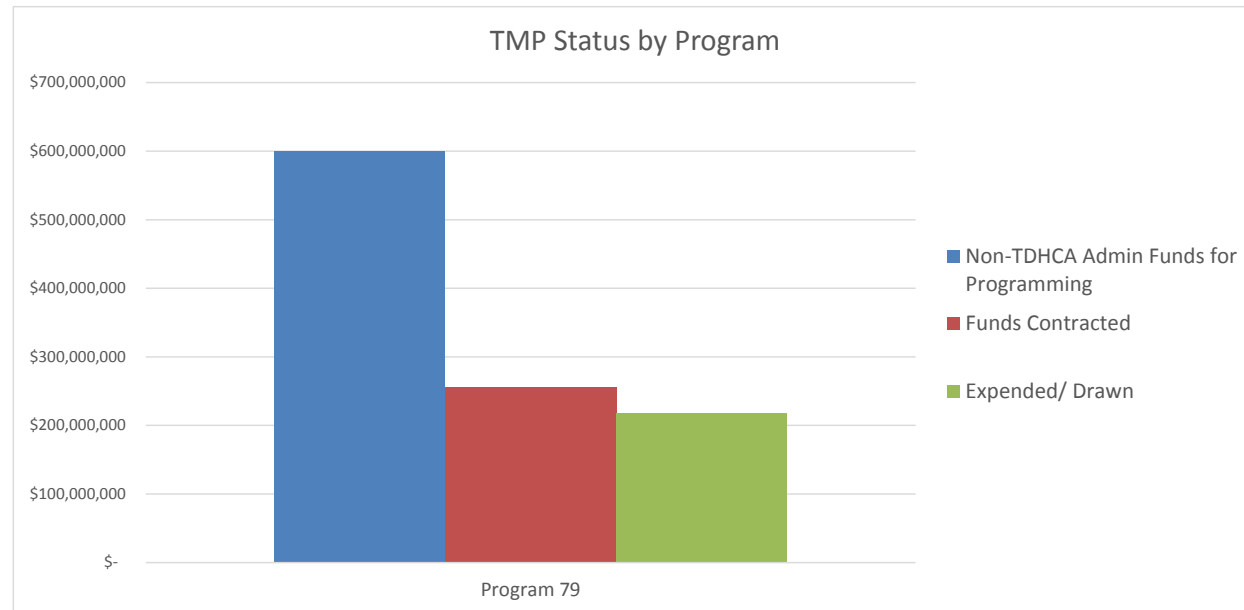
TDHCA's MCC program is split into Programs 80 and 81. As the above chart shows, the \$348,214,286 in current Total Loan Authority is split between the two programs. Just under half is for the newer program 81 whereas just over half is for Program 80.

Quarterly Snapshot

Program Area - My First Texas Home (TMP)

TMP Program	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Deadline
				Retained	Expended	% Expended										
Program 79	\$ 600,000,000	N/A	\$ 600,000,000	N/A	N/A	N/A	\$ 600,000,000	\$ 343,303,937	\$ 256,696,063	42.8%		\$ 217,254,859	36.2%		1,645	N/A
Prog. Terms	Program Cap		Program Cap				Program Cap		Reservations & Compliance			Purchased/ Servicer & Investor/Trustee				

The purpose of the Program Area Snapshot is to articulate some of the attributes of the program that make it unique. These items cannot usually be articulated on the Department Snapshot, which necessitate a closer look. For the TMP program, one unique attribute is that the program uses different terminology than "awarded," "contracted," and "expended." To clarify those distinctions, the "Prog. Terms" row was added to show the terminology used by staff in the program area. Hopefully this information will clarify how the program fits into the Snapshot and its comparable stages.



The bar chart shows the status of the TMP program. The chart shows the progress of the funds as they come through the initial Reservations & Compliance stage (blue bar), go through Underwriting Certifications & Exceptions (red bar), and then finally the loans are Purchased (green bar). These stages, respectively, are comparable to the Award, Contracted, and Expended phases of other programs. Unlike the MCC program, there is currently only a single TMP program. The chart above shows that of the \$600M program cap, 43% or about \$256M has reached the Reservations & Compliance stage (or Contracted in the Snapshot). Further, 36% or about \$217M in loans have been purchased by a Servicer or Investor/Trustee (Expended). For the TMP program, the purchase of the loans are the funds being put to their final purpose and are thus the final metric of success.

Quarterly Snapshot Program Area - HOME

Program Year	Award to Administer	Program Income^^	Total Cumulative Funds	TDHCA Administrative Funds*			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	%	% Contracted Trendline	Expended/ Drawn	%	% Expended Trendline	Units**
				Retained	Expended	% Expended									
2005	\$ 44,687,663		\$ 44,687,663				\$ 44,687,663	\$ -	\$ 44,687,663	100.0%		\$ 44,687,663	100.0%		1,228
2006	\$ 41,308,832		\$ 41,308,832				\$ 41,308,832	\$ -	\$ 41,308,832	100.0%		\$ 41,308,832	100.0%		568
2007	\$ 41,420,803		\$ 41,420,803				\$ 41,420,803	\$ -	\$ 41,420,803	100.0%		\$ 41,027,577	99.1%		645
2008	\$ 40,043,225		\$ 40,043,225				\$ 40,043,225	\$ 2,147,769	\$ 37,895,456	94.6%		\$ 34,271,962	85.6%		451
2009	\$ 43,933,530		\$ 43,933,530				\$ 43,933,530	\$ 3,097,575	\$ 40,835,955	92.9%		\$ 34,303,064	78.1%		331
2010	\$ 43,593,825		\$ 43,593,825				\$ 43,593,825	\$ 2,630,644	\$ 40,963,181	94.0%		\$ 29,097,012	66.7%		754
2011	\$ 39,180,788		\$ 39,180,788				\$ 39,180,788	\$ 3,233,501	\$ 35,947,287	91.7%		\$ 16,654,201	42.5%		551
2012	\$ 24,284,636		\$ 24,284,636				\$ 24,284,636	\$ 4,799,537	\$ 19,485,099	80.2%		\$ 26,087	0.1%		604
2013	\$ 24,029,941		\$ 24,029,941				\$ 24,029,941	\$ 21,446,722	\$ 2,583,219	10.8%		\$ -	0.0%		0
HOME PI	N/A	\$ 30,465,406	\$ 30,465,406				\$ 30,465,406	\$ -	\$ 30,465,406	100.0%	N/A	\$ 30,465,406	100.0%	N/A	507
HOME Admin	\$ -	\$ -	\$ -	\$ 14,637,611	\$ 13,961,531	95.4%	\$ (14,637,611)	\$ (14,637,611)	\$ -	0.0%	N/A	\$ -	0.0%	N/A	N/A
Total	\$ 256,486,748	\$ 30,465,406	\$ 286,952,154	\$ 14,637,611	\$ 13,961,531		\$ 272,314,544	\$ 22,718,137	\$ 249,596,407	91.7%		\$ 185,845,309	68.2%		5,639

* TDHCA Administrative Funds figures are not available on a per year basis

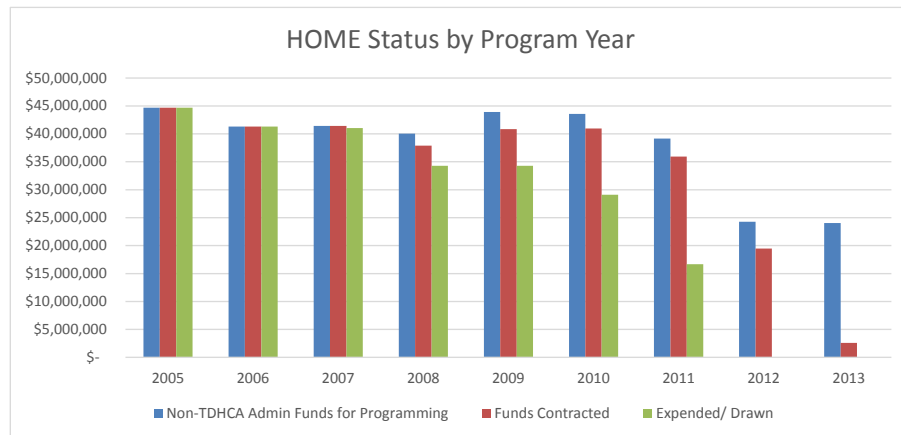
^^ Program Income is from Program Years 2005 - 2013

** HOME units are counted at commitment, divided proportionally across the contributing funding years

^ The HOME Snapshot represents both single family and multifamily activities

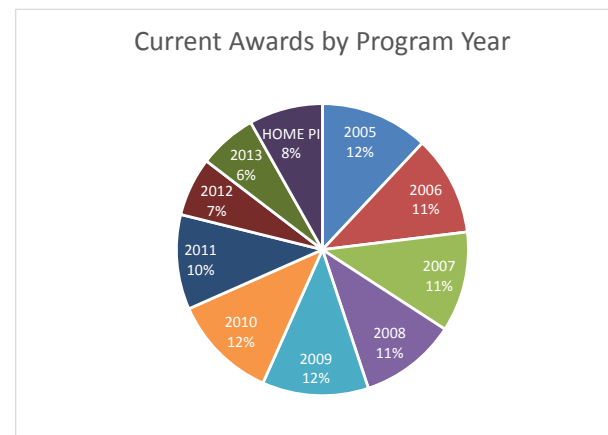
- Once a program year is reflected as being 100% expended, it will no longer be represented on the Snapshot

As the Trendlines show, there is fluctuation in the % Contracted and % Expended between quarters. This is due to the timing of Program Income. As PI is accrued, the percentages drop. As the PI is committed and expended, the percentages rise again.

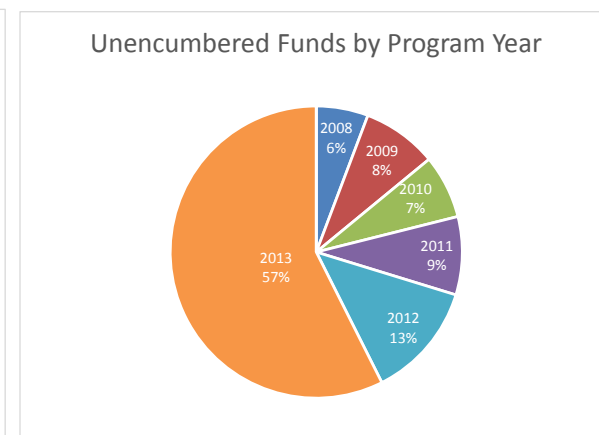


The bar chart shows the status of the program by program year. The chart shows the progress of the obligations and expenditures for awards to subrecipients in that year, not the actual obligations and expenditures that took place during that year. For example, the red line for 2007 shows that the entire ~\$43M in that year's award has been obligated. Some of that amount may have been obligated in more recent years. The above bar chart is a look at the status of a year's progress, not the activity that took place during that year.

The blue lines show how much funding was awarded to TDHCA for Administrators in that year. This is essentially the yardstick by which we can measure progress. The red lines show the funds that have been obligated by executed contract or reservation setup agreement. As one might expect, the older years are fully obligated where the most recent year is moving along but not fully obligated. The green line represents expenditures, the final metric the Snapshot uses to measure progress.



This pie chart simply shows the distribution of funds for the HOME program from HUD across the program years. For example, of the roughly \$286M TDHCA is administering, most of it is split into program years equalling about 12% or ~\$40M until 2011 when the award amount began declining.



HUD Performance Metrics		
Metric	Due Date	Progress
Commitment	4/30/2014	98.3%
Draw	6/30/2014	100%

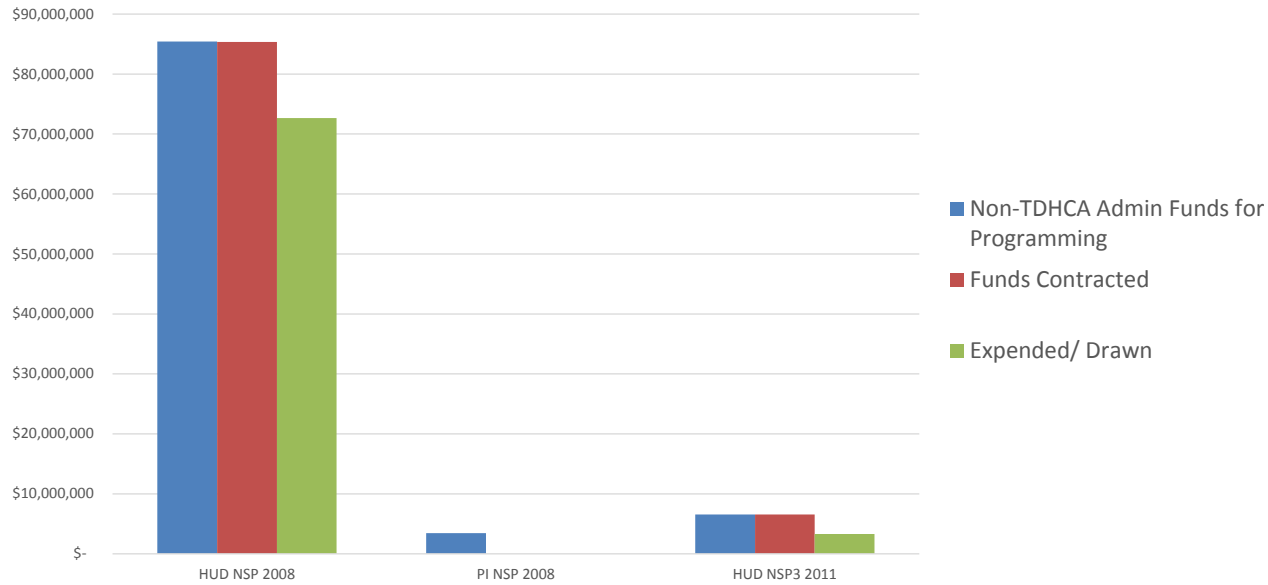
The primary HUD metric for determining the status of the HOME program throughout each year is our progress in the above table. HUD determines that by certain dates, a certain amount of both draws (expenditures) must be reached and then later, a certain amount of funds must be committed. As is shown in the above table, TDHCA met its deadline for amount drawn.

Quarterly Snapshot

Program Area - Neighborhood Stabilization Program (NSP)

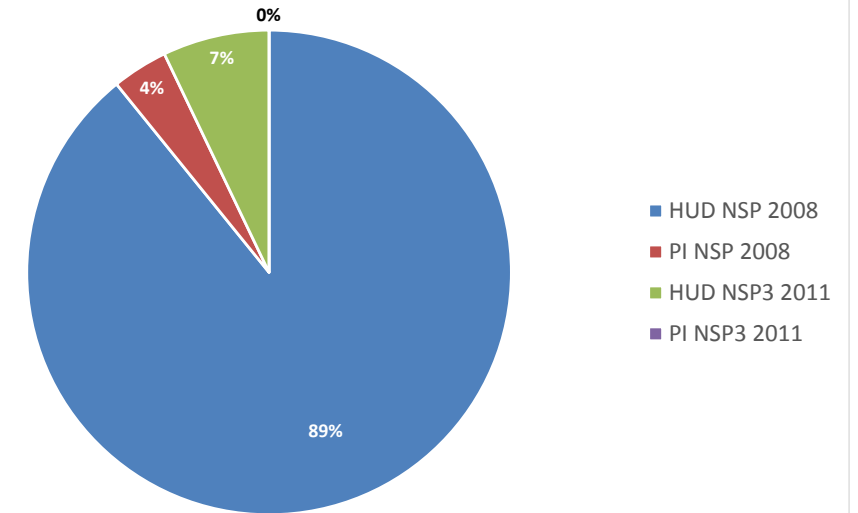
Program	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Properties
				Retained	Expended	% Expended										
HUD NSP 2008	\$ 91,323,273	\$ -	\$ 91,323,273	\$ 5,380,896	\$ 5,375,660	99.9%	\$ 85,440,937	\$ 73,317	\$ 85,367,620	99.9%	[Pending]	\$ 72,656,685	85.0%	[Pending]	1,878	161
PI NSP 2008	\$ -	\$ 3,816,233	\$ 3,816,233	\$ -	\$ -	0%	\$ 3,434,610	\$ 3,434,610	\$ -	0%	[Pending]	\$ -	0%	[Pending]	0	0
HUD NSP3 2011	\$ 7,284,978	\$ -	\$ 7,284,978	\$ 728,498	\$ 399,242	54.8%	\$ 6,556,480	\$ -	\$ 6,556,480	100%	[Pending]	\$ 3,297,611	50.3%	[Pending]	45	0
PI NSP3 2011	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	[Pending]	\$ -	0.0%	[Pending]	0	0
Total	\$ 98,608,251	\$ 3,816,233	\$ 102,424,484	\$ 6,109,394	\$ 5,774,902	94.5%	\$ 95,432,027	\$ 3,507,927	\$ 91,924,100	96%	[Pending]	\$ 75,954,296	79.6%	[Pending]	1,923	161

Program Progress by Funding Source



The bar chart shows the status of NSP by program. The chart shows the progress of the obligations and expenditures for awards to subrecipients. The blue bars show how much funding was awarded to TDHCA for subrecipients under that program. This is essentially the yardstick by which we can measure progress. The red bars show the funds that have been obligated by executed contract. As one might expect, the older program is more fully obligated where the most recent program is moving along but as far. The green bars represent expenditures, the final metric the Snapshot uses to measure progress. NSP1 is over 85% drawn whereas the newer NSP3 is about 50% drawn.

Current Funding Amount by Source



This pie chart simply shows the distribution of funds for the Neighborhood Stabilization Program across multiple programs. For example, of the roughly \$98M TDHCA is administering, roughly 90% comes from the NSP1 program.

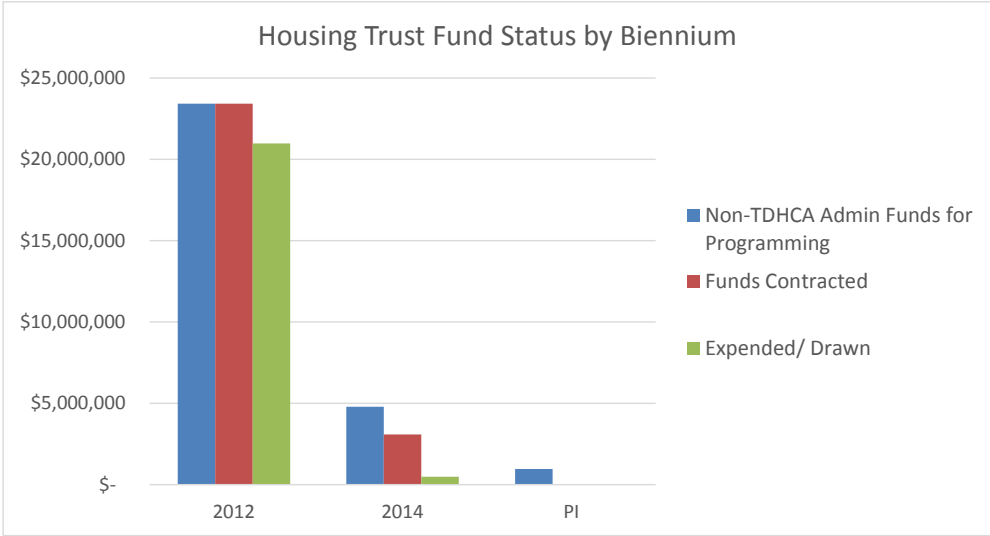
These figures will change over time as the NSP and NSP3 programs are eventually closed and the Program Income (PI) programs accrue additional funding.

Quarterly Snapshot

Program Area - Housing Trust Fund (HTF)

Biennium	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Deadline
				Retained	Expended	% Expended										
2012	\$ 24,092,569	\$ -	\$ 24,092,569	\$ 673,859	\$ 543,080	80.6%	\$ 23,418,710	\$ -	\$ 23,418,710	100.0%		\$ 20,970,876	89.5%		3,185	N/A
2014	\$ 5,320,125	\$ -	\$ 5,320,125	\$ 531,000	\$ 148,540	28.0%	\$ 4,789,125	\$ 1,711,180	\$ 3,077,945	64.3%		\$ 487,642	10.2%		57	N/A
PI	N/A	\$ 965,828	\$ 965,828	N/A	N/A	N/A	\$ 965,828	\$ 965,828	\$ -	0.0%		\$ -	0.0%		0	N/A
Total	\$ 29,412,694	\$ -	\$ 29,412,694	\$ 1,204,859	\$ 691,620	57.4%	\$ 28,207,835	\$ 1,711,180	\$ 26,496,654	93.9%		\$ 21,458,518	76.1%		3,242	N/A

* Program income is shown in a separate row. Once the PI is contracted it will be associated with a biennium and reflected there



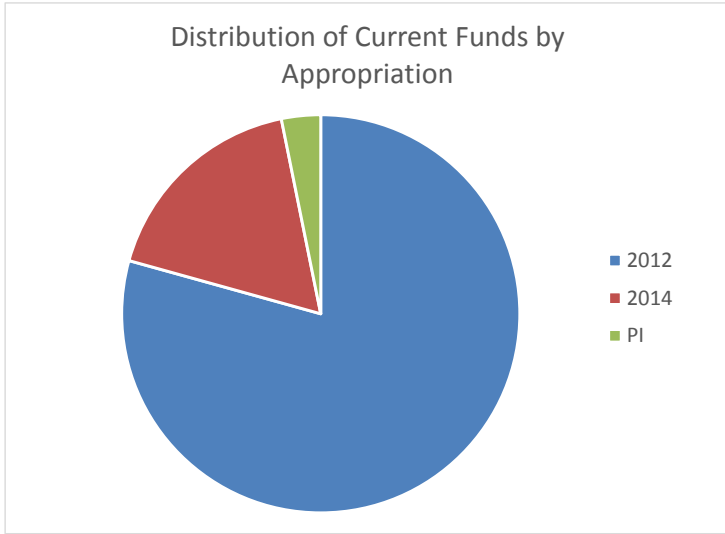
The bar chart shows the status of the program by biennium. The chart shows the progress of the obligations and expenditures for appropriations in that biennium, not the actual obligations and expenditures that took place during that biennium. For example, the red line for 2012 shows that the entire ~\$24M in that biennium's appropriation has been obligated. Some of that amount may have been obligated in the most recent biennium. Additionally staff may have finished obligating the 2010/11 biennium during 2012, so the amount actually obligated during the biennium may have been different. The above bar chart is a look at the status of a biennium's progress, not the activity that took place during that biennium.

The blue lines show how much funding was available in the biennium. This is essentially the yardstick by which we can measure progress. The red lines show the funds that have been obligated by executed contract or reservation setup agreement. As one might expect, the older biennium is fully obligated where the most recent biennium is far along but not fully obligated. The green line represents expenditures, the final metric the Snapshot uses to measure progress. The 2012 biennium's appropriation is almost expended (87%) while the newest appropriation has yet to expend funds.

The PI will never show "Funds Contracted" nor "Expended/Drawn." This is due to the fact that PI is not strictly tied to a year/biennium, so it is portrayed in its own row. Once it is programmed and committed, it will be part of a specific biennium. That amount will then be shown within that biennium and no longer in the separate PI row.

The trendlines show dips in the % Contracted and % Expended history. This is an affect of both the 2010/2011 biennium being closed as well as the 2014/2015 biennium's funding coming online. These events both reduce the amount of Contracted and Expended funds in the total figure, thus lowering the percentages resulting in the dip.

The "Units" field includes all performance for activities closed during those years. The 2012 figure includes "households served" from certain HHSP contracts that received HTF funding during the 2012/2013 biennium.

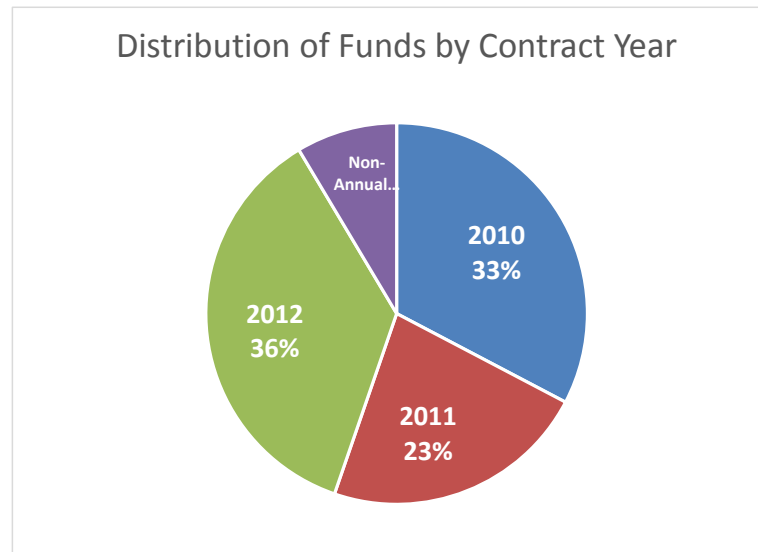
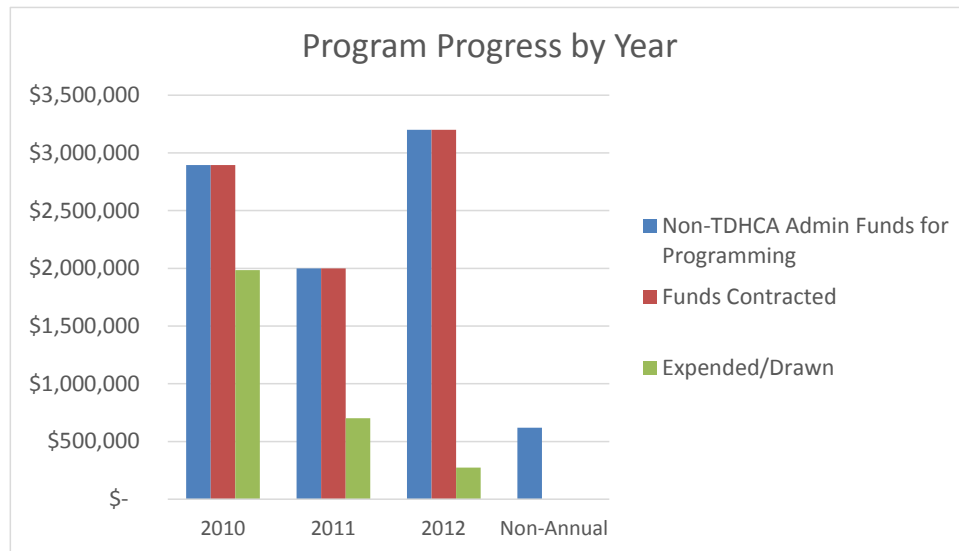


This pie chart simply shows the distribution of funds for the Housing Trust Fund program across biennia. For example, of the roughly \$26M TDHCA is administering, almost 82% comes from the newest biennium.

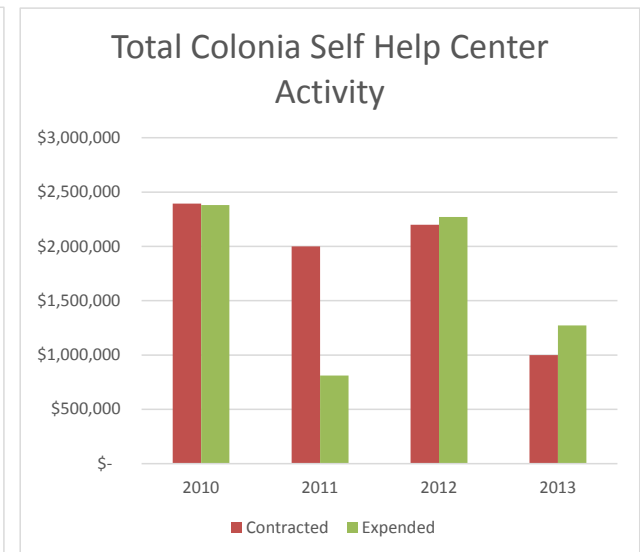
Quarterly Snapshot

Program Area - Colonia Self Help Centers

Program	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Persons Served
				Retained	Expended	% Expended										
2010	\$ 2,893,828	\$ -	\$ 2,893,828				\$ 2,893,828	\$ -	\$ 2,893,828	100%	←→←→←→←→←→	\$ 1,984,651	68.6%	←→←→←→←→←→	31	13,700
2011	\$ 2,000,000	\$ -	\$ 2,000,000				\$ 2,000,000	\$ -	\$ 2,000,000	100%	←→←→←→←→←→	\$ 701,656	35.1%	←→←→←→←→←→	17	5,674
2012	\$ 3,200,000	\$ -	\$ 3,200,000				\$ 3,200,000	\$ -	\$ 3,200,000	100%	←→←→←→←→←→	\$ 274,526	8.6%	←→←→←→←→←→	53	5,937
Non-Annual	\$ 758,346	\$ -	\$ 758,346	\$ 139,886	\$ 50,263	35.9%	\$ 618,460	\$ 618,460	\$ -	0.0%	←→←→←→←→←→	\$ -	0.0%	←→←→←→←→←→	0	0
Total	\$ 8,852,174	\$ -	\$ 8,852,174	\$ 139,886	\$ 50,263	35.9%	\$ 8,712,288	\$ 618,460	\$ 8,093,828	92.9%	←→←→←→←→←→	\$ 2,960,833	34.0%	←→←→←→←→←→	101	25,311



This pie chart simply shows the distribution of funds for the Colonia Self Help Centers across years. For example, of the roughly \$8M TDHCA is administering, almost 40% comes from 2012. About 10% comes from either Unobligated or Non-Annual funds.



In contrast to the previous bar chart, the above chart shows activity during a given year. For example, in 2012 the program obligated approximately \$2M and spent about \$2.3M. Please note that these obligations and expenditures are across multiple years so no contract went over their allocation. This chart is focused on the activity of the program, as opposed to the progress of individual contract years.

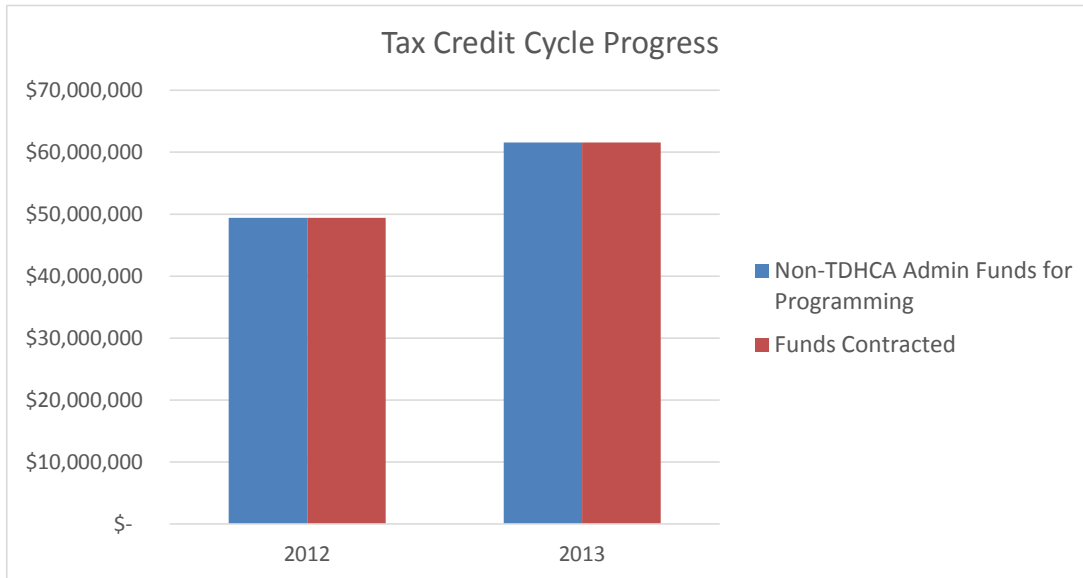
In this bar chart we see all funding years that currently have open contracts plus any unobligated funds. You may notice that 2009 saw no executed contracts. This is due to the timing of the funding awards and subrecipient's closing contracts. At the time funding became available, no subrecipients were available to take on additional funds so the contracts were awarded in 2010. Also, 2013 contracts have not yet been executed so those are not represented here either. Please note that the years on the horizontal axis represents activity on contracts executed in those years, not activity in a year. For example, the graph show lower expenditures (green) in 2012. The program expended almost \$2.3M in 2012, but on contracts executed prior to 2012.

The blue lines show how much funding was available in the contract year. This is essentially the yardstick by which we can measure progress. The red lines show the funds that have been obligated by executed contract. The chart shows that all contract years have fully obligated the funds. The unobligated amount ("Non-Annual") will, by definition, always show no contracted funds. The goal with this column is to move all of these funds into a program year, eventually having no funds in this column. The green bar shows the final goal, which is expenditure. As one would expect, the older contract years show higher levels of expenditure as they've been working longer than the newer contract years.

Quarterly Snapshot

Program Area - 9% Housing Tax Credits (HTC)

Program Year	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units
				Retained	Expended	% Expended									
2012	\$ 56,484,298	\$ (7,089,748)	\$ 49,394,550	N/A	N/A	N/A	\$ 49,394,550	\$ -	\$ 49,394,550	100%	[Pending]	N/A	N/A	N/A	5,161
2013	\$ 58,633,207	\$ 2,915,861	\$ 61,549,068	N/A	N/A	N/A	\$ 61,549,068	\$ 1	\$ 61,549,067	100%	[Pending]	N/A	N/A	N/A	0
Program Terms		Fed Authorization	Returned/ Pool/Forwards							Carryover					



The 9% HTC program is unique in that the Snapshot at the Department-level will only show the current year. The funds are considered "contracted" when they have reach "Carryover." The next major programmatic threshold is the deals having 8609's issued. This stage will not be tracked because this stage happens approximately 2 years after the award of tax credits to the developer. By this time the Snapshot will already be focused on a new tax credit cycle. Thus, progress for 9% HTC shows the tax credit award in "Award to Administer" and progresses through the funds being contracted (having reached Carryover).

The "Program Terms" row shows the nomenclature of the program. This row helps to show how the unique aspects of the program fit within the Snapshot.

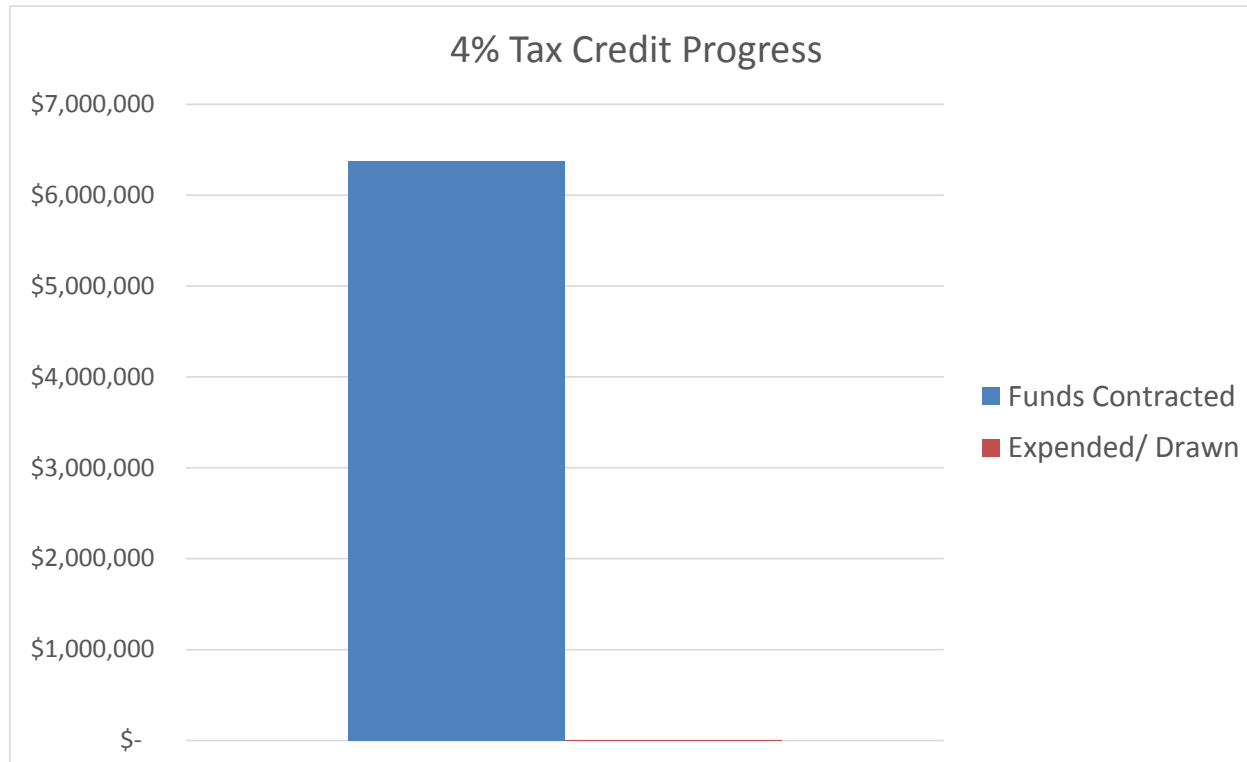
Notice that the Program Income for 2012 shows a negative number. This is possible due to forwards from the previous year. These forwards are an award of tax credits made from the next year's allocation. Thus, any forwards must be subtracted from the total allocation and combined with any Returned Credits or National Pool Credits. The table below shows the breakdown for the 2012 Program Income field.

Credit Type	Increase/ Decrease	Amount
Initial Allocation		\$ 56,484,298
2011 Forward	Decrease	\$ 8,376,635
Returned Credit	Increase	\$ 1,038,604
National Pool	Increase	\$ 248,283
Final 2012 Alloc.		\$ 49,394,550

Quarterly Snapshot

Program Area - 4% Housing Tax Credits (4% HTC)

Program Year	Award to Administer	Program Income	Total Cumulative	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units
				Retained	Expended	% Expended									
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,372,608	100%	[Pending]	\$ -	0%	[Pending]	2,152
Program Terms								Determination Notice Issued			8609 Issued				



4% HTC deals do not have an award or authorization amount. In contrast to other programs that work to expend a certain amount of funds each cycle, the 4% HTC funds deals as they are proposed and approved. To track progress for this program the Snapshot defines "Funds Contracted" as the amount of funding in deals having had a Determination Notice issued. Progress for this program's Snapshot is defined as the percent of those deals that have a Determination Notice issued that then have 8609's issued. Similar to the 9% tax credit, developers typically take two years or more to complete the development and request 8609's. Thus, expended % are likely to remain low in the Snapshot report.

The "Program Terms" row shows the nomenclature of the program. This row helps to show how the unique aspects of the program fit within the Snapshot.

Quarterly Snapshot

Program Area - Multifamily Bond (MFBond)

Program	Award to Administer	Program Income	Total Cumulative	TDHCA Administrative Funds			Non-TDHCA Admin Funds for	Funds Unencumber	Funds Contracte	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units
				Retained	Expended	% Expended									
MF Bond	\$ -	N/A	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -	0%	[Pending]	N/A	N/A	N/A	0
Program Terms	Bond Review Board Designation								Closed Deals						

The MF Bond program does have an amount that in bonds it can issue set by the Bond Review Board. In this way it is more akin to other TDHCA programs. Progress for this program is similar to other programs in that progress is tracked by the amount of funds that are in deals that have closed as a percentage of the Designation authorized by the Bond Review Board.

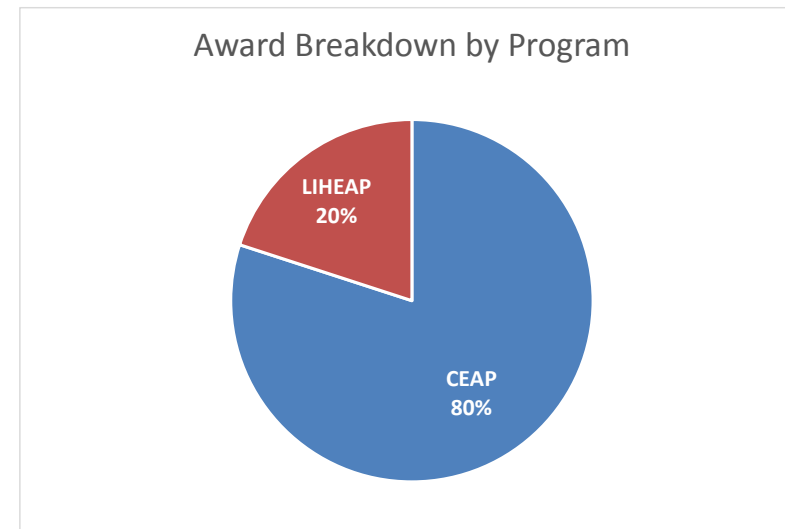
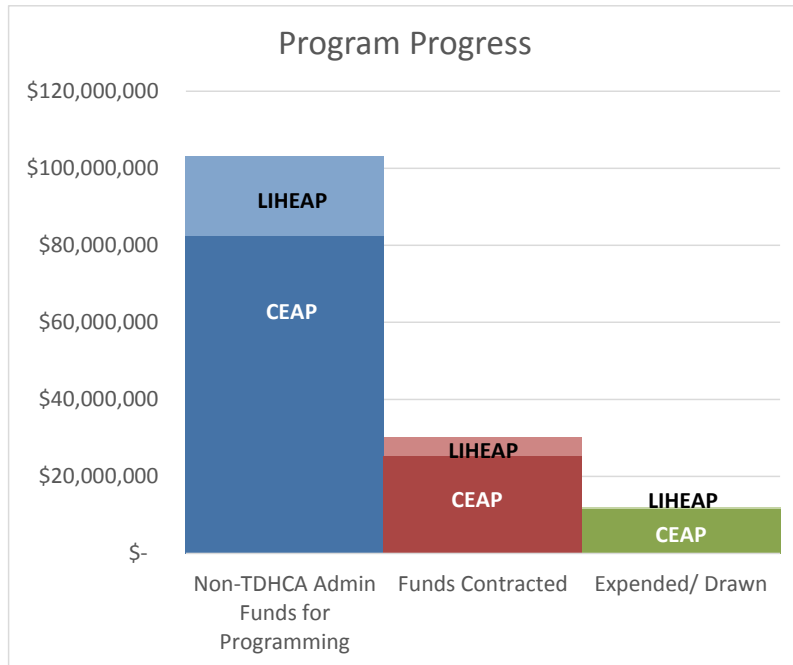
As you can see from the data above, there are currently no MF Bond deals currently active. This is due to recent market forces that have made it difficult to realize financial viability with MF Bond deals. The visual components of the Program Area Snapshot for this program will be very similar to the other programs as active deals come into the program.

Quarterly Snapshot

Program Area - Low Income Housing Energy Assistance Program (LIHEAP)

Program	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Persons Served
				Retained	Expended	% Expended										
LIHEAP	\$ 108,174,802	N/A	\$ 108,174,802	\$ 5,131,819	\$ 2,025,745	39.5%	\$ 103,042,983	\$ 72,928,093	\$ 25,316,358	29.2%	[Pending]	\$ 11,569,031	11.6%	[Pending]	1,468	
CEAP									\$ 4,798,532			\$ 398,651				

TDHCA receives a grant for LIHEAP and breaks that single annual award into two programs: CEAP and LIHEAP. This is why many of the cells are merged in the Snapshot. The funds are not separated until they are Contracted, before that stage the funds are in a single pool.



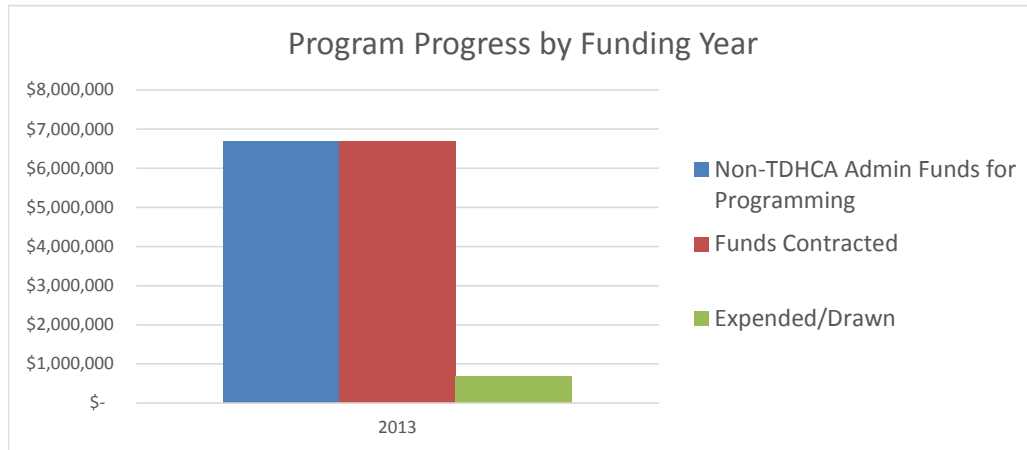
The pie chart shows how the LIHEAP grant is divided into programs within the Community Affairs division between the weatherization (LIHEAP) and energy assistance (CEAP) activities.

The bar charts show the status of the CEAP/LIHEAP programs. The chart shows the progress of the funds as they are initially shown as funds going to subrecipients (blue bar), are obligated in contracts (red bar), and then finally expended (green bar). These charts are typical of TDHCA programs. The lighter bars on top show the LIHEAP progress while the darker portions of the bars are CEAP.

Quarterly Snapshot

Program Area - Emergency Solutions Grant (ESG)

Year	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/Drawn	% Expended	% Expended Trendline	Persons Served
				Retained	Expended	% Expended									
2013	\$ 6,909,591	N/A	\$ 6,909,591	\$ 225,690	\$ 89,527	39.7%	\$ 6,683,901	\$ -	\$ 6,683,901	100%	[Pending]	\$ 666,061	10.0%	[Pending]	5,525

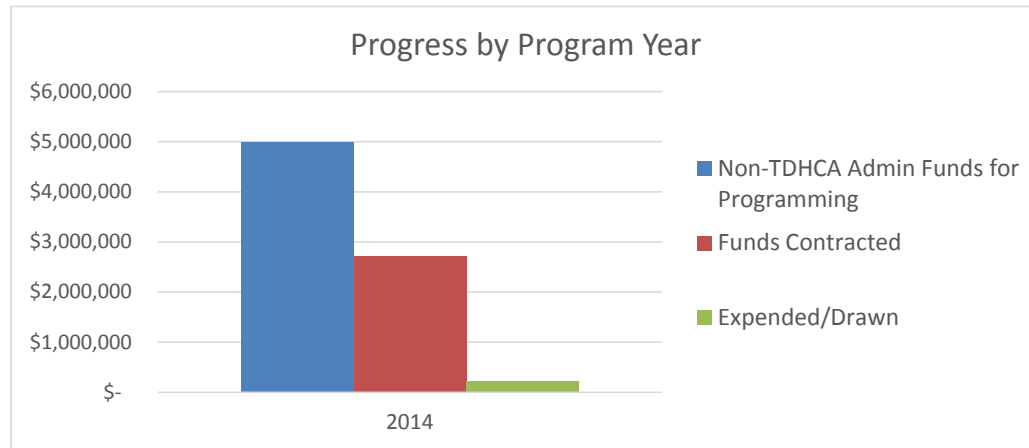


The bar chart shows the progress of the program broken down by program years. The blue bar represents the amount to go to the subrecipients. The red shows the amount under executed contracts whereas the green shows those funds that have been expended.

Quarterly Snapshot

Program Area - Housing and Homeless Services Program (HHSP)

Year	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/Drawn	% Expended	% Expended Trendline	Persons Served
				Retained	Expended	% Expended									
2014	\$ 5,000,000	N/A	\$ 5,000,000	N/A	N/A	N/A	\$ 5,000,000	\$ 2,291,236	\$ 2,708,764	54.18%	[Pending]	\$ 211,883	4.24%	[Pending]	1,908



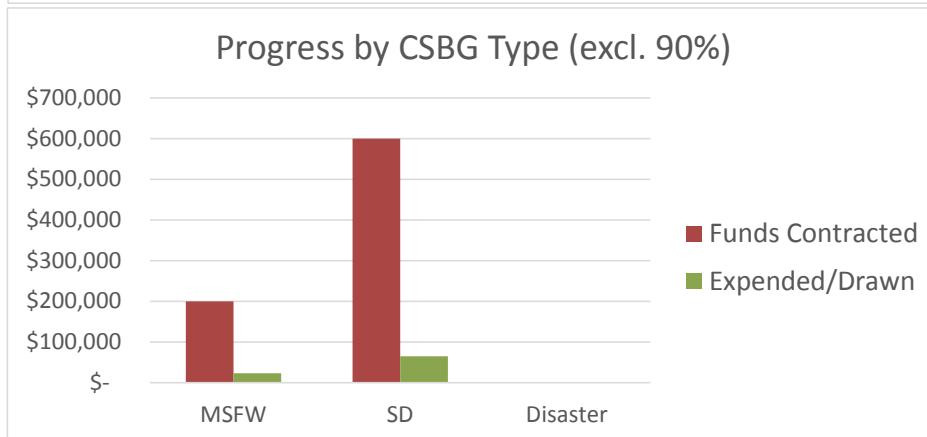
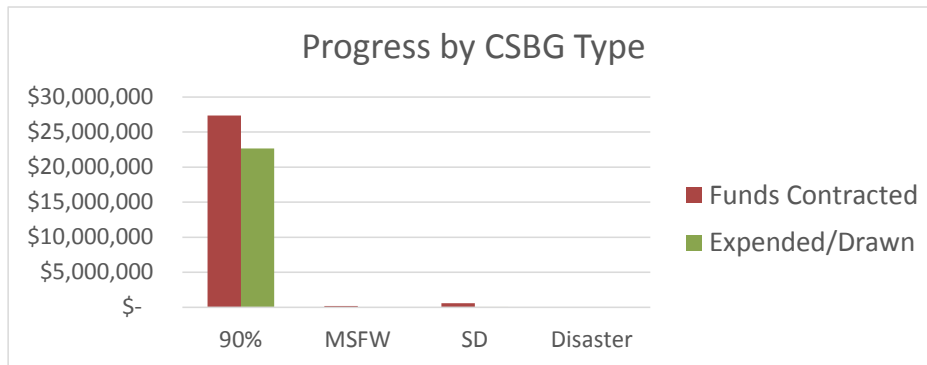
The Housing and Homeless Services Program provides funding to the eight largest cities in support of services to homeless individuals and families including services such as case management and housing placement and retention.

The bar chart shows the progress of the program broken down by program years. The blue bar represents the amount to go to the subrecipients. The red shows the amount under executed contracts whereas the green shows those funds that have been expended.

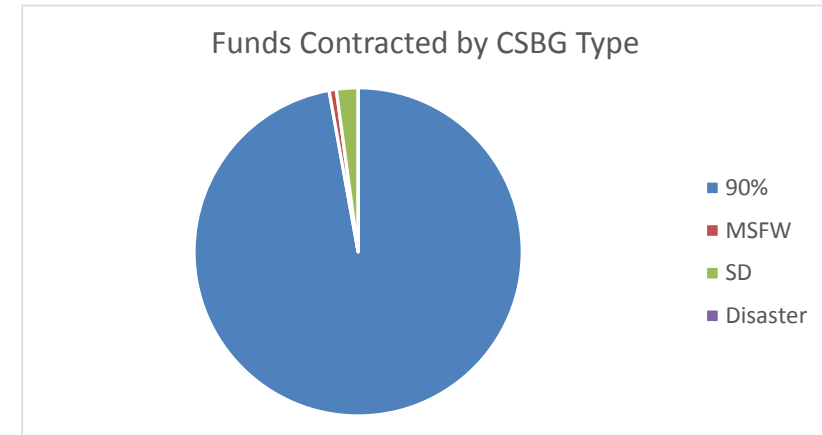
Quarterly Snapshot

Program Area - Community Services Block Grant (CSBG)

CSBG-Type	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracte	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Persons Served
				Retained	Expended	% Expended									
90%	\$ 30,420,666	N/A	\$ 30,420,666	\$ 1,773,649	\$ 315,039	17.8%	\$ 28,647,017	\$ 468,417	\$ 27,378,600	98.4%	[Pending]	\$ 22,672,185	79.5%	[Pending]	359,412
MSFW									\$ 200,000			\$ 23,236			91
SD									\$ 600,000			\$ 64,961			0
Disaster									\$ -			\$ -			0
Total	\$ 30,420,666	N/A	\$ 30,420,666	\$ 1,773,649	\$ 315,039	17.8%	\$ 28,647,017	\$ 468,417	\$ 28,178,600	98.4%	[Pending]	\$ 22,760,382	79.5%	[Pending]	359,503



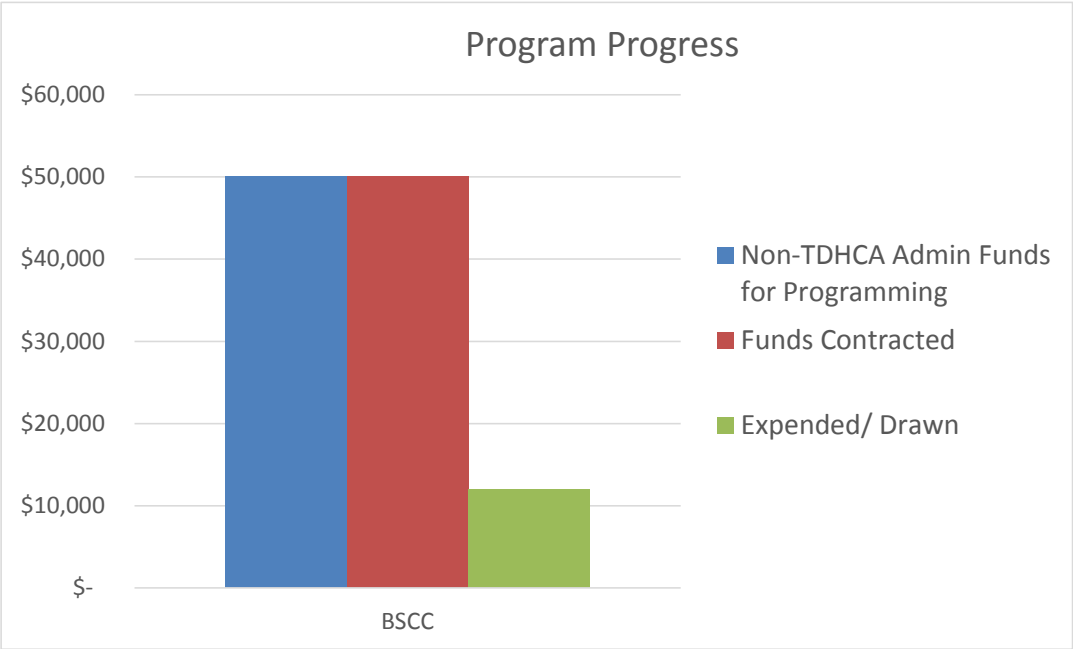
These bar charts show the progress (amount contracted vs. amount expended) for each type of CSBG funding. The blue bar represents the amount to go to the subrecipients. The red shows the amount under executed contracts whereas the green shows those funds that have been expended. As one may expect, the primary funding channel (90%) is further along whereas the others have further to go to fully expend. The bottom chart is separated to better illustrate the non-90% funding channels.



Quarterly Snapshot

Program Area - Balance of State Continuum of Care (BSCC)

Program	Award to Administer	Program Income	Total Cumulative	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumber	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units
				Retained	Expended	% Expended									
BSCC	\$ 50,000	N/A	\$ 50,000	N/A	N/A	N/A	\$ 50,000	\$ -	\$ 50,000	100.0%	[Pending]	\$ 11,944	23.9%	[Pending]	N/A

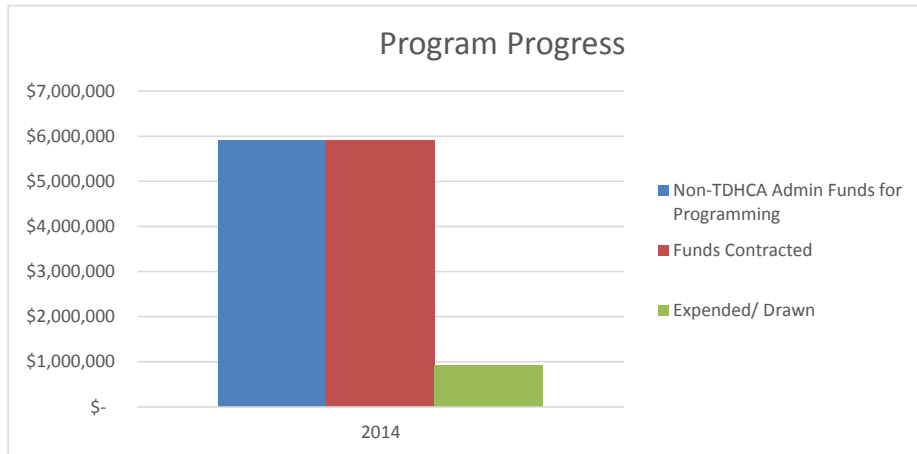


The Balance of State Continuum of Care program is a \$50,000/year payment to the Texas Homeless Network to provide administration support and services in the areas of the State not covered by other Continuum's of Care. As the funding is for administrative expenses, there are no "Units" or "Persons Served" directly from program funds. The funds do allow services to be provided so their is considerable benefit from the funds.

Quarterly Snapshot

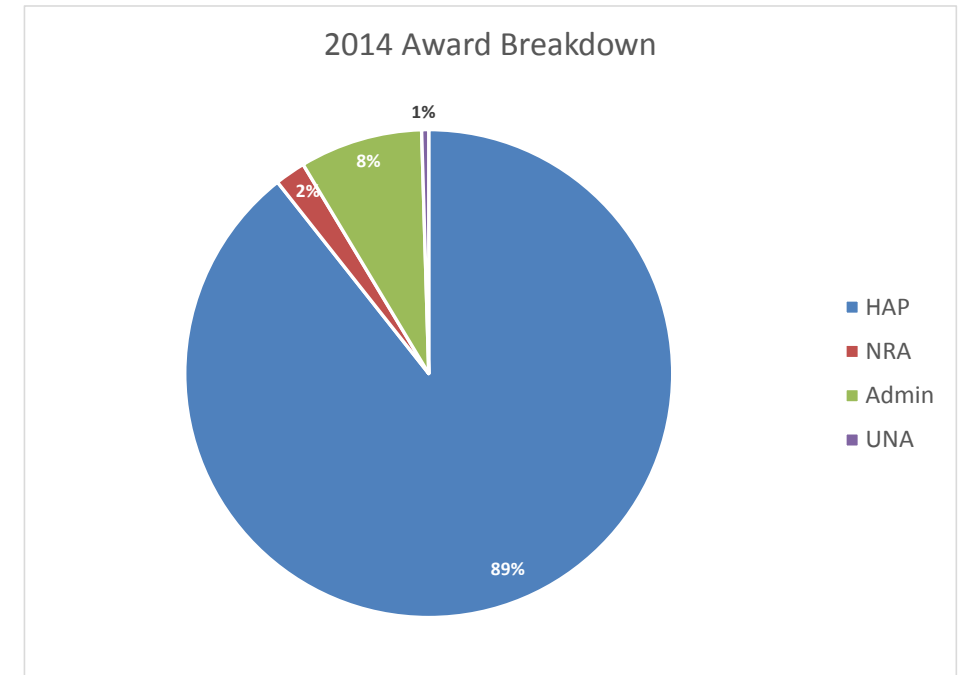
Program Area - Section 8

Program Year	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units
				Retained	Expended	% Expended									
2014	\$ 6,450,022	N/A	\$ 6,450,022	\$ 555,334	\$ 71,059	12.8%	\$ 5,894,688	\$ -	\$ 5,894,688	100%		\$ 909,159	15.4%		815

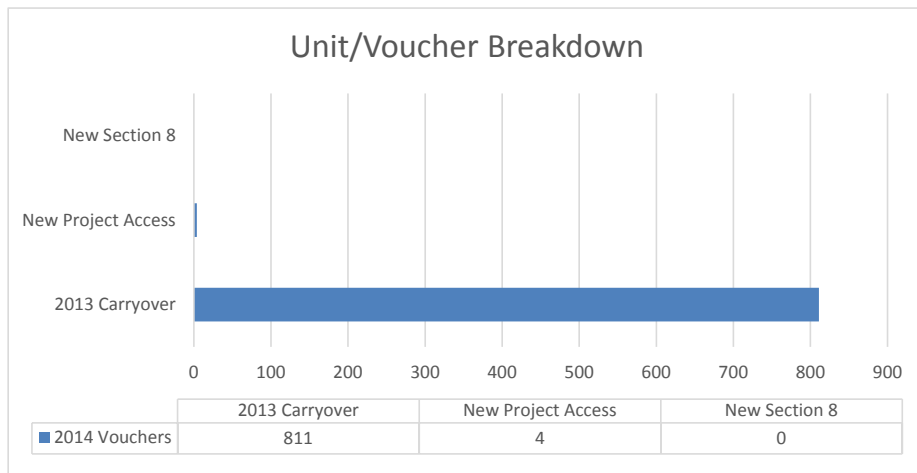


The bar chart shows the progress of the program in fully expending the funds designated for programs (excludes TDHCA admin funding). Due to the unique nature of Section 8, the funds are always considered to be "Contracted." The expended amount, shown in green, is typical for a program only a few months into its annual cycle. This figure will continue to increase through the year until the next cycle begins and the bar resets back to zero.

The "% Expended Trendline" reflects a significant dip in the % Expended in the last quarter. This is due to the awarding of new Section 8 funds and the beginning of a new funding cycle. Section 8 has no overlap of funding cycles. On January 1st each year the new cycle starts. As such, the "% Expended" returns to zero. This dip will occur with the first Snapshot of each calendar year.



The above pie chart shows the breakdown of the 2014 award. The award comes primarily from Housing Assistance Payments (HAP), which are payments for the rental and utility assistance, and Administrative funds (admin), which are payments to TDHCA to administer the program. The remaining amount comes from unspent balances. The Net Restricted Assets (NRA) are from unspent HAP funds and used for assistance to clients, where the Unrestricted Net Assets (UNA) are from funds for TDHCA administrative activities.



The bar chart to the left shows the current unit/voucher amount by its "source." Since voucher holders can maintain their voucher over multiple years, vouchers are recounted once each year to determine the number of vouchers served. Of the 815 vouchers served by the program this calendar year, 811 of the 815 are carried forward from the previous year. To date, only 4 new vouchers have been issued. 100% of those four have been through the Project Access program.



User Guide

Quarterly Snapshot Tool

Program Planning, Policy & Metrics

This User Guide is a companion document to the Snapshot tool published on a quarterly basis by TDHCA's Program Planning, Policy & Metrics (3PM) group. Because each program has its own variations, this guide is intended to contain both the business definition as well as the technical definition for each metric contained in the Snapshot. The tool is intended to provide a broad view of the Department's progress, by program, of attaining its goal of fully expending its awards, grants, allocations, and authorizations in the service of helping Texas achieve an improved quality of life through the development of better communities.

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General Column Definitions

This section is to provide the underlying data source and meaning behind each of the column headings on the Agency Scorecard document. The next section of this User Guide will incorporate the specific definitions that are unique to each program.

Award to be Administered (A) – All funds awarded/allocated by the State or Federal Agency. This could include the programmatic funds, TDHCA-designated administrative funds, subgrantee administrative funds, bond authority, tax credit allocations, etc. This field does not include program income.

Program Income (B) – All funds paid back to TDHCA in the form of repayment of loans, etc. This would not include fees or any other instrument that is not put back to programmatic use. This includes both programmatic program income as well as program income designated for TDHCA administrative use.

Cumulative Total Funds (C) – This is the total amount of funds for which TDHCA is currently responsible. It is calculated by adding Award to be Administered and Program Income. ($A + B = C$)

TDHCA Admin Retained (D) – Funding that is retained from the award/allocation/program income designated for TDHCA's administrative use. This field does not include fee-based administrative funding. Fee-based administrative funding does not have the same expenditure deadlines nor is it considered by the funding entities to be part of the award or authority. For the purposes of this tool, fee-based administrative funding is not comparable to the other types of administrative funding.

TDHCA Admin Expended (E) – Amount of the TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming (F) – This is the award amount less the amount kept by TDHCA for administrative purposes. This is calculated as Cumulative Total Funds (C) minus TDHCA Admin Retained (D). ($C - D = F$)

Funds Unencumbered (G) – Funds designated for subrecipients but not currently under contract. This is calculated as Non-TDHCA Admin Funds for Programming (F) minus Funds Contracted (H). ($F - H = G$)

Funds Contracted (H) – Funds issued or obligated via contractual relationship or “committed” in reservation system to a household.

% Contracted (I) – Percent of Funds Designated to Subgrantee/Direct Consumers that are contracted. This is calculated as Funds Contracted (H) divided by Non-TDHCA Admin Funds for Programming (F). ($H/F = I$)

Change Indicator (J) – Shows change is Funds Contracted (J) through iterations of scorecards.

Expended/Drawn (K) – Funds that have been drawn by subgrantee/direct consumer. This can also represent other comparable financial milestones such as the issuance of 8609 for a tax credit project or a loan being underwritten for the First Time Homebuyer program.

% Expended (L) – This field represents percent of Non-TDHCA Admin Funds for Programming that are expended/drawn. This is calculated as Expended/Drawn (K) divided by Non-TDHCA Admin Funds for Programming (F). ($K/F = L$)

Change Indicator (M) - Shows change is Expended/Drawn (K) through iterations of scorecards.

Units/Households (N) – A performance metric showing the number of either units or households that have been produced or served, depending on the program represented. This metric is related to the funding represented in the Cumulative Total Funding column, not necessarily just the current program year. This figure is not cumulative over the life of the program.

Persons (O) – A performance metric showing the number of persons that the program has served. This metric is related to the funding represented in the Cumulative Total Funding column, not simply the current program year.

Properties (P) – A performance metric showing the number of properties the program has assisted. For example, some NSP activity outcomes cannot be described as service to a unit, person or household but rather a property. An example would be the demolition activity where no unit is subsequently constructed. This metric is related to the funding represented in the Cumulative Total Funding column, not simply the current program year.

Program-Specific Definitions

Mortgage Credit Certificate (MCC)

Timeframe Note: May represent multiple programs depending on status of loan closings. All programs with loans in the pipeline (not yet closed) which is also referred to as an “active program.”

Award to be Administered: This is the Maximum Loan Allocation (MLA). This amount will not be the Volume Cap because staff cannot issue loans up to the Volume Cap but instead on the MLA. This makes the MLA the more appropriate measure for program completion.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: This will be the same as Award to be Administered as there is no Program Income.

TDHCA Admin Retained: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: This will be the same as Award to be Administered as there is no Program Income nor TDHCA Admin.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: Value of the MCC’s committed to specific households. The figure is derived from the “Total Committed (in Pipeline)” field from the “Mortgage Credit Certificate: Pipeline” report.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Represents the value of the loans purchased. This is derived from the “Total Loans Originated” field on the “Mortgage Credit Certificate: Pipeline” report.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Units/Households: Number of loans closed. Does not include down-payment assistance. This is consistent with the Performance Measures.

My First Texas Home Program, at taxable mortgage program (TMP)

Timeframe Note: May represent multiple programs depending on status of loan closings. All programs with loans in the pipeline (not yet closed) which is also referred to as an “active program.”

Layout Note: The TMP does not have an award amount. Instead, the amount in Award to be Administered is the program cap. Though this amount can be changed, it is the target of the program and thus a sufficient metric for success.

Award to be Administered: The amount of the program cap.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: As there is no program income, this is also the amount of the program cap.

TDHCA Admin Retained: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: As there is no TDHCA Admin to subtract from the Cumulative Total Funds, this is the amount of the program cap.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: This represents all funds in the “Reservation and Compliance” and “Underwriting” stages. This is the first stage at which a household will be identified and thus serves as the “universe” for the Snapshot. The figure is derived from the “Current, Reservation”, “Current, eHP Compliance”, “Current, UW Certification”, and “Exceptions, UW Certification” rows on the “My First Texas Home: Pipeline” report. As the report is a pipeline tool, all subsequent fields must be added as well to get the accurate figure for the Snapshot.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Represents funds for which the loan has closed.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Units/Households: Number of loans closed. Does not including down-payment assistance. This is consistent with the Performance Measures.

HOME

Timeframe Note: Represents multiple program years. Program has multiple program years to expend funds after award from HUD to TDHCA.

Merged Row Note: Though HOME has single family (SF) and multifamily (MF) activities derived from its funding, because the data comes directly from IDIS (HUD’s system for interfacing with TDHCA) there is no way to split the activities into MF/SF in a way that reconciles from the TDHCA’s Housing Contract System (HCS) to IDIS.

Award to Be Administered: Federal awards for all program years with active contracts. Program years with active contracts are obtained from the Housing Contract System (HCS). The amounts for those years are pulled from the “Total Authorization” field on PR27 from IDIS.

Program Income: HOME does accrue program income through items such as loan repayment and interest. This amount comes from the Fund Source report in HCS, the “Allocation” field for years determined in the previous field.

Cumulative Total Funds: Calculated as Award to be Administered plus Program Income.

TDHCA Admin Retained: The HOME award does allow TDHCA expenses. The maximum amount of TDHCA administrative expenses is 10% of the award. This 10% is split between TDHCA and the administrators. Only the amount retained for TDHCA admin is reflected in this cell.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: Represents funds under executed contract with subrecipients. This does not include the amount under reservation in the Reservation System unless there is an executed Reservation Setup Agreement for a household. The data for this field found on PR27, page 1, column I, "Total Authorized Commitments". This amount is added to the PI figure.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming. This field shows, of the funds set to go to Administrators what percentage is under executed contract. This is a significant progress milestone.

Expended/Drawn: Amount of funds drawn by administrators. The data for this field found on PR27, page 3, column G, "Total Disbursement". This amount is added to the PI figure.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming. The field is again merged to truly reflect the percent expended within each activity. Note that as new fund awards are made to TDHCA each year this percent will change

Units/Households: The "units" figure represents all active and closed activities within the timeframe set above. The data for "units" is from HCS and uses the amounts budgeted for each activity to determine the appropriate program year. In HOME, a single unit can be funded from multiple years. To accurately show the number of units in each active program year, the percentage of each unit funded from each year is calculated and then aggregated. For example, if a unit was funded from program years 2006 and 2007 equally, each of those years is credited with 0.5 units. Each program year's partial units are added to arrive at a final figure.

Neighborhood Stabilization Program (NSP)

Timeframe Note: May represent multiple rounds of NSP, depending on the status of the rounds.

Award to be Administered: Total award from all rounds with active contracts and/or unspent funds.

Program Income: The NSP award does generate program income.

Cumulative Total Funds: Award to be Administered plus Program Income.

TDHCA Admin Retained: The NSP award does allow TDHCA administrative expenditures. The maximum amount of TDHCA administrative expenses is 10% of the award. This 10% is split between TDHCA and the administrator network, but only the portion TDHCA retains for its own operations is included in this cell.

TDHCA Admin Expended: Amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: Cumulative Total Funds minus TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: All funds obligated under executed contract.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Represents funds drawn by subrecipients.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Units/Households: Number of units constructed, rehabilitated, or financed.

Properties: Properties that have been demolished.

Housing Trust Fund (HTF)

Timeframe Note: May represent multiple funding biennia depending on status of prior contracts.

Award to be Administered: Funding allocations from all open bienna. Calculated by adding the Program Detail Report page of the Housing Trust Fund Financial Services Report column C “Contracted/Reserved/Committed” for each biennium. Then subtracting any deobligated funds in column D “Deobligated” from the same report, as well as subtracting any program income. The Program Income calculation is described below. TDHCA Administrative funds must be added in from the report provided by Financial Administration (FA).

Program Income: Program income will reflect loan repayments (GR and local) as well as interest payments. It is calculated from figures from the Housing Trust Fund – Funding Summary Report. Add the figures from the “(+) Loan Repayments” and “(+) Interest Earnings” rows in the “Total” column in the middle of the report. This figure is Program Income.

Cumulative Total Funds: The sum of Award to be Administered and Program Income.

TDHCA Admin Retained: Amount of the allocation TDHCA is permitted to use for operation. This is on a report sent from FA.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended. This is on a report sent from FA.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: The amount of funds to subrecipients that have been placed under executed contract or reservation setup agreement for a household. This data is from the Program Detail Report page of the Housing Trust Fund Financial Services Report. It is calculated by adding column E “Expended” and column F “Unexpended Contract Balance”.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by subrecipients. This data is from the Program Detail Report page of the Housing Trust Fund Financial Services Report. It is calculated by adding column E “Expended”.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Units: Units from expended funds.

Colonia Self Help Centers (CSHC)

Timeframe Note: Represents multiple program years. Program has 4 years to expend funds after award from HUD to Texas Department of Agriculture (TDA).

Award to Be Administered: Represents all active funds from open contracts and unobligated funds. This is calculated by adding the amount of open contracts’ budgets (contract amount) and unobligated funds (including deobligated funds that have not yet been obligated). The unobligated amount is determined from the “Grand Total” column in the “PY Balance available” row on the CSHC

Award History spreadsheet. The open contracts' budgets come from the "Total Drawn" row in the PS/Budget column for each open contract on the Cumulative Quarterly Report.

Program Income: This is very uncommon but includes forfeited tool deposits or loan repayments if the deferral period on a loan is violated.

Cumulative Total Funds: Calculated as Award to be Administered plus Program Income.

TDHCA Admin Retained: The SHC-CDBG award does allow TDHCA expenses.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted. This is equal to the amount in the unobligated amount and is determined from the "Grand Total" column in the "PY Balance available" row on the CSHC Award History spreadsheet.

Funds Contracted: Represents funds under executed contract with the county subrecipients. Calculated by adding the contract amounts for all open contracts. The figure comes from the "Total Drawn" row in the PS/Budget column for each open contract on the Cumulative Quarterly Report.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Amount of funds drawn by the recipient counties. This figure is from the aggregation of the "Cumulative" column for the "Total Drawn" row for each open contract.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Performance: This program reports both units and persons served. Units are all completed rehabilitation/reconstruction projects for open contracts. Persons served will be reflective of public services for open contracts.

Extra Program Area Snapshot Rows: The Program Area Snapshot includes an additional "Non-Annual" row at the bottom of the program year breakdown. This is due to the fact that once funds are deobligated, there aren't regulatory timeframes placed on when funds must be expended. It would thus be misleading to mix those funds into a different year because any deadlines would not be the same for all dollars within that figure. The TDHCA administrative dollars are placed into a merged cell because our administrative dollars in this program are not available broken down by year.

Housing Tax Credits – 9% (9% HTC)

Timeframe Note: Represents only the current year.

Source Notes: The entirety of the data comes from the program area. It is generated manually.

Award to be Administered: The Federal Authorization amount from the most recent Authorization.

Program Income: This is the sum of the National Pool Credit amount and the Returned Credit amount during the current program year.

Cumulative Total Funds: The sum of Award to be Administered and Program Income.

TDHCA Admin Retained: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: The amount in deals that have not reached the Carryover milestone. Calculated as Non-TDHCA Admin Funds for Programming minus Funds Contracted.

Funds Contracted: The amount in deals that have reached the Carryover milestone.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Not Applicable – The Carryover milestone is considered the funds being designated for their final use. As Carryover is used as the “Funds Contracted” threshold this program does not have an “Expended/Drawn” phase.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Units/Households: The number of units in deals that have reached the Carryover milestone.

Housing Tax Credits – 4% (4% HTC)

Timeframe Note: Represents all active deals. The 4% Tax Credit deals do not follow a programmatic cycle. Funds are only utilized once a project has been identified and approved. Thus, there is no deadline or total award amount to expend.

Layout Note: 4% HTC deals do not have an award or authorization amount. In contrast to other programs that work to expend a certain amount of funds each cycle, the 4% HTC funds deals as they are proposed and approved. To track progress for this program the Snapshot defines "Funds Contracted" as the amount of funding in deals having had a Determination Notice issued. Progress for this program's Snapshot is defined as the percent of those deals that have a Determination Notice issued that then have 8609's issued. Similar to the 9% tax credit, developers typically take two years or more to complete the development and request 8609's. Thus, expended % are likely to remain low in the Snapshot report.

Award to be Administered: Not applicable - 4% HTC deals do not have a particular award or authorization amount.

Program Income: 4% HTC deals do not generate program income for TDHCA. The program does generate fees but, similar to other programs, this is not taken into account in the Snapshot.

Cumulative Total Funds: Not applicable

TDHCA Admin Retained: Not applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: Not applicable

Funds Unencumbered: Not applicable – funds are only first tracked when the deal reaches the “Contracted” stage.

Funds Contracted: This is the first stage at which the amount in a specific deal is tracked. This is the amount of funding in deals that have had a Determination Notice issued.

% Contracted: For 4% HTC, since deals are only first tracked at “Funds Contracted,” this field will always equal 100%.

Expended/Drawn: Amount in deals that have had an 8609 issued.

% Expended: Calculated as Expended/Drawn divided by Funds Contracted.

Units: This represents all units in deals that have had a Determination Notice issued.

Multifamily Bond (MF Bond)

Timeframe Note: Represents all active years. The funding is not tied to a particular program year.

Award Note: The MF Bond program does have an amount that in bonds it can issue set by the Bond Review Board. In this way it is more akin to other TDHCA programs.

Award to be Administered: Amount designated by Bond Review Board. This is the maximum amount that can be authorized by TDHCA.

Program Income: MF Bond deals do not generate program income for TDHCA. The program does generate fees but, similar to other programs, this is not taken into account in the Snapshot.

Cumulative Total Funds: The sum of Award to be Administered plus Program Income. Since MF Bond does not have Program Income, this figure will be the same as Award to be Administered.

TDHCA Admin Retained: Not applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained. Since there is no TDHCA Admin in MF Bonds, this will be the same as “Award to Administer.”

Funds Unencumbered: “Non-TDHCA Admin Funds for Programming” minus “Funds Contracted.” This represents the funds designated by the Bond Review Board that has not yet Closed.

Funds Contracted: Amount in deals that have Closed.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Not applicable

% Expended: Not applicable

Units: Units in deals that have reached Closing.

Low Income Home Energy Assistance Program (LIHEAP-WAP & CEAP)

Timeframe Note: May represent multiple program years depending on status of prior contracts.

Merged Row Note: The LIHEAP-WAP & CEAP programs are both funded from the LIHEAP award from the Federal Department of Health & Human Services. These programs are split only at the Contracted and Expended stages because before those stages, it is only one award to TDHCA.

Award to be Administered: Federal awards for all program years with active contracts from both programs. May also contain carryover from previous funding years.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: Same as “Award to be Administered” as there is no Program Income in the LIHEAP or CEAP programs.

TDHCA Admin Retained: The LIHEAP award does allow TDHCA expenses. The maximum amount of TDHCA administrative expenses is 10% of the award. This 10% is split between TDHCA and the subrecipients. Only the amount retained for TDHCA admin is reflected in this cell.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: Represents funds under executed contract with subrecipients. The definition of the fields is the same for both LIHEAP-WAP and CEAP.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming. The field is again merged to truly reflect the percent contracted. If the field was split, the value would essentially reflect the allocation, not the percent contracted.

Expended/Drawn: Funds expended by subrecipients. The definition of the fields is the same for both LIHEAP-WAP and CEAP.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming. The field is merged to reflect the actual percent expended for the grant.

Units/Households (LIHEAP-WAP): Units weatherized.

Units/Households (CEAP): Households having received utility assistance.

Dept. of Energy - Weatherization Assistance Program (DOE-WAP)

Timeframe Note: This program is not currently included as there are no active awards for the program. Once funding is awarded, the program will be included as defined below. May represent multiple program years depending on status of prior contracts.

Award to be Administered: Federal awards for all program years with active contracts. May also contain carryover from previous funding years.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: Same as “Award to be Administered” as there is no Program Income in the DOE-WAP program.

TDHCA Admin Retained: The DOE-WAP award does allow TDHCA expenses. The maximum amount of TDHCA administrative expenses is 10% of the award. This 10% is split between TDHCA and the subrecipients. Only the amount retained for TDHCA admin is reflected in this cell.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: Represents funds under executed contract with subrecipients.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by subrecipients.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Units/Households: Units weatherized.

Emergency Solutions Grant (ESG)

Timeframe Note: May represent multiple program years depending on status of prior contracts.

Award to be Administered: Federal awards for all program years with active contracts. May also contain carryover from previous funding years.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: Same as “Award to be Administered” as there is no Program Income in the ESG program.

TDHCA Admin Retained: The ESG award does allow TDHCA expenses. The maximum amount of TDHCA administrative expenses is 7.5% of the award. This 7.5% is split between TDHCA and the subrecipients. Only the amount retained for TDHCA admin is reflected in this cell.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: Represents funds under executed contract with subrecipients.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by subrecipients.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Persons: Number of persons who have been rapidly re-housed or prevented from falling into homelessness.

Homeless Housing and Services Program (HHSP)

Timeframe Notes: May represent multiple program years depending on status of prior contracts.

Award to be Administered: State and/or Federal awards for all program years with active contracts. May also contain carryover from previous funding years.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: Same as “Award to be Administered” as there is no Program Income in the HHSP program.

TDHCA Admin Retained: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Cumulative Award Funds less minus Funds Contracted.

Funds Contracted: Represents funds under executed contract with subrecipients.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by subrecipients.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Community Services Block Grant (CSBG)

Timeframe Note: May represent multiple program years depending on status of prior contracts.

Award to be Administered: Federal awards for all program years with active contracts. May also contain carryover from previous funding years.

Program Income: Not applicable, this program does not accrue program income nor anything comparable.

Cumulative Total Funds: Same as “Award to be Administered” as there is no Program Income in the CSBG program.

TDHCA Admin Retained: The CSBG award does allow TDHCA expenses. The maximum amount of TDHCA administrative expenses is 5% of the award.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Non-TDHCA Admin Funds for Programming minus the Funds Contracted.

Funds Contracted: Represents funds under executed contract with subrecipients.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by subrecipients.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Persons: Persons served through CSBG subrecipient activity. CSBG can be used to provide an array of difference service.

Balance of State: Continuum of Care (BSCC)

Timeframe Note: Represents all active contracts.

Award Note: This funding is given to the Texas Homeless Network (THN) each year. The award is for administrative services and support.

Award to be Administered: Amount given to THN at the beginning of the contract year.

Program Income: Not applicable, this program does not accrue program income or anything comparable.

Cumulative Total Funds: Same as “Award to be Administered” as there is no Program Income in the BSCC program.

TDHCA Admin Retained: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

TDHCA Admin Expended: Not Applicable – This program is not awarded funds for TDHCA administrative expenses.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Based on the explanation in “Funds Contracted,” this amount will always be 100% or 0%, as the “Funds Contracted” will always be 0% or 100%.

Funds Contracted: The funds are only awarded to a single recipient. Thus, this field will always equal either 0% or 100%.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by THN. This data is provided by the program area via the Community Affairs Contract System.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Performance: As this funding is legislatively made available for administrative support, there is no direct persons served or unit information provided. There are services leveraged as a result of this funding but those figures are not a component of the Snapshot.

Section 8 Housing Choice Voucher Program (Section 8)

Timeframe Note: Represents only the current year. The Section 8 program does not carry forward funding from year to year, though tenants do retain vouchers from year to year. Section 8 operates with its program year synchronized to the calendar year.

Award Note: The Section 8 program is unique amongst TDHCA programs in that it does not receive access to a specified amount of funds at the beginning of its programmatic cycle. The program receives funding in quarterly payments which are subject to further change. Additionally, HUD reconciles later to ensure all funds were used during that timeframe. If funds were not fully utilized, the money is recouped. The quarterly payments usually accompany a projection as to the payments for the remainder of the year. These projections are used in the award fields for the Snapshot including both “Award to Administer” and “Admin Retained.” These amounts are subject to adjustment throughout the year.

Award to be Administered: Projected funding allocation for the current program year. This figure includes project Housing Assistance Payments (HAP), Net Restricted Assets (NRA), as well project Administrative dollars (Admin).

Program Income: Section 8 does not have Program Income. There are occasional payments from disallowed costs, however since those funds are immediately repaid to the same activity, the funds are not considered Program Income for the purposes of the Snapshot.

Cumulative Total Funds: The sum of Award to be Administered and Program Income. Since Section 8 does not have Program Income, this figure will be the same as Award to be Administered.

TDHCA Admin Retained: Amount of the allocation TDHCA is permitted to use for operation. This data point for the amount is received from the program area.

TDHCA Admin Expended: The amount of TDHCA Admin Retained that has been expended. This amount is received from the program area.

Non-TDHCA Admin Funds for Programming: The Cumulative Total Funds amount minus the TDHCA Admin Retained.

Funds Unencumbered: Based on the explanation in "Funds Contracted," this amount will always be 0% as the "Funds Contracted" will always be 100%.

Funds Contracted: Due to the nature of Section 8, this amount will always be 100%. This is because funds are dispersed by the Federal Government based on the number of units and the projection of amount per unit. Thus, there is no specific stage between receiving the funds and allocating them to subrecipients/clients. This data is provided by the program area.

% Contracted: Calculated as Funds Contracted divided by Non-TDHCA Admin Funds for Programming.

Expended/Drawn: Funds expended by clients. This data is provided by the program area.

% Expended: Calculated as Expended/Drawn divided by Non-TDHCA Admin Funds for Programming.

Persons: This figure is complex for tenant based rental assistance programs as units are served over different amounts of time. This figure reflects the number of households being served at the beginning of the year (January 1, since households are carried forward year to year) plus all new units that have been served since. This number will only ever increase throughout the year as it does not account for households that have come off the program. It shows how many units were served during the program year, it does not regard for how long those units were served.

R3

BOARD REPORT ITEM

FINANCIAL ADMINISTRATION DIVISION

FEBRUARY 20, 2014

Report on the Department's 1st Quarter Investment Report in accordance with the Public Funds Investment Act ("PFIA")

BACKGROUND

The Department's investment portfolio consists of two distinct parts. One part is related to bond funds under trust indentures which are not subject to the PFIA, and the remaining portion is related to accounts excluded from the indentures but covered by the PFIA. The Department's total investment portfolio is \$987,231,004 of which \$954,843,320 is not subject to the PFIA. This report addresses the remaining \$32,387,684 (See Page 1 of the Internal Management Report) in investments covered by the PFIA. These investments are deposited in the General Fund, Housing Trust Fund, Compliance, and Housing Initiative accounts which are all held at the Texas Treasury Safekeeping Trust Company ("TTSTC"), primarily in the form of overnight repurchase agreements which are fully collateralized and secured by the U.S. Government Securities. A repurchase agreement is the purchase of a security with an agreement to repurchase that security at a specific price and date which in this case was November 30, 2013, with an effective interest rate of 0.06%. The overall objective of these investments is to safeguard principal while maintaining liquidity.

Below is a description of each fund group and its corresponding accounts.

- The **General Fund** accounts maintain funds for administrative purposes to fund expenses related to the Department's ongoing operations. These accounts contain balances related to bond residuals, fee income generated from the Mortgage Credit Certificate program ("MCC"), escrow funds, single family and multifamily bond administration fees, and balances associated with the Below Market Interest Rate Program ("BMIR").
- The **Housing Trust Fund** accounts maintain funds related to programs set forth by the Housing Trust Fund funding plan. The Housing Trust Fund provides loans and grants to finance, acquire, rehabilitate, and develop decent and safe affordable housing.
- The **Compliance** accounts maintain funds from compliance fees and asset management fees collected from multifamily developers. The number of low income units and authority to collect these fees is outlined in the individual Land Use Restriction Agreements ("LURAs") that are issued to each Developer. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the monitoring and administration of these properties.

- The **Housing Initiative** accounts maintain funds from fees collected from Developers in connection with the Department's Tax Credit Program. The majority of fees collected are application fees and commitment fees. The authority for the collection of these fees is outlined in the Department's Qualified Allocation Plan ("QAP"). These fees are generated for the purpose of offsetting expenses incurred by the Department related to the administration of the Tax Credit Program.

This report is in the prescribed format and detail required by the Public Funds Investment Act. It shows in detail the types of investments, their maturities, their carrying (face amount) values, and fair values at the beginning and end of the quarter. The detail for investment activity is on Pages 1 thru 3.

During the 1st Quarter, as it relates to the investments covered by the PFIA, the carrying value decreased by \$2.8 million (See Page 1) for a total of \$32,387,684. The decrease is described below by fund groups.

General Fund: The General Fund decreased by \$838,122. The General Fund received \$595,901 in bond administration fees, MCC fees and a transfer of \$2 million from the Taxable Mortgage Program ("TMP"). Disbursements included \$1.1 million transferred to fund the operating budget, and \$278,440 in bond maintenance fees. In addition, grant disbursements included \$427,513 in the Homeless Housing and Services Program ("HHSP").

Housing Trust Fund: The Housing Trust Fund increased \$943,187. The Housing Trust Fund received \$750,153 in loan repayments and \$3.2 million from General Revenue. Disbursements included \$2.9 million for loans and grants.

Compliance: Compliance decreased \$874,654. The Department received \$825,382 in income related to compliance fees and transferred \$1.7 million to fund the operating budget.

Housing Initiative: Housing Initiative increased \$1.8 million. The Department received \$2.7 million in fees related to tax credit activities and transferred \$848,750 to fund the operating budget.

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

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING NOVEMBER 30, 2013**


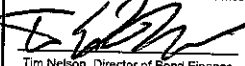
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending November 30, 2013

(b) (4) Summary statement of each pooled fund group:

NON-INDENTURE RELATED:	Investment Type	FAIR VALUE (MARKET) @ 8/31/13	CARRYING VALUE @ 8/31/13	CARRYING VALUE @ 11/30/13	FAIR VALUE (MARKET) @ 11/30/13	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT REC'BL @ 11/30/13	RECOGNIZED GAIN
General Fund	Mortgage Backed Securities	2,600,540.07	2,457,460.75	2,320,779.16	2,432,558.51	(31,299.97)	14,072.55	0.00
General Fund	Repurchase Agreement	5,593,168.75	5,593,168.75	6,567,971.97	6,567,971.97	-	21.88	0.00
Housing Trust Fund	Repurchase Agreement	7,013,738.08	7,013,738.08	7,956,924.86	7,956,924.86	-	26.76	0.00
Compliance	Repurchase Agreement	8,125,439.31	8,125,439.31	7,260,785.80	7,260,785.80	-	24.17	0.00
Housing Initiatives	Repurchase Agreement	6,419,794.37	6,419,794.37	8,291,221.81	8,291,221.81	-	27.83	0.00
TOTAL		29,752,680.58	29,609,601.26	32,387,683.60	32,499,462.95	(31,299.97)	14,173.19	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:
Tim Nelson completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 10, 2012
David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 16, 2013

	Date <u>2/6/14</u>
David Cervantes, Chief Financial Officer	
	Date <u>2/11/14</u>
Tim Nelson, Director of Bond Finance	

**Texas Department of Housing and Community Affairs
Non-Indenture Related Investment Summary
For Period Ending November 30, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/13	Beginning Market Value 08/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/13	Ending Market Value 11/30/13	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	1,546,525.55	1,546,525.55	6,632.32				1,553,157.87	1,553,157.87	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	12,496.97	12,496.97		(1,019.23)			11,477.74	11,477.74	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	290,024.44	290,024.44		(94,402.84)			195,621.60	195,621.60	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	67,034.61	67,034.61	0.00				67,034.61	67,034.61	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	1,066,630.30	1,066,630.30		(436,660.38)			629,969.92	629,969.92	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	1,407,726.91	1,407,726.91	1,134,733.11				2,542,460.02	2,542,460.02	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	283,315.68	283,315.68	27.84				283,343.52	283,343.52	-	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	245,450.59	245,450.59		(92,384.14)			153,066.45	153,066.45	-	0.00
GNMA	General Fund	7.50	08/31/89	07/20/18	107,899.88	116,899.81			(19,480.36)		88,419.52	95,775.14	(1,644.31)	0.00
GNMA	General Fund	7.50	10/31/89	09/20/18	197,287.82	212,966.28			(13,693.74)		183,594.08	198,015.39	(1,257.15)	0.00
GNMA	General Fund	7.50	01/01/90	11/20/18	101,377.48	109,650.90			(5,305.48)		96,072.00	103,732.78	(612.64)	0.00
GNMA	General Fund	7.50	01/01/90	12/20/18	83,463.70	90,792.65			(3,703.71)		79,759.99	86,659.23	(429.71)	0.00
GNMA	General Fund	7.50	02/27/90	12/20/18	8,997.74	9,030.94			(369.73)		8,628.01	8,661.49	0.28	0.00
GNMA	General Fund	7.50	03/30/90	01/20/19	97,949.82	106,540.02			(4,550.35)		93,399.47	101,478.52	(511.15)	0.00
GNMA	General Fund	7.50	04/26/90	03/20/19	76,349.29	83,053.52			(3,329.87)		73,019.42	79,335.60	(388.05)	0.00
GNMA	General Fund	7.50	05/29/90	04/20/19	99,022.88	107,421.01			(4,884.81)		94,138.07	101,969.42	(566.78)	0.00
GNMA	General Fund	2.65	01/29/13	12/15/42					(185.26)	48,877.88	48,692.62	45,231.06	(3,461.56)	0.00
GNMA	General Fund	3.20	01/29/13	10/15/42					(364.78)	113,895.34	113,530.56	111,128.25	(2,402.31)	0.00
Repo Agmt	General Fund	0.06	11/29/13	12/02/13	673,963.70	673,963.70	457,876.54				1,131,840.24	1,131,840.24	-	0.00
GNMA	General Fund	8.19	07/25/90	06/20/15	8,830.20	8,959.03			(1,827.92)		7,002.28	7,100.80	(30.31)	0.00
GNMA	General Fund	8.75	10/31/89	09/20/18	16,865.69	16,943.44			(689.68)		16,176.01	16,253.98	0.22	0.00
GNMA	General Fund	7.50	11/30/89	10/20/18	227,084.16	245,907.17			(12,262.57)		214,821.59	232,477.78	(1,166.82)	0.00
GNMA	General Fund	8.75	11/30/89	09/20/18	15,981.70	16,055.38			(650.08)		15,331.62	15,405.52	0.22	0.00
GNMA	General Fund	8.75	01/01/90	11/20/18	50,510.24	56,054.24			(2,236.01)		48,274.23	53,211.24	(606.99)	0.00
GNMA	General Fund	8.75	05/29/90	02/20/19	9,041.17	9,082.85			(352.56)		8,688.61	8,730.58	0.29	0.00
GNMA	General Fund	8.75	04/26/90	03/20/19	66,691.46	74,024.85			(2,779.64)		63,911.82	70,803.43	(441.78)	0.00
GNMA	General Fund	8.75	06/28/90	04/20/19	5,762.91	5,788.27			(678.25)		5,084.66	5,107.95	(2.07)	0.00
GNMA	General Fund	7.19	01/22/90	11/20/14	21,388.06	21,863.30			(4,505.28)		16,882.78	17,047.56	(310.46)	0.00
GNMA	General Fund	7.19	01/01/90	11/20/14	4,210.21	4,303.76			(810.49)		3,399.72	3,410.57	(82.70)	0.00
GNMA	General Fund	7.19	01/01/90	12/20/14	6,641.08	6,788.64			(1,551.45)		5,089.63	5,129.63	(107.56)	0.00
GNMA	General Fund				3,535.57	3,547.66			(3,535.57)				(12.09)	0.00
GNMA	General Fund	7.19	01/20/90	01/20/15	22,001.64	23,019.22			(6,244.16)		15,757.48	15,903.24	(871.82)	0.00
GNMA	General Fund	8.19	01/01/90	01/20/15	17,435.27	17,654.26			(8,539.81)		8,895.46	8,992.87	(121.58)	0.00
GNMA	General Fund	7.19	02/27/90	01/20/15	13,817.45	14,456.51			(2,940.52)		10,876.93	10,981.78	(534.21)	0.00
GNMA	General Fund	8.19	02/27/90	12/20/14	6,424.13	6,505.97			(1,685.03)		4,739.10	4,792.37	(28.57)	0.00
GNMA	General Fund	7.19	02/27/90	01/20/15	19,490.03	20,391.44			(4,353.87)		15,136.16	15,289.94	(747.63)	0.00
GNMA	General Fund	8.19	02/27/90	01/20/15	19,056.27	19,311.62			(4,907.22)		14,149.05	14,313.89	(90.51)	0.00
GNMA	General Fund	7.19	03/30/90	01/20/15	8,536.92	8,931.75			(1,581.11)		6,955.81	7,017.72	(332.92)	0.00
GNMA	General Fund	8.19	03/30/90	01/20/15	14,459.99	14,664.74			(2,817.23)		11,642.76	11,788.76	(58.75)	0.00
GNMA	General Fund	7.19	03/30/90	02/20/15	4,440.03	4,645.38			(843.13)		3,596.90	3,608.37	(193.88)	0.00
GNMA	General Fund	8.19	03/30/90	02/20/15	21,830.82	22,127.72			(8,246.77)		13,584.05	13,749.10	(131.85)	0.00
GNMA	General Fund	7.19	04/26/90	03/20/15	19,932.30	20,854.17			(6,083.00)		13,849.30	13,983.64	(787.53)	0.00
GNMA	General Fund	8.19	04/26/90	03/20/15	10,993.46	11,144.07			(2,053.96)		8,939.50	9,050.98	(39.13)	0.00
GNMA	General Fund	7.19	04/26/90	03/20/15	6,031.16	6,310.10			(1,991.60)		4,039.56	4,071.19	(247.31)	0.00
GNMA	General Fund	8.19	04/26/90	03/20/15	50,309.60	51,942.15			(10,961.67)		39,347.93	40,262.77	(717.71)	0.00
GNMA	General Fund	7.19	05/29/90	04/20/15	8,209.65	8,589.35			(1,545.92)		6,663.73	6,721.10	(322.33)	0.00
GNMA	General Fund	8.19	05/29/90	03/20/15	7,617.07	7,646.17			(1,362.24)		6,254.83	6,279.29	(4.64)	0.00
GNMA	General Fund	7.19	05/29/90	04/20/15	14,502.83	15,173.59			(3,531.99)		10,970.84	11,081.32	(560.28)	0.00
GNMA	General Fund	8.19	05/29/90	04/20/15	59,202.45	61,249.08			(11,713.64)		47,488.81	48,797.13	(738.31)	0.00
GNMA	General Fund	7.19	06/28/90	05/20/15	5,432.07	5,683.30			(922.27)		4,509.80	4,524.73	(236.30)	0.00
GNMA	General Fund	8.19	06/28/90	05/20/15	9,205.80	9,331.37			(7,974.36)		1,231.44	1,234.01	(123.00)	0.00
GNMA	General Fund	7.19	06/28/90	05/20/15	4,942.66	5,171.26			(703.48)		4,239.18	4,253.42	(214.36)	0.00
GNMA	General Fund	8.19	06/28/90	05/20/15	36,169.88	37,229.30			(5,434.35)		30,735.53	31,251.27	(543.68)	0.00
GNMA	General Fund	6.19	06/28/90	05/20/15	9,111.95	9,326.72			(1,338.20)		7,773.75	8,025.85	37.33	0.00
GNMA	General Fund	7.19	07/25/90	06/20/15	2,840.30	2,971.66			(1,593.32)		1,246.98	1,251.94	(126.40)	0.00
GNMA	General Fund	7.19	09/13/90	06/20/15	6,266.56	6,556.39			(1,094.91)		5,171.65	5,218.56	(242.92)	0.00
GNMA	General Fund	8.19	09/13/90	07/20/15	15,604.55	15,835.81			(2,896.76)		12,707.79	12,888.75	(50.30)	0.00
GNMA	General Fund	7.19	09/13/90	07/20/15	10,945.95	11,452.20			(2,347.87)		8,598.08	8,675.12	(429.21)	0.00
GNMA	General Fund	8.19	09/13/90	08/20/15	21,123.93	21,435.30			(3,272.91)		17,851.02	18,098.08	(64.31)	0.00
GNMA	General Fund	6.19	09/13/90	07/20/15	10,334.53	10,578.11			(1,403.56)		8,930.97	9,220.60	46.05	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/13	Beginning Market Value 08/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/13	Ending Market Value 11/30/13	Change In Market Value	Recognized Gain
GNMA	General Fund	8.19	09/28/90	08/20/15	14,827.53	15,050.98								
GNMA	General Fund	6.19	09/28/90	08/20/15	23,690.95	24,249.35			(2,242.18)		12,585.35	12,764.57	(44.23)	0.00
GNMA	General Fund	7.19	09/28/90	08/20/15	21,061.54	22,035.64			(4,069.91)		19,621.04	20,257.35	77.91	0.00
GNMA	General Fund	8.19	09/28/90	08/20/15	36,845.19	37,966.39			(2,896.60)		18,164.94	18,383.46	(755.58)	0.00
GNMA	General Fund	7.50	10/31/90	07/20/19	20,954.73	21,032.47			(6,097.82)		30,747.37	31,263.93	(604.64)	0.00
GNMA	General Fund	7.19	10/31/90	08/20/15	2,487.05	2,602.08			(701.11)		20,253.62	20,332.61	1.25	0.00
GNMA	General Fund	8.19	10/31/90	09/20/15	18,571.67	18,850.43			(304.44)		2,182.61	2,190.07	(107.57)	0.00
GNMA	General Fund	6.19	10/31/90	09/20/15	12,145.27	12,568.17			(2,498.83)		16,072.84	16,303.65	(47.95)	0.00
GNMA	General Fund	8.19	10/31/90	09/20/15	40,020.83	41,558.83			(1,538.51)		10,606.76	11,070.06	40.40	0.00
GNMA	General Fund	6.19	11/28/90	10/20/15	26,213.62	27,126.38			(11,838.79)		28,182.04	28,621.68	(1,098.36)	0.00
GNMA	General Fund	8.19	11/28/90	10/20/15	44,477.70	46,386.24			(7,923.46)		18,290.16	19,089.07	(113.85)	0.00
GNMA	General Fund	7.50	12/21/90	08/20/19	14,910.77	14,966.09			(5,714.94)		38,762.76	40,062.48	(608.82)	0.00
GNMA	General Fund	7.19	12/21/90	10/20/15	15,438.66	16,152.70			(508.74)		14,402.03	14,458.20	0.85	0.00
GNMA	General Fund	8.19	12/21/90	11/20/15	20,266.58	20,576.46			(1,713.59)		13,725.07	13,871.38	(567.73)	0.00
GNMA	General Fund	8.19	02/25/91	10/20/15	5,868.19	5,891.55			(2,606.71)		17,659.87	17,918.76	(509.99)	0.00
GNMA	General Fund	6.19	01/25/91	11/20/15	21,844.95	22,605.59			(712.09)		5,156.10	5,177.45	(2.01)	0.00
GNMA	General Fund	8.19	01/28/91	11/20/15	5,109.29	5,126.20			(2,572.26)		19,272.69	20,114.52	81.19	0.00
GNMA	General Fund	8.19	02/25/90	01/20/16	12,462.80	12,662.58			(1,778.07)		3,331.22	3,341.01	(7.12)	0.00
GNMA	General Fund	7.50	03/28/91	11/20/19	10,769.67	10,809.63			(1,549.89)		10,912.91	11,082.28	(30.41)	0.00
GNMA	General Fund	8.19	03/28/91	02/20/16	16,494.81	16,771.59			(374.25)		10,395.42	10,435.96	0.58	0.00
GNMA	General Fund	8.75	04/29/91	02/20/20	39,110.71	40,240.62			(1,750.61)		14,744.20	14,985.86	(35.12)	0.00
GNMA	General Fund	8.19	04/29/91	04/20/16	25,363.22	25,766.24			(1,361.64)		37,749.07	38,792.83	(86.15)	0.00
GNMA	General Fund	7.19	04/29/91	02/20/16	53,966.02	57,590.92			(3,426.12)		21,937.10	22,265.28	(74.84)	0.00
GNMA	General Fund	6.19	04/29/91	04/20/16	37,473.26	38,778.08			(5,880.02)		48,086.00	49,978.18	(1,732.72)	0.00
GNMA	General Fund	7.19	04/26/91	04/20/16	8,800.91	9,392.07			(4,492.30)		32,980.96	34,421.57	135.79	0.00
GNMA	General Fund	8.75	04/26/91	01/20/20	47,181.55	52,629.13			(1,784.42)		7,016.49	7,082.09	(525.56)	0.00
GNMA	General Fund	6.19	10/23/92	09/20/17	61,987.21	64,881.39			(1,460.25)		45,721.30	50,704.01	(464.87)	0.00
GNMA	General Fund	8.19	11/23/92	01/20/17	4,946.39	4,966.08			(5,736.46)		56,250.75	59,375.48	230.55	0.00
GNMA	General Fund	7.19	10/30/92	08/20/17	75,839.07	82,289.94			(729.07)		4,217.32	4,234.65	(2.36)	0.00
GNMA	General Fund	6.00	10/30/92	09/20/17	53,170.30	53,153.82			(13,584.72)		62,254.35	65,865.72	(2,839.50)	0.00
General Fund Total					8,050,629.50	8,193,708.82	1,599,269.81	(624,466.59)	(299,454.81)	162,773.22	8,888,751.13	9,000,530.48	(31,299.97)	0.00
Repo Agmt	Housing Trust Fund	0.06	11/29/13	12/02/13	38,124.37	38,124.37	45,374.15				83,498.52	83,498.52	-	0.00
Repo Agmt	Housing Trust Fund	0.06	11/29/13	12/02/13	4,470.10	4,470.10	140.63				4,610.73	4,610.73	-	0.00
Repo Agmt	Housing Trust Fund	0.06	11/29/13	12/02/13	112,484.41	112,484.41	65,034.68				177,519.09	177,519.09	-	0.00
Repo Agmt	Housing Trust Fund	0.06	11/29/13	12/02/13	348,815.64	348,815.64	0.00				348,815.64	348,815.64	-	0.00
Repo Agmt	Housing Trust Fund	0.06	11/29/13	12/02/13	2,066,380.45	2,066,380.45	298.02	(1,213,135.21)			853,245.24	853,245.24	-	0.00
Repo Agmt	General Revenue Appn	0.06	11/29/13	12/02/13	97,399.49	97,399.49					97,697.51	97,697.51	-	0.00
Repo Agmt	General Revenue Appn	0.06	11/29/13	12/02/13	140,181.52	140,181.52		(28,177.03)			112,004.49	112,004.49	-	0.00
Repo Agmt	General Revenue Appn	0.06	11/29/13	12/02/13	1,833,496.93	1,833,496.93		(1,397,726.82)			435,770.11	435,770.11	-	0.00
Repo Agmt	General Revenue Appn	0.06	11/29/13	12/02/13	5,033.80	5,033.80	49,624.89				54,658.69	54,658.69	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.06	11/29/13	12/02/13	1,111,096.69	1,111,096.69		(302,287.60)			808,809.09	808,809.09	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.06	11/29/13	12/02/13			1,379,000.00				1,379,000.00	1,379,000.00	-	0.00
Repo Agmt	Bootstrap -GR	0.06	11/29/13	12/02/13	83,353.50	83,353.50		(11.42)			83,342.08	83,342.08	-	0.00
Repo Agmt	Bootstrap -GR	0.06	11/29/13	12/02/13	886,835.27	886,835.27	357,118.40				1,243,953.67	1,243,953.67	-	0.00
Repo Agmt	Bootstrap -GR	0.06	11/29/13	12/02/13			1,800,000.00				1,800,000.00	1,800,000.00	-	0.00
Repo Agmt	Contract for Deed Conversion	0.06	11/29/13	12/02/13	286,065.91	286,065.91	187,934.09				474,000.00	474,000.00	-	0.00
Housing Trust Fund Total					7,013,738.08	7,013,738.08	3,884,524.86	(2,941,338.08)	0.00	0.00	7,956,924.86	7,956,924.86	0.00	0.00
Repo Agmt	Multi Family	0.06	11/29/13	12/02/13	1,020,745.86	1,020,745.86	36,379.68				1,057,125.54	1,057,125.54	-	0.00
Repo Agmt	Multi Family	0.06	11/29/13	12/02/13	737,967.55	737,967.55		(162,465.52)			575,501.63	575,501.63	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.06	11/29/13	12/02/13	6,366,725.90	6,366,725.90		(748,567.27)			5,618,158.63	5,618,158.63	-	0.00
Compliance Total					8,125,439.31	8,125,439.31	36,379.68	(911,033.19)	0.00	0.00	7,250,785.80	7,250,785.80	0.00	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.06	11/29/13	12/02/13	588,210.42	588,210.42		(93,239.80)			494,970.62	494,970.62	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.06	11/29/13	12/02/13	5,485,513.17	5,485,513.17	1,925,646.25				7,411,159.42	7,411,159.42	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.06	11/29/13	12/02/13	346,070.78	346,070.78	39,020.99				385,091.77	385,091.77	-	0.00
Low Income Tax Credit Prog. Total					6,419,794.37	6,419,794.37	1,964,667.24	(93,239.80)	0.00	0.00	8,291,221.81	8,291,221.81	0.00	0.00
Total Investment Summary					29,609,681.26	29,752,680.58	7,484,841.59	(4,570,077.66)	(299,454.81)	162,773.22	32,387,683.60	32,499,462.95	(31,299.97)	0.00

R4

BOARD REPORT ITEM
BOND FINANCE DIVISION
FEBRUARY 20, 2014

REPORT ITEM

Report on the Department's 1st Quarter Investment Report relating to funds held under Bond Trust Indentures.

BACKGROUND

- The Department's Investment Policy, was revised and approved at the Board Meeting of April 11, 2013, to exclude funds invested under a bond trust indenture for the benefit of bond holders because each trust indenture controls the authorized investments under that particular trust indenture. Management of assets within an indenture is the responsibility of the Trustee. This internal management report is for informational purposes only and while not required under the Public Funds Investment Act, it is consistent with the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and their fair value at the beginning and end of the quarter.
- The detail for investment activity can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.
- Overall, the portfolio carrying value decreased by \$88 million (See Page 1 of the attached Bond Trust Indenture Internal Management Report) for a total of \$954,843,320. The decrease is accounted for by loan repayments and bond redemptions.

The portfolio consists of those investments described on page 2 of the attached Bond Trust Indenture Internal Management Report.

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
Mortgage Backed Securities (MBS)	88%	88%
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	3%	5%
Repurchase Agreements	7%	3%
Money Markets and Mutual Funds	2%	4%

The 4% decrease in Repurchase Agreements and 2% increase in GIC/IA and money market/mutual funds is a result of the deposit of mortgage repayments that are invested temporarily prior to bond redemptions.

The portfolio activity for the quarter:

- \$20 million of MBS were sold and the related bonds were redeemed.
- The maturities in MBS this quarter were \$45 million which represents loan repayments or payoffs. The table below shows the trend in new loans and loan payoffs.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
	FY 13	FY 13	FY 13	FY 13	FY 14	Total
Purchases	78,081,778	67,382,866	40,975	3,109,759	-	148,615,378
Sales	69,097,988	167,804,707	-	-	20,238,887	257,141,582
Maturities	54,898,088	44,354,858	49,028,604	64,711,331	45,617,217	258,610,098

- The process of valuing investments at fair value (market value) identifies unrealized gains and losses. These gains or losses do not impact the overall portfolio because the Department does not typically liquidate these investments (mortgage backed securities) but holds them until maturity.
- The fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) increased \$2 million (See Pages 1 and 2), increasing the difference between fair value and carrying value (the Department's acquisition cost of its financial instruments net of amortization) with fair value being greater than the carrying value. The national average for a 30-year fixed mortgage, as reported by the Freddie Mac Primary Mortgage Market Survey as of November 30, 2013, was 4.29%, down from 4.51% at the end of August 2013. There are various factors that affect the fair value of these investments, but there is a correlation between the prevailing mortgage interest rates and the change in market value.
- Given the current financial environment, this change in market value is to be expected. However, the change is cyclical and is reflective of the overall change in the bond market as a whole.
- The ability of our investments to provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.
- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are reported on page 3 in the Bond Trust Indenture Parity Comparison. This report shows parity (ratio of assets to liabilities) by indentures with assets greater than liabilities in a range from 99.48% to 129.10% which would indicate the Department has sufficient assets to meet its obligations. The interest comparison reflects interest income greater than interest expense and indicates a positive cash flow.

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT
QUARTER ENDING NOVEMBER 30, 2013**

- 1) Bond Trust Indenture - Internal Management Report
- 2) Supplemental Internal Management Report by Investment Type
- 3) Bond Trust Indenture Parity Comparison
- 4) The detail for investment activity can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 BOND FINANCE DIVISION
 BOND TRUST INDENTURES
 Supplemental Internal Management Report
 Quarter Ending November 30, 2013



Summary statement of each pooled fund group:

INDENTURE	FAIR VALUE	CARRYING	ACCRETION/ PURCHASES	CHANGE IN CARRYING VALUE			CARRYING	FAIR VALUE	CHANGE	ACCRUED	RECOGNIZED GAIN
	(MARKET) @ 8/31/13	VALUE @ 8/31/13		AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE @ 11/30/13	(MARKET) @ 11/30/13	IN FAIR VALUE (MARKET)	INT RECVBL @ 11/30/13	
Single Family	657,075,146.56	614,575,727.44	12,725,777.00	(63,632,691.83)	(33,490,614.12)	0.00	530,178,198.49	572,465,516.55	(212,101.06)	2,552,538.58	1,358,400.92
RMRB	365,310,531.70	348,568,434.71	223,197.45	(8,944,703.33)	(11,490,798.55)	1,699,635.13	330,055,765.41	349,158,335.84	2,360,473.44	1,186,419.47	0.00
CHMRB	6,387,792.15	5,655,434.24	251,711.10	(22,218.24)	(218,948.35)	0.00	5,665,978.75	6,260,484.59	(137,852.07)	30,955.08	0.00
Taxable Mortgage Program	10,246,571.18	10,289,726.04	821,533.46	0.00	(151,241.03)	(1,862,408.35)	9,097,610.12	9,153,879.16	99,423.90	12,083.52	0.00
Multi Family	65,754,672.48	64,137,571.30	20,375,983.38	(4,564,945.68)	(102,841.46)	0.00	79,845,767.54	81,476,475.07	13,606.35	0.00	0.00
TOTAL	1,104,774,714.07	1,043,226,893.73	34,398,202.39	(77,164,559.08)	(45,454,443.51)	(162,773.22)	954,843,320.31	1,018,514,691.21	2,123,550.56	3,781,996.65	1,358,400.92

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:

Tim Nelson completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 10, 2012

David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 16, 2013

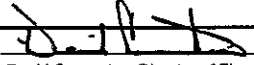
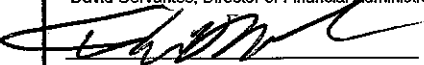
	Date <u>2/6/14</u>
David Cervantes, Director of Financial Administration	
	Date <u>2/13/14</u>
Tim Nelson, Director of Bond Finance	

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
 BOND FINANCE DIVISION
 BOND TRUST INDENTURES
 Supplemental Internal Management Report by Investment Type
 Quarter Ending November 30, 2013

Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 8/31/13	CARRYING VALUE @ 8/31/13	ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/13	FAIR VALUE (MARKET) @ 11/30/13	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
Mortgage-Backed Securities	966,622,331.04	905,074,510.70	0.00	(20,238,886.57)	(45,454,443.51)	(162,773.22)	839,218,407.40	902,889,778.30	2,123,550.56	1,358,400.92
Guaranteed Inv Contracts	32,826,027.63	32,826,027.63	7,483,966.65	(3,388,339.32)	0.00	0.00	36,921,654.96	36,921,654.96	-	0.00
Investment Agreements	3,505,757.12	3,505,757.12	5,464,841.10	(220,279.74)	0.00	0.00	8,750,318.48	8,750,318.48	-	0.00
Treasury-Backed Mutual Funds	26,445,363.01	26,445,363.01	19,820,900.57	(4,317,561.73)		0.00	41,948,701.85	41,948,701.85	-	0.00
Repurchase Agreements	75,375,235.27	75,375,235.27	1,628,494.07	(48,999,491.72)			28,004,237.62	28,004,237.62	-	0.00
TOTAL	1,104,774,714.07	1,043,226,893.73	34,398,202.39	(77,164,559.08)	(45,454,443.51)	(162,773.22)	954,843,320.31	1,018,514,691.21	2,123,550.56	1,358,400.92

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	Date <u>2/6/14</u>
David Cervantes, Director of Financial Administration	
	Date <u>2/3/14</u>
Tim Nelson, Director of Bond Finance	

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of November 30, 2013

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Taxable Mortgage Program	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:						
PARITY ASSETS						
Cash	\$ 132,190	\$ -	\$ -		\$ 600,281	\$ 732,471
Investments ⁽¹⁾	\$ 53,618,942	\$ 14,205,987	\$ 525,522	\$ 3,254,297	\$ 77,762,249	\$ 149,366,997
Mortgage Backed Securities ⁽¹⁾	\$ 478,221,881	\$ 316,058,079	\$ 5,142,123	\$ 5,843,313	\$ -	\$ 805,265,395
Loans Receivable ⁽²⁾	\$ 2,806,871				\$ 1,000,340,056	\$ 1,003,146,927
Accrued Interest Receivable	\$ 2,568,867	\$ 1,186,419	\$ 30,955	\$ 10,606	\$ 8,544,844	\$ 12,341,691
TOTAL PARITY ASSETS	\$ 537,348,751	\$ 331,450,485	\$ 5,698,599	\$ 9,108,216	\$ 1,087,247,430	\$ 1,970,853,482
PARITY LIABILITIES						
Bonds Payable ⁽¹⁾	\$ 493,395,000	\$ 298,380,000	\$ 4,400,000		\$ 1,000,523,028	\$ 1,796,698,028
Accrued Interest Payable	\$ 5,097,644	\$ 4,478,509	\$ 14,140		\$ 8,600,376	\$ 18,190,669
Other Non-Current Liabilities ⁽³⁾					\$ 83,779,578	\$ 83,779,578
TOTAL PARITY LIABILITIES	\$ 498,492,644	\$ 302,858,509	\$ 4,414,140	\$ -	\$ 1,092,902,982	\$ 1,898,668,275
PARITY DIFFERENCE	\$ 38,856,107	\$ 28,591,976	\$ 1,284,459	N/A	\$ (5,655,552)	\$ 72,185,207
PARITY	107.79%	109.44%	129.10%	N/A	99.48%	103.80%
INTEREST COMPARISON For the <i>third</i> Fiscal Month Only (not Fiscal Year to Date) :						
INTEREST INCOME						
Interest & Investment Income	\$ 2,292,123	\$ 1,191,437	\$ 32,117	\$ -	\$ 3,488,862	\$ 7,004,539
TOTAL INTEREST INCOME	\$ 2,292,123	\$ 1,191,437	\$ 32,117	\$ -	\$ 3,488,862	\$ 7,004,539
INTEREST EXPENSE						
Interest on Bonds	\$ 1,677,285	\$ 883,193	\$ 24,479	\$ -	\$ 3,488,864	\$ 6,073,821
TOTAL INTEREST EXPENSE	\$ 1,677,285	\$ 883,193	\$ 24,479	\$ -	\$ 3,488,864	\$ 6,073,821
NET INTEREST	\$ 614,838	\$ 308,244	\$ 7,638	N/A	\$ (2)	\$ 930,718
INTEREST RATIO	136.66%	134.90%	131.20%	N/A	100.00%	115.32%

(1) Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value.

This adjustment is consistent with indenture cashflows prepared for rating agencies.

(2) Loans Receivable include whole loans only. Special mortgage loans are excluded.

(3) Other Non-Current Liabilities include "Due to Developers" (for insurance, taxes and other operating expenses) and "Earning Due to Developers" (on investments).

ACTION ITEMS

2

BOARD REPORT ITEM
COMPLIANCE DIVISION
FEBRUARY 20, 2014

Results from Compliance Division Customer Service Survey

BACKGROUND

In the spring and summer of 2013, the Compliance Division held a series of roundtables about possible changes to the Compliance Monitoring rules. Out of those roundtables, Uniform Physical Condition Standards (“UPCS”) workgroups were formed. Through these roundtables and work groups, Department staff received a considerable amount of feedback; much of the feedback was about the Compliance Division itself.

In response, the Compliance Division made several changes, some of them based in the rules (i.e., 10 TAC §10.604 Options for Review and 10 TAC §10.605 Compliance Committee). In addition, the Compliance Division started sending a Customer Service Survey to owners, managers, and subrecipients after monitoring reviews.

Staff is pleased to report that the results are mainly positive. All respondents (100%) to the survey answered “yes” to the question “Was the inspection conducted in a professional, efficient, and courteous manner?” Examples of other positive feedback include the following quotes:

1. They are doing a great job and are very helpful
2. TDHCA trainings are always great on all updated information that is required for a Tax Credit Property. I do enjoy attending these programs in order to make sure my property will stay in compliance. Thank you for having these programs to assist us better
3. I believe you do an excellent job at addressing all my needs
4. Anyone who I speak with is always extremely helpful
5. We are very satisfied with the service
6. When we call someone answers the phone and gets us answers. Customer oriented; this type culture increases our confidence in communicating with TDHCA and in turn our capacity to achieve the desired results
7. The monitors were really great in their willingness to listen to our concerns and steer us toward answers. They had insight and patience in going above and beyond the audit portion of their assignment and really helped us understand some things that had previously confused us
8. Both Lorrie and Betty were easy to work with during the review. Over the years that SEARCH has had contracts with TDHCA we have been very pleased with the relationship that we have had with TDHCA staff. Everybody has been very helpful and supportive of our programs
9. Overall, the monitors were very friendly and easy to work with. It was a good experience
10. Lucille was knowledgeable and helpful. She had many suggestions that really helped us improve our systems and policies.

Of course, not all of the feedback was positive. Consistency is an area of concern. It is very helpful for staff to get specific instances of areas of inconsistency in order for all staff to get on the same page. For example, one respondent reported that staff is inconsistent in guidance regarding the treatment of a cash pay card. With this type of specific feedback, management is able to research the issue and meet with staff to ensure consistency going forward.

The biggest take away from the surveys is the need for improvement in the Community Affairs section of the Compliance Division, and management is committed to making the needed improvements.

For the following question, the surveyed were asked to rate on a scale of 1 (poor) to 5 (excellent):

“When you contact a TDHCA Compliance monitor using e-mail or voicemail, do you receive a prompt response (1-3 business days)?”

- In the Compliance Monitoring area the average score was 4.6
- In the Contract Monitoring area the average score was 5
- In the Community Affairs area the average score was 3

For the question “Are Program Monitors usually knowledgeable and able to answer your questions?”

- In the Compliance monitoring area, the average score was 4.65
- In the Contract Monitoring area, the average score 4.75
- In the Community Affairs area, the average score 3.33

Staff plans to continue to solicit feedback through these surveys and use the results to improve. The results will be periodically reported to the Board and the public to ensure accountability and transparency.

3

3a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 20, 2014

Presentation, Discussion, and Possible Action Regarding the Issuance of Multifamily Housing Revenue Bonds with TDHCA as the Issuer, Resolution #14-013 and a Determination Notice of Housing Tax Credits for Patriot’s Crossing Apartments

RECOMMENDED ACTION

WHEREAS, the Board approved the inducement resolution for Patriot’s Crossing Apartments at the November 7, 2013, Board meeting;

WHEREAS, approval of the inducement allowed staff to submit the application to the Bond Review Board (“BRB”) and a Certificate of Reservation was issued on November 14, 2013, with a bond delivery deadline of April 13, 2014; and

WHEREAS, questions concerning the level of violent crime in the area (10 TAC §10.101(a)(4) relating to Undesirable Area Features) were raised during the Executive Award and Review Advisory Committee (“EARAC”) meeting and staff is working with the Applicant to gain the necessary additional information to enable EARAC to make a recommendation addressing whether it believes the application involves any such undesirable area feature;

NOW, therefore, it is hereby

RESOLVED, that the issuance of up to \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds Series 2014 for the Patriot’s Crossing Apartments, Resolution #14-013 is hereby _____ in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of \$840,653 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website is hereby _____ in the form presented to this meeting; and

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

BACKGROUND

General Information: The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, as amended, the Department’s Enabling

Statute (the “Statute”), which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. (*The Statute provides that the Department’s revenue bonds are issued without recourse on the Department and do not create an obligation, debt or liability of the State of Texas or a pledge or loan of faith, credit or taxing power of the State of Texas.*)

The Patriot’s Crossing Apartments consist of the construction of 162 units targeted to a general population in Dallas, Dallas County, and the site is currently zoned appropriately. The Certificate of Reservation from the Bond Review Board was issued under the Priority 3 designation which does not have a prescribed restriction on the percentage of Area Median Family Income (“AMFI”) that must be served. There will be 33 residential units set-aside at 50% AMFI to fulfill the requirements associated with the City of Dallas HOME loan and HTC LURA will reflect all 162 residential units to be rent and income restricted at 60% AMFI.

As referenced in the recitals, EARAC held a meeting on Tuesday February 11, 2014, concerning the possible issuance of bonds and a Determination Notice for the subject development. During the course of discussion a staff member raised concern about the level of crime in the area immediately surrounding the development site based on a recollection of a letter submitted in April 2013. The letter was submitted as comment on a 2013 9% tax credit application for development on the same site as the subject by the same development team. In the letter, signed by Michael M. Daniel on behalf of the Inclusive Communities Project, Inc, the crime rates for the area surrounding the Patriot’s Crossing Site are compared to those of the area immediately surrounding another 2013 9% application for development in a high opportunity area. The purpose of the letter was to raise concern about the approval of a community revitalization plan submitted during the 2013 9% tax credit cycle, but it also raises possible eligibility issues with respect the rules for Undesirable Area Features in 10 TAC §10.101(a)(4) of the 2013 Uniform Multifamily Rules due to assertions that crime in the area was disproportionately high as compared to crime levels in higher opportunity areas. An excerpt of the Undesirable Area Features rule is attached hereto as Exhibit A.

While the letter was not directed to this specific 4% application, the issues raised therein were directed at the Patriot’s Crossing Development, located on the same site, and are relevant to factors the Department must consider under 10 TAC §10.101(a)(4). Staff has provided the Applicant with the letter (Exhibit B) and has asked for a response to the issues presented in the letter. Several pieces of documentation have been submitted and are currently under review. However, EARAC cannot make a recommendation until such time as a holistic review of the crime information has been completed and EARAC has been provided an assessment of the issues raised in Michael Daniel’s letter. Staff continues to work with the Applicant and will provide an update concerning the status of this review at the time of the Board meeting. The Applicant’s response to the letter is attached hereto as Exhibit C.

Organizational Structure and Previous Participation: The Borrower is Sapphire Road Development Patriot’s Crossing South, LLC and the General Partner is Sapphire Road I GP, LLC, which is comprised of Neighborhood Builders CDC, a not for profit organization and individuals, Yigal and Tracey Lelah. The Directors of Neighborhood Builders CDC include the following: Claudia Vargas, Mark G. Obeso, Gina Thompson, Jeffrey Douglas Kurz and Executive Director Yigal Lelah. EARAC met on February 11, 2014, and considered the previous participation review documentation relating to the organizational structure as noted above in accordance with the Previous Participation Reviews found in 10 TAC §1.5. There was no dissenting vote cast relating to the review and EARAC concurred that there were no

previous participation review issues raised to warrant a recommendation of denial although the issues with crime as discussed above remain unresolved.

Public Hearing: A public hearing for the proposed development was conducted by the Department on January 28, 2014. There were approximately six people in attendance with two speaking on the record in support. At sign-in, all six individuals indicated that they were in support of the proposed development. A copy of the hearing transcript is included behind this write-up.

Public Comment: The Department received a letter of support from State Senator Royce West, attached hereto as Exhibit D and no letters of opposition have been received.

Census Demographics: The development is to be located at 4623 S. Lancaster Road in Dallas. Demographics for the census tract (0057.00) include an AMFI of \$32,872; the total population is 4,400; the percent of population that is minority is 98.61%; the percent of the population that is below the poverty line is 41.10%; the number of owner occupied units is 904 and the number of renter units is 519. (Census information from FFIEC Geocoding for 2013).

Summary of Financial Structure

This transaction involves an FHA §221(d)(4) loan originated by Rockhall Funding Corporation and underwritten by Raymond James. This is the same basic financing structure used by a previous application approved by the Board on April 11, 2013, known as The Waters at Willow Run.

Under the proposed structure, the Department will issue short-term, tax-exempt fixed rate bonds in an amount not to exceed \$13,000,000 that will be collateralized with the proceeds of a taxable FHA mortgage loan. The bond proceeds will be utilized for project costs and as bond proceeds are drawn down, the proceeds from the FHA loan will be simultaneously drawn and placed in an escrow account for the benefit of the bondholders. The mortgage loan, therefore, will be secured by eligible investments including obligations of the United States or money market mutual funds rated “AAA” at all times which offers protection to the bondholder.

The bond mortgage will be subordinate in lien position to the FHA mortgage, but, as previously indicated, the bond indebtedness will also be cash collateralized as long as the bonds are outstanding. The bonds will remain outstanding through the construction and lease-up period, estimated between 18-24 months, and will be retired after this period resulting in a low interest bond rate, currently estimated to be 5.25%. Given the cash collateralization, the transaction minimizes risk to the Department and also allows for volume cap to be utilized at a time when few bond transactions are being done due to various market factors affecting the rates on tax-exempt bonds. The final maturity date of the bonds, which is ultimately dependent upon the placement in service date, is not expected to extend beyond April 1, 2018, whereas the FHA mortgage will have a 40 year term and amortization.

In addition to the tax-exempt bond financing, there will be a combination of loans from the City of Dallas which include the following: a HOME loan in the amount of \$1,350,000 to be structured as a construction loan with a 35-year term and amortization carrying a 0% interest rate and a cash flow only loan, originally sourced from the city’s general obligation bonds, in the amount of \$1,900,000 with the same term, amortization and interest rate as the HOME loan.

Exhibit A

Excerpt from §10.101(a)(4)

regarding

Undesirable Area Features

(4) Undesirable Area Features. If the Development Site is located between 301 feet – 1,000 feet of any of the undesirable area features in subparagraphs (A) – (H) of this paragraph, the Applicant must disclose the presence of such feature to the Department. The standard to be applied in making a determination under this paragraph is whether the undesirable area feature is of a nature that would not be typical in a neighborhood that would qualify under the Opportunity Index pursuant to §11.9(c)(4) of this title (relating to Competitive HTC Selection Criteria). For a Housing Tax Credit Application the Applicant is required to disclose the presence of such feature at the time the pre-application (as applicable) is submitted to the Department so as to expedite the review of such information. For all other types of Applications, and for those Housing Tax Credit Applicants who did not submit a pre-application, the Applicant is required to disclose the presence of such feature at the time the Application is submitted to the Department. Disclosure of such features affords the Applicant the opportunity to obtain pre-clearance of a particular Site from the Department in accordance with §10.207 of this chapter (relating to Waiver of Rules for Applications). Non-disclosure of such information may result in the Department's withholding or denial of pre-clearance. Denial or withholding of pre-clearance deems the Site ineligible and is grounds for termination of the Application. Should Department staff withhold or deny pre-clearance, Applicants may appeal the decision to the Board pursuant to §10.902 of this chapter (relating to Appeals Process. (§2306.0321; §2306.6715)). Should the Board uphold staff's decision or initially withhold or deny pre-clearance, the resulting determination of Site ineligibility and termination of the Application cannot be appealed.

- (A) A history of significant or recurring flooding;
- (B) Significant presence of blighted structures;
- (C) Fire hazards that could impact the fire insurance premiums for the proposed Development;
- (D) Locally known presence of gang activity, prostitution, drug trafficking, or other significant criminal activity that rises to the level of frequent police reports;
- (E) A hazardous waste site or a source of localized hazardous emissions, whether corrected or not;
- (F) Heavy industrial use;
- (G) Active railways (other than commuter trains); or
- (H) Landing strips or heliports.

Exhibit B

Michael M. Daniel Letter

DANIEL & BESHARA, P.C.
ATTORNEYS AT LAW
3301 Elm Street
Dallas, Texas 75226
(214) 939-9230
FAX (214) 741-3596 or (214) 939-9229

Michael M. Daniel

April 8, 2013

email delivery

Barbara Deane
General Counsel
Texas Department of Housing and Community Affairs
barbara.deane@tdhca.state.tx.us

James "Beau" Eccles
Assistant Attorney General
Deputy Chief—General Litigation Division
beau.eccles@oag.state.tx.us

Beth Klusmann
Assistant Solicitor General
beth.klusmann@texasattorneygeneral.gov

OFFICE OF THE ATTORNEY GENERAL
P. O. Box 12548 (MC 059)
Austin, Texas 78711-2548

Re: *ICP v. TDHCA*, 3:08-CV-0546-D,
ICP request for consideration of information on two pending applications

ICP requests that TDHCA consider the following crime data in connection with the pending 9% applications for Patriot's Crossing, No. 13023, and Serenity Place, No. 13124. This includes the staff recommendation to pre-clear the community revitalization plan for both projects. Both applicants are located within the area for the same City of Dallas Community Revitalization Plan, the Lancaster Corridor/Cigarette Heights CRP. The recommendation for pre-clearance is on the April 10, 2013 TDHCA Board meeting agenda.

Patriot's Crossing is in City of Dallas Police Department Beat 726. Serenity Place is in City of Dallas Police Department Beat 722. The High Opportunity area application for the

Summit Place 9% application, 13240, is in City of Dallas Police Department Beat 642.¹ The number and rate per 1,000 of reports of some significant criminal activity for the Patriots' Crossing and Serenity Place is substantially higher than the number and rates for the same criminal activity at the Summit Place location.

Beat	UCR Description	# of reports 3/1/12 to 2/28/13	2010 Census population	rate per 1000
642	AGGRAVATED ASSAULT	10	3008	3.32
722	AGGRAVATED ASSAULT	16	2992	5.35
726	AGGRAVATED ASSAULT	25	3773	6.63
642	ASSAULT	36	3008	11.97
722	ASSAULT	58	2992	19.39
726	ASSAULT	93	3773	24.65
642	BURGLARY	33	3008	10.97
722	BURGLARY	66	2992	22.06
726	BURGLARY	115	3773	30.48
642	ROBBERY	5	3008	1.66
722	ROBBERY	16	2992	5.35
726	ROBBERY	18	3773	4.77

The difference in reported significant crime activity between the two high crime area locations and the Summit Place location is not new. Both Patriot's Crossing and Serenity are in census tract 57. The City of Dallas violent crime data² for 2004 shows the tract had a 1.06 murder report rate per 1,000, a 18.5 aggravated assault rate, a 47 per 1000 assault rate per 1,000, and the 14.7 per 1,000 robbery rate based on the 2000 U.S. Census population for the tract. By comparison, census tract 132 - the proposed High Opportunity location for the Summit application - had a 0.0 murder report rate per 1,000, a 5 per 1,000 aggravated assault rate, a 14.4 per 1000 assault rate, and a 1.5 per 1,000 robbery rate based on the 2000 U.S. Census population

¹ The crime report information for these beats is from the City of Dallas Police Department web site at <http://policereports.dallaspolice.net/>. The beat population is based on the 2010 SF1 U.S. Census block population data for the census blocks in those beats.

² Plaintiff's exhibit 220 in *ICP v TDHCA*.

for the tract.³

The existence of significant criminal activity in the area including both Patriot's Crossing and Serenity Place has been a documented problem for a long time. The City of Dallas 1991 Master Plan, Southeast Oak Cliff Land Use, Housing, and Economic Study stated the problem as it then existed.

Of course, like any area, Southeast Oak Cliff exhibits some development constraints. These constraints include perceptions of a poor social climate due to the prevalence of drugs and crime, a past inability to attract businesses and jobs, and flooding problems. Further, the incompatibility of land uses suggests that the area has not been considered as a location for quality development. However, none of these problems are insurmountable.

In fact, the key challenge of any economic development strategy is to juxtapose the strengths of a community with its weaknesses so that the weaknesses can be overcome. This requires the building of a foundation for future development which ultimately must consist of an effort to mobilize the community. Programs will be required to aggressively combat crime and drug trading, and the community will have to build a capacity to undertake these efforts. Page 15.

The perceptions' of Southeast Oak Cliff as a high crime area with extensive drug trafficking presents a strong obstacle to the development of the area. This is because the quality of the surrounding neighborhood is a significant factor in business and residential location decisions. The drug problems in south Dallas have even received national television coverage, underscoring the significance of the problem is and the need to address them in order to encourage investment 'and reinvestment in the study area. Page 20.

ICP does not doubt that the City of Dallas could, and should, provide the law enforcement resources necessary to reduce the rate of reported crime in the Patriot's Crossing and Serenity Place neighborhood to that which would be typical in a neighborhood that would qualify under the Opportunity Index pursuant to § 11.9(c)(4) of the 2013 QAP. The City has not done so yet.

There is nothing in either application to show that any planned City of Dallas activity will eliminate this undesirable area feature of other significant criminal activity that rises to the level of frequent police reports between now and TDHCA's award of tax credits. The only crime control measure in the City of Dallas community revitalization plan for the Patriot's Crossing and Serenity Place neighborhood is a reference to a community prosecutor program. The City's

³ 23%, 866, of the population in Beat 726 are children under 14. 24%, 719, of the population in Beat 722 are children under 14. 7%, 212, of the population in the low crime rate Beat 642 are children under 14.

Community Prosecutor program is a good idea but it is not directed at the major felony crimes constituting significant criminal activity in these neighborhoods. The Community Prosecution's mission is to use housing code enforcement in municipal court Class C misdemeanor prosecutions and civil district court nuisance suits to address and abate code violations.⁴ The reports of significant crimes affecting the area of Patriot's Crossing and Serenity Place will not be eliminated soon if at all even by the most aggressive City of Dallas code enforcement.

Let us know if TDHCA wants the underlying documentation for this information.

Sincerely,



Michael M. Daniel
attorney for ICP

cc: Elizabeth K. Julian
Demetria McCain
Tom Rhodus

⁴ <http://www.dallaspolice.net/divisions/central/communityProsecution.html> .

Exhibit C

Applicant's Response

Teresa Morales

From: Claire Palmer [clairepalmer@sbcglobal.net]
Sent: Wednesday, February 12, 2014 3:41 PM
To: 'Cameron Dorsey'
Cc: 'Yigal Lelah'; 'Aniko Rakita'
Subject: Undesirable Site Feature language

Cameron:

The language in the 2013 rules (and we are a 2013 application) was as follows:

(D) Locally known presence of gang activity, prostitution, drug trafficking, or other significant criminal activity that rises to the level of frequent police reports;

There are no reports of gang activity, prostitution, drug trafficking. I would define significant criminal activity as violent crime and that has been on the decrease for years in that area. The whole point of CRP (and this site is in a CRP) is to help bring the neighborhood up. This project will help further reduce crime. By the way, the top rated Magnet Elementary in the city is directly behind the project. That means small kids ate right in this area. That also means significant police presence.

When this came up last year, Jean still passed the CRP for this area, even after the letter was sent by Mike Daniels.

Claire G. Palmer

Attorney and Counselor at Law

2224 Clearspring Drive South

Irving, Texas 75063

972-948-3166

Fax: 972-432-8825

clairepalmer@sbcglobal.net

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Teresa Morales

From: Claire Palmer [clairepalmer@sbcglobal.net]
Sent: Wednesday, February 12, 2014 3:22 PM
To: 'Cameron Dorsey'
Subject: Crime issue

Cameron—

I read Mike Daniel's letter again and it was specifically addressing application number 13023, the Patriot's 9% application. This was done purely to help projects in high opportunity areas in the competitive round not have to compete with projects in CRP's. They did not file an opposition to the 4% application which is a completely different application, nor did they attend our TEFRA hearing where they could have raised an objection. In fact, the support at the hearing was from the head of the neighborhood crime watch. I do not think that TDHCA should have the right to bring an opposition to a prior application into this current app.

Claire G. Palmer

Attorney and Counselor at Law

2224 Clearspring Drive South

Irving, Texas 75063

972-948-3166

Fax: 972-432-8825

clairepalmer@sbcglobal.net

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Teresa Morales

From: Claire Palmer [clairepalmer@sbcglobal.net]
Sent: Tuesday, February 11, 2014 6:29 PM
To: 'Cameron Dorsey'
Cc: 'Yigal Lelah'
Subject: FW: Dallas Mayor Presentation
Attachments: Mayor's Grow South Presentation pages.pdf

Claire Palmer

972-948-3166

clairepalmer@sbcglobal.net

From: Claire Palmer [<mailto:clairepalmer@sbcglobal.net>]
Sent: Tuesday, May 21, 2013 1:01 PM
To: Cameron Dorsey (cameron.dorsey@tdhca.state.tx.us); Jean Latsha (jean.latsha@tdhca.state.tx.us)
Cc: Yigal Lelah (yigal@veteransplace.com); Mike Sugrue (mike@stoneleafcompanies.com)
Subject: Dallas Mayor Presentation

Cameron:

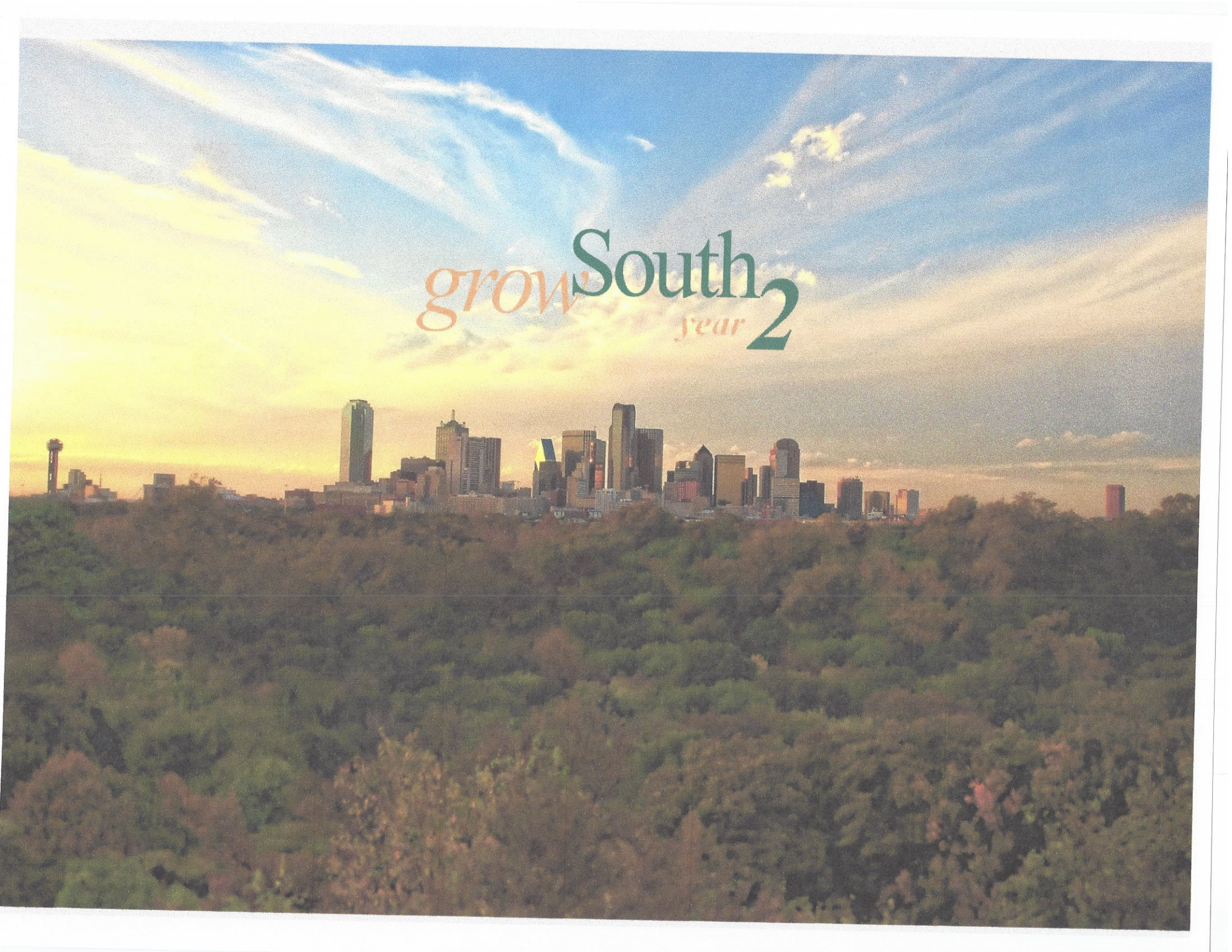
Attached are some of the pages from the Mayor's power point presentation. As you will see, Lancaster Corridor has a significant crime reduction year over year in both violent and non-violent crimes. I also included the other key indicators and the map showing this project as a key project in the Growth Plan. The entire presentation is available on the City of Dallas website on the Mayor's page. It was just too big to send the whole thing!!

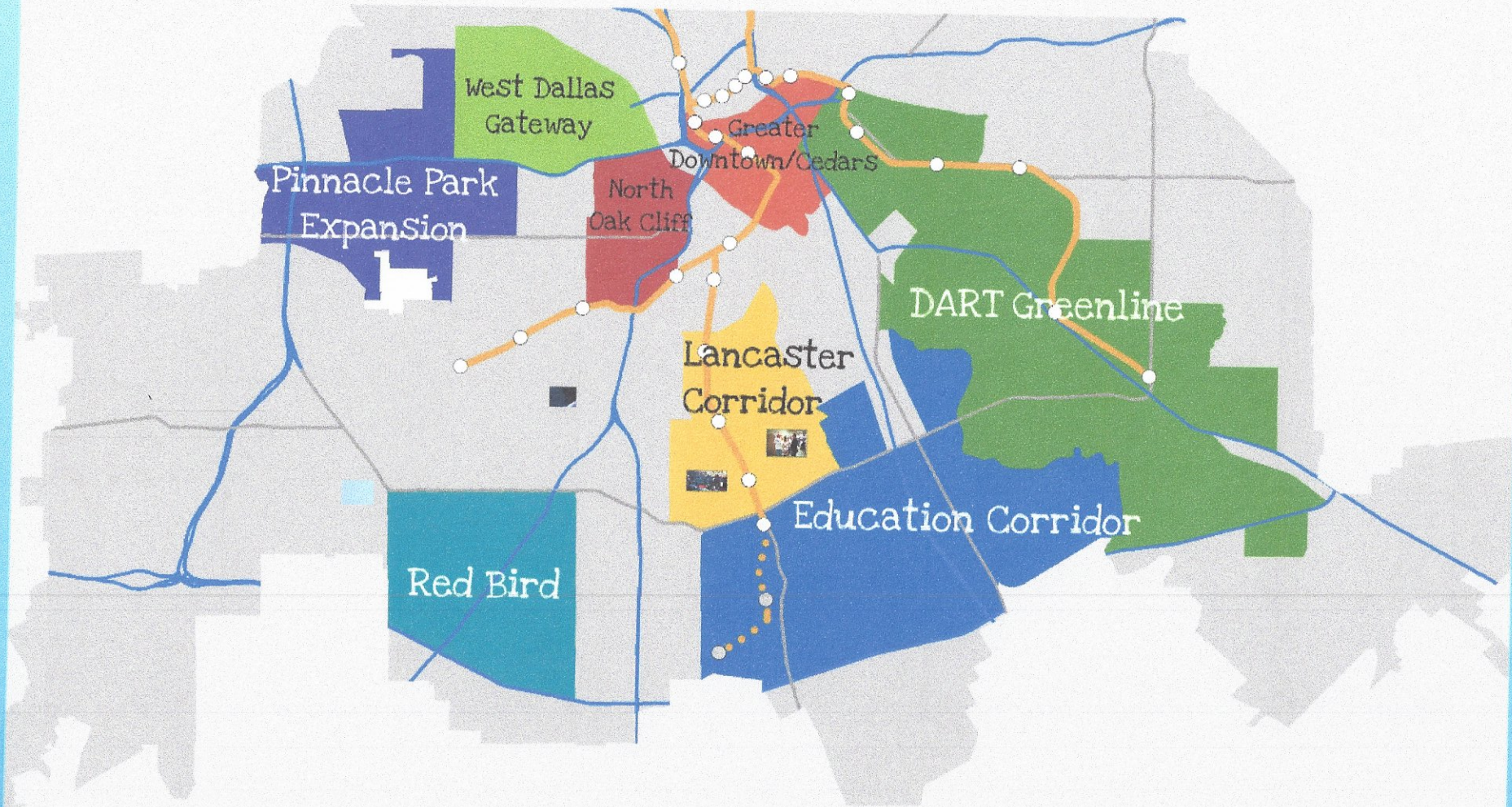
Claire Palmer

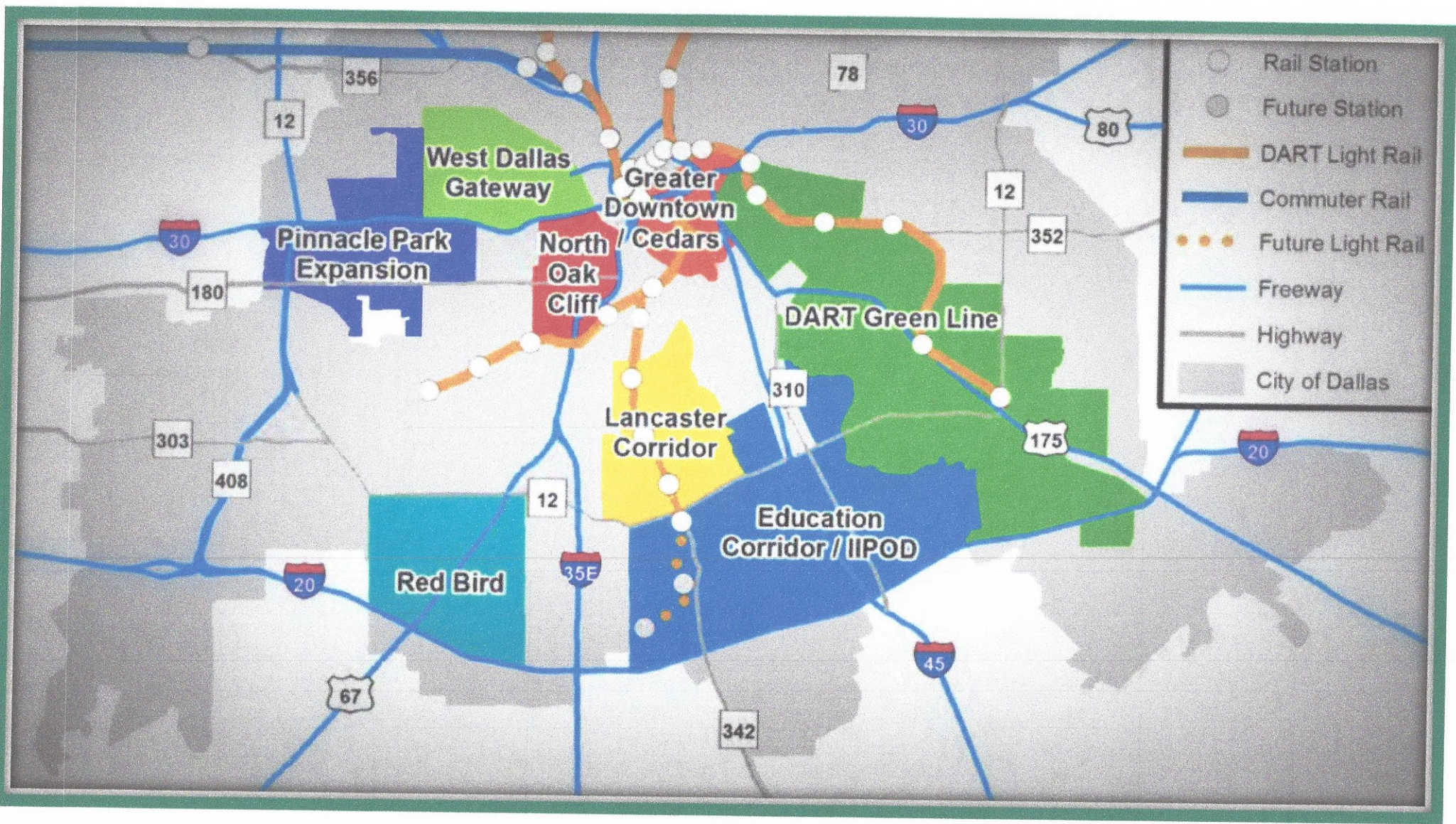
972.948.3166 (cell)

clairepalmer@sbcglobal.net

grow South
year 2





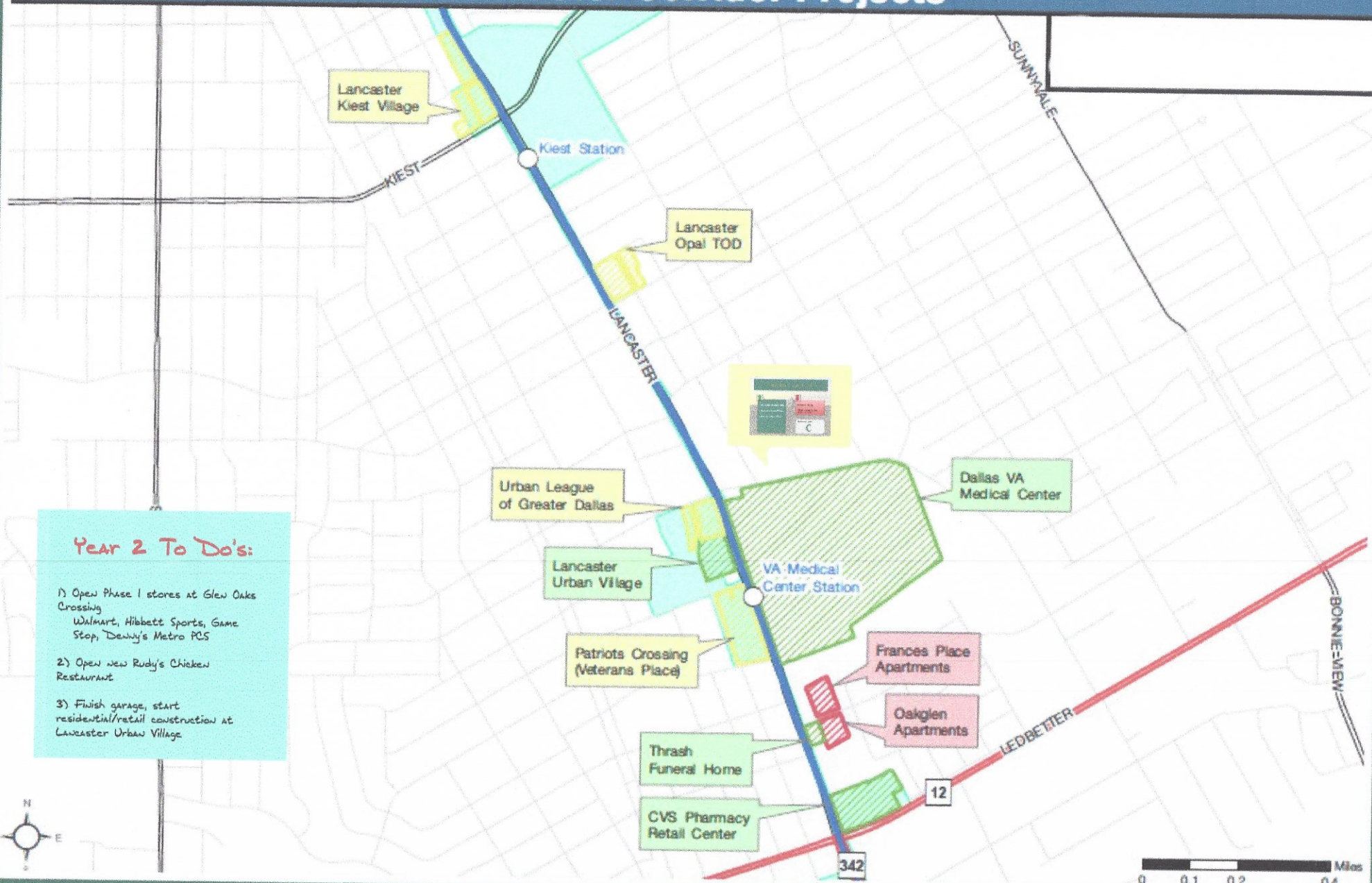


Community Indicators: % Change Over Last Year

Population Households Public School Children School Age Children College Educated Residents HS Graduation Rate Per Capita Income Unemployment Private Res. Investment Real Property Value

										
Cedars	-2.4	2.1	4.9	-39.1	11.6	4.9	0.9	22.2	139.9	3.6
DART Green Line	-1.2	-1.2	3.2	-2.8	10.2	19.2	-11.6	14.3	-79.8	-2.3
Education Corridor	1.8	3.3	7	-0.5	19.1	1.9	-24.6	-8.6	165.9	0.2
Lancaster Corridor	-1.9	4.4	-2.7	3.4	20.5	-3.2	-7.2	-9.4	0.8	-3.2
North Oak Cliff	-15.1	-9.7	-1.6	-0.1	4.7	13.2	22.1	3.1	-81.8	5.8
Pinnacle Park Expansion	-7.2	-4.5	10.3	0.3	3.9	-3.5	21.8	-19.4	-55.7	15.4
Red Bird	-0.5	1.9	3.6	-0.3	0.1	-9.7	34.6	3.5	-25.3	1.7
West Dallas Gateway	-3.1	-2.1	11.9	-0.1	4.4	-4.6	-28.1	3.1	-15.6	0.5

Lancaster Corridor Projects



Year 2 To Do's:

- 1) Open Phase I stores at Glen Oaks Crossing
Walmart, Hibbett Sports, Game Stop, Dewy's Metro PCS
- 2) Open new Rudy's Chicken Restaurant
- 3) Finish garage, start residential/retail construction at Lancaster Urban Village



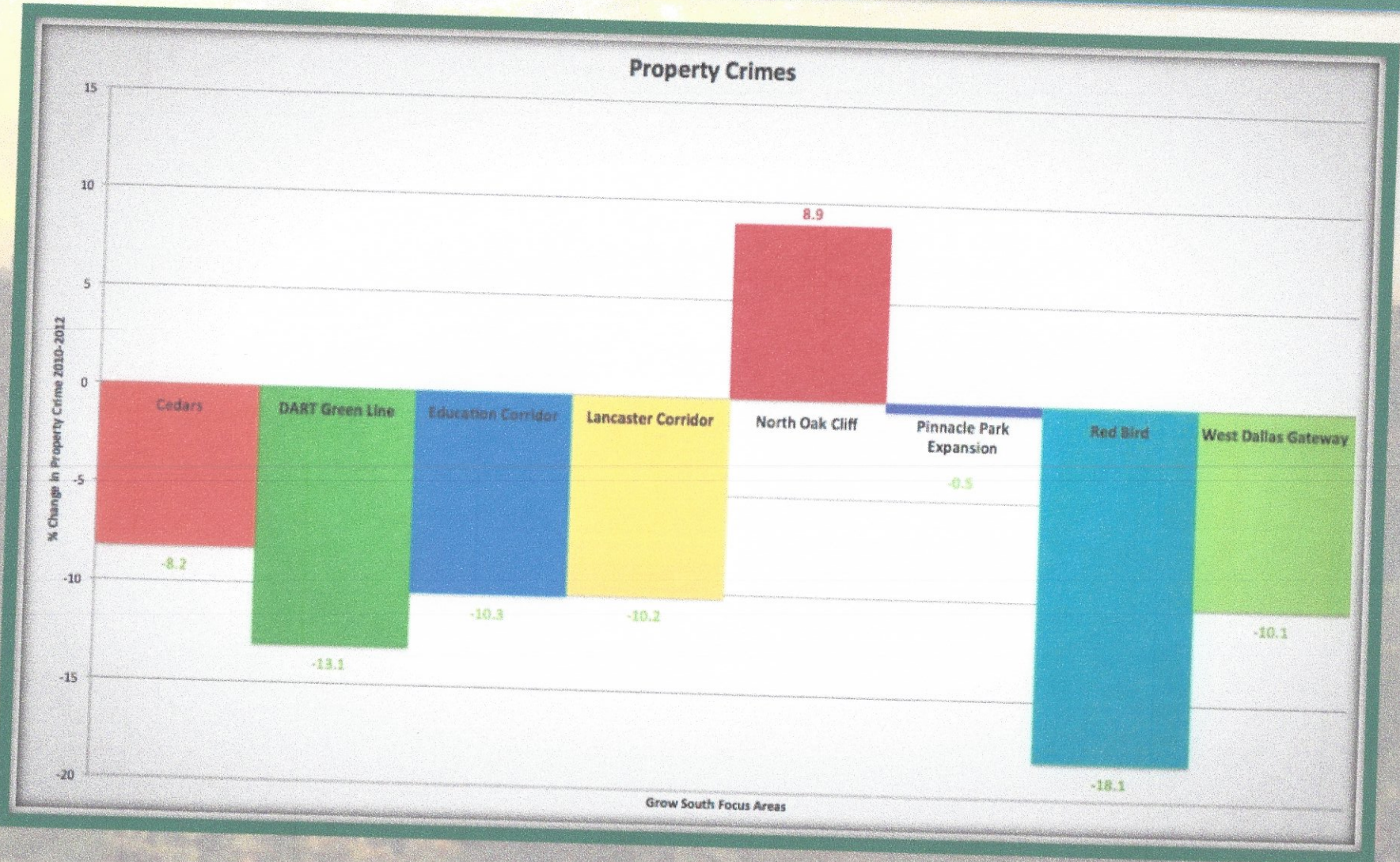
Community Indicators: % Change Over Last Year

Population Households Public School Children School Age Attendance HS Graduation Rate College Educated Residents Per Capita Income Unemployment Private Res. Investment Real Property Value

										
Cedars	-2.4	2.1	4.9	-39.1	11.6	4.9	0.9	22.2	139.9	3.6
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North Oak Cliff	-15.1	-9.7	-1.6	-0.1	4.7	13.2	22.1	3.1	-81.8	5.8
Pinnacle Park Expansion	-7.2	-4.5	10.3	0.3	3.9	-3.5	21.8	-19.4	-55.7	15.4
Red Bird	-0.5	1.9	3.6	-0.3	0.1	-9.7	34.6	3.5	-25.3	1.7
West Dallas Gateway	-3.1	-2.1	11.9	-0.1	4.4	-4.6	-28.1	3.1	-15.6	0.5

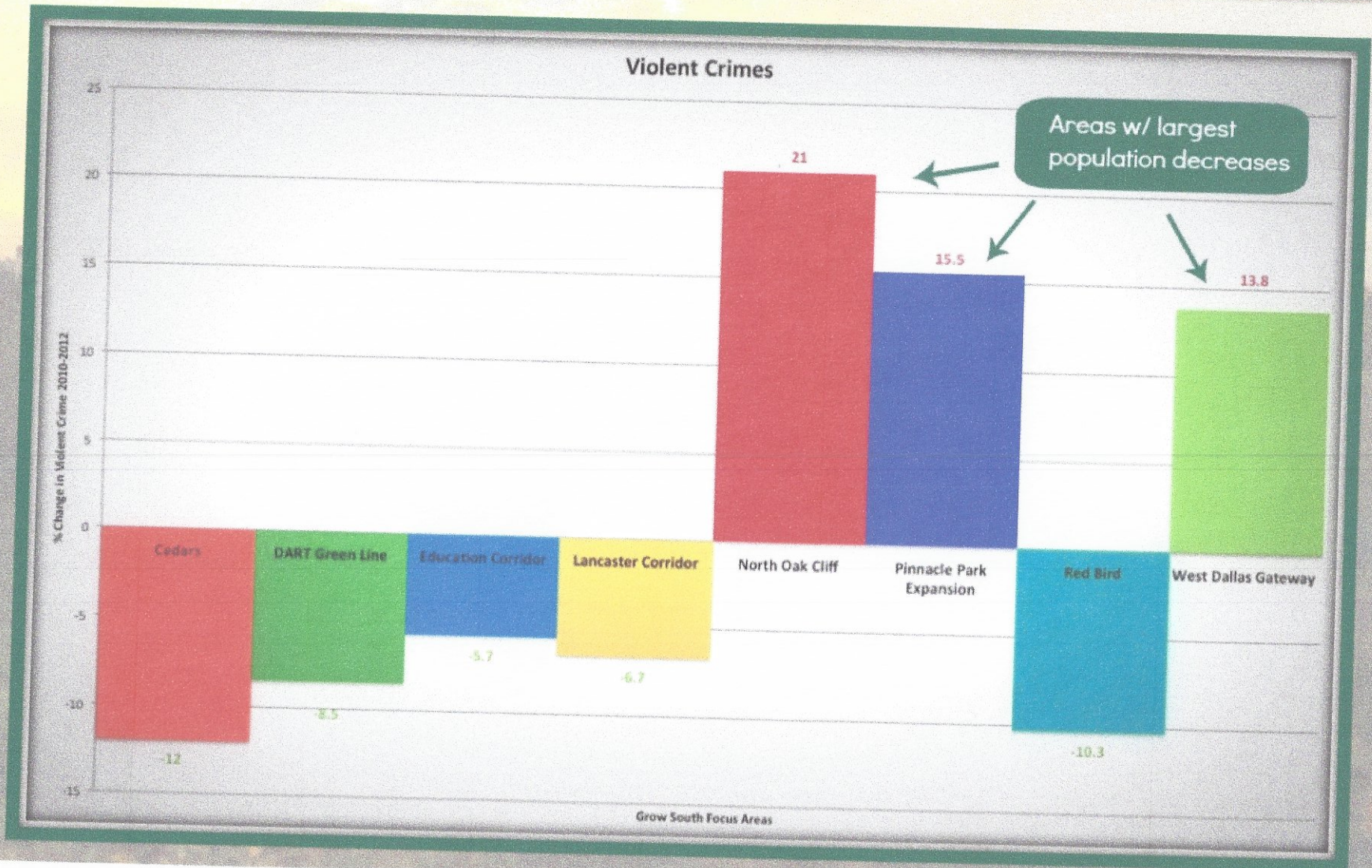


Property Crime





Violent Crime



Teresa Morales

From: Claire Palmer [clairepalmer@sbcglobal.net]
Sent: Wednesday, February 12, 2014 7:38 AM
To: Cameron Dorsey; Yigal Lelah
Subject: FW: Patriots Crossing Crime Report
Attachments: scan0359.pdf

I had to pull some of this from my old computer but her is the December 2012 report from right before we filed the 9% app.

Claire Palmer

972.948.3166 (cell)

clairepalmer@sbcglobal.net

From: Claire Palmer [<mailto:clairepalmer@sbcglobal.net>]
Sent: Thursday, April 11, 2013 9:51 AM
To: Mike Sugrue (mike@stoneleafcompanies.com); Yigal Lelah (yigal@veteransplace.com)
Subject: Patriots Crossing Crime Report

I ran the crime report right before we filed the pre-app. While crime was up from the year before fairly significantly, there were zero violent crimes in our beat—which is 726. Therefore, I would not consider it a high crime area justifying even filing the WWPD with TDHCA. See attached.

Claire Palmer

972.948.3166 (cell)

clairepalmer@sbcglobal.net

SOUTH CENTRAL PATROL DIVISION 28 DAY BEAT REPORT - ALL WATCHES

CURRENT 28 DAYS 11/12/2012 THRU 12/9/2012

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	1	1	0	9	2	2	0	1	16
712	0	0	0	1	0	0	0	0	4	0	0	5
713	0	0	1	1	1	1	4	0	1	1	3	13
714	1	0	0	0	3	0	11	2	2	0	1	20
715	0	0	0	2	5	4	8	3	0	0	2	24
716	0	0	0	1	1	1	4	3	0	1	0	11
717	0	1	0	0	3	0	4	1	2	0	3	14
710	1	1	1	6	14	6	40	11	11	2	10	103
721	0	0	0	0	1	1	1	4	2	0	1	10
722	0	0	0	0	0	0	3	0	1	1	3	8
723	0	0	0	1	0	1	2	7	1	0	5	17
724	0	0	0	0	1	0	5	1	2	0	3	12
725	0	1	0	0	1	2	1	0	0	2	0	7
726	0	0	1	1	0	5	4	2	2	0	6	21
727	0	0	0	0	1	0	5	3	0	0	3	12
728	0	0	0	0	2	4	5	2	0	0	2	15
720	0	1	1	2	6	13	26	19	8	3	23	102
731	0	0	0	2	1	1	6	3	3	0	2	18
732	0	0	0	2	5	1	5	2	2	0	3	20
733	0	0	0	0	2	2	6	0	1	1	1	13
734	0	0	0	3	0	1	2	1	1	0	1	9
735	0	0	0	0	1	0	2	1	0	0	2	6
736	0	0	0	0	3	1	3	4	13	0	5	29
737	0	1	0	3	3	0	1	2	1	0	0	11
730	0	1	0	10	15	6	25	13	21	1	14	106
741	0	0	0	6	1	2	6	2	2	1	1	21
742	0	0	0	1	0	5	4	2	4	1	3	20
743	0	0	0	1	0	2	5	1	2	0	2	13
744	0	0	0	6	2	0	12	1	4	4	1	30
745	0	0	0	0	0	1	7	4	4	29	0	45
746	0	0	0	0	1	4	5	0	0	2	1	13
747	0	0	0	1	2	2	2	1	1	0	2	11
748	0	1	0	0	1	0	1	1	3	0	0	7
740	0	1	0	15	7	16	42	12	20	37	10	160
751	1	0	1	0	1	2	7	3	1	0	3	19

VIOLENT CRIMES = MURDER, RAPE, ROBBERY, AGG ASSAULT
 NON-VIOLENT CRIMES = BURGLARY, THEFTS, UUMV, SHOPLIFT, BMV
 PROPERTY CRIMES = ROBBERY, BURGLARY, THEFTS, SHOPLIFT, UUMV, BMV

OVERALL CHANGE	VIOLENT CRIME	NON-VIOLENT CRIME	PROPERTY CRIME
13	2	11	12
-10	-1	-9	-10
-5	-1	-4	-3
-2	-1	-1	-2
11	4	7	7
-3	1	-4	-4
2	-2	4	3
6	2	4	3
-7	-2	-5	-5
-5	-2	-3	-4
1	-2	3	3
-2	-1	-1	-2
-9	-1	-8	-9
12	2	10	12
0	-1	1	-1
6	1	5	5
-4	-6	2	-1
9	1	8	9
2	1	1	0
1	-1	2	1
-3	2	-5	-3
-16	-1	-15	-15
14	2	12	12
-7	4	-11	-9
0	6	-8	-5
4	3	1	4
1	0	1	1
-10	0	-10	-9
-15	4	-19	-14
5	-1	6	5
2	0	2	1
0	1	-1	-1
-7	-1	-6	-7
-20	-6	-26	-20
-9	0	-9	-9

LAST YEAR 28 DAYS 11/12/2011 THRU 12/9/2011

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	0	0	0	1	0	0	0	2	3
712	0	0	0	2	0	1	7	4	0	0	1	15
713	1	0	0	1	2	1	4	0	1	3	5	18
714	0	0	0	1	4	0	2	8	2	0	5	22
715	0	0	1	1	1	1	2	1	1	3	2	13
716	0	0	1	0	0	2	2	1	4	2	2	14
717	0	1	0	1	4	0	0	4	1	0	1	12
710	1	1	2	6	11	5	18	18	9	8	18	97
721	0	0	0	0	3	1	7	3	1	0	2	17
722	0	0	1	0	1	1	1	2	2	4	1	13
723	0	0	1	0	2	0	4	3	2	1	3	16
724	0	0	0	1	1	0	2	4	3	0	3	14
725	0	0	0	1	2	5	1	1	1	4	1	16
726	0	0	0	0	0	2	3	1	1	1	1	9
727	0	0	0	2	0	1	4	1	2	0	2	12
728	1	0	0	0	0	1	4	2	0	0	1	9
720	1	0	2	4	9	11	26	17	12	10	14	106
731	0	0	0	1	1	1	3	1	1	0	1	9
732	0	2	0	3	1	2	2	1	1	0	6	18
733	0	0	0	1	2	1	3	1	0	1	3	12
734	0	0	1	0	0	3	3	3	1	0	1	12
735	0	0	0	0	2	2	5	5	1	3	4	22
736	0	0	0	0	1	0	1	5	3	0	5	15
737	0	0	0	1	2	1	7	3	4	0	0	18
730	0	2	1	6	9	10	24	19	11	4	20	106
741	0	0	1	2	1	1	5	3	2	0	2	17
742	0	0	0	1	0	0	4	3	8	1	2	19
743	0	0	0	0	1	3	5	6	3	5	0	23
744	1	0	0	1	2	3	20	2	5	10	1	45
745	0	0	1	0	0	1	9	4	4	19	2	40
746	0	0	0	1	0	1	0	3	2	1	3	11
747	0	1	0	1	0	1	3	1	2	0	2	11
748	0	0	0	1	2	1	4	3	1	1	1	14
740	1	1	2	7	6	11	50	25	27	37	13	180
751	0	0	0	1	2	2	6	4	5	2	6	28

Top 5 Beats For Increased Counts

Teresa Morales

From: Claire Palmer [clairepalmer@sbcglobal.net]
Sent: Wednesday, February 12, 2014 3:02 PM
To: 'Cameron Dorsey'; 'Teresa Morales'
Cc: 'Yigal Lelah'
Subject: Patriots Crime Stats
Attachments: scan0521.pdf

Cameron:

I pulled the latest crime map and stats. We are beat 726. Again, some burglary, etc., but nothing violent and overall down from the year before. Please note that HUD has approved a deal that is being built with a 221d4 loan and is mostly market rate only about a block away.

Claire G. Palmer

Attorney and Counselor at Law

2224 Clearspring Drive South

Irving, Texas 75063

972-948-3166

Fax: 972-432-8825

clairepalmer@sbcglobal.net

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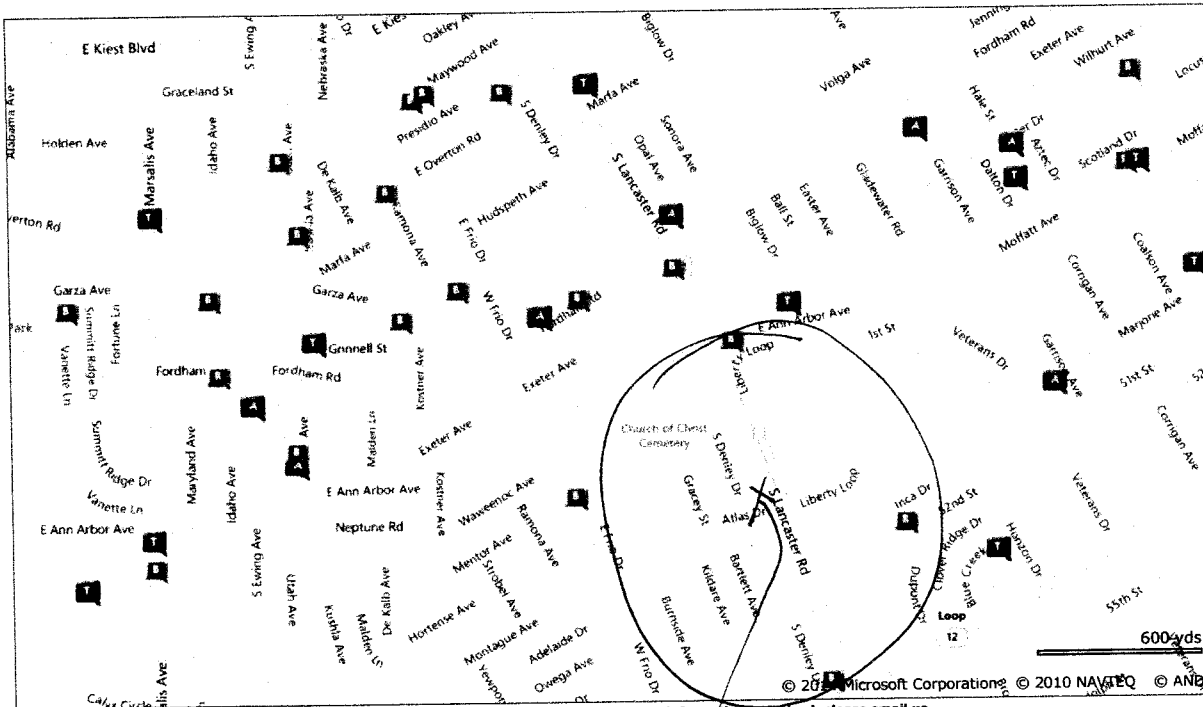
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If you require additional information regarding crime statistics or how the information is derived, please email us at crimeinfo@dpd.dallascityhall.com

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SOUTH CENTRAL PATROL DIVISION 28 DAY BEAT REPORT - ALL WATCHES

CURRENT 28 DAYS 1/13/2014 THRU 2/9/2014

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	1	0	1	2	4	1	0	2	11
712	0	0	0	1	1	2	1	1	0	0	1	7
713	0	0	0	1	1	0	1	1	5	0	0	9
714	0	1	0	0	0	0	1	3	1	0	0	6
715	0	1	1	0	0	1	2	1	1	0	1	8
716	0	0	0	0	1	0	1	0	1	2	1	6
717	0	0	0	0	2	1	2	1	3	0	1	10
710	0	2	1	3	5	5	10	11	12	2	6	57
721	0	0	0	2	1	0	3	1	8	0	1	16
722	2	0	0	2	1	2	2	1	1	1	0	12
723	0	0	0	0	0	0	0	3	0	0	2	5
724	0	0	0	0	0	1	3	2	2	1	1	10
725	0	1	0	1	0	3	5	4	1	0	2	17
726	0	0	0	1	3	3	3	1	7	0	0	18
727	0	0	0	1	0	0	6	0	4	0	2	13
728	0	0	0	0	0	0	3	1	3	0	1	8
720	2	1	0	7	5	9	25	13	26	2	9	99
731	1	0	0	2	0	0	0	0	1	0	1	5
732	0	0	0	2	2	1	4	5	3	0	4	21
733	0	0	0	1	0	0	6	1	1	0	2	11
734	0	1	0	0	1	0	1	3	1	0	0	7
735	0	0	0	2	1	3	2	2	1	1	0	12
736	0	0	0	1	0	0	3	2	1	0	4	11
737	2	0	2	0	4	2	4	1	0	0	1	16
730	3	1	2	8	8	6	20	14	8	1	12	83
741	0	1	0	0	0	0	4	2	2	0	1	10
742	0	0	0	0	0	0	1	0	4	0	1	6
743	0	0	0	0	3	1	1	0	4	5	3	17
744	0	0	0	5	5	0	10	3	5	1	9	38
745	0	0	0	0	2	0	5	4	8	16	1	36
746	0	0	0	0	0	2	2	2	1	1	3	11
747	0	0	0	0	2	1	4	2	2	0	2	13
748	0	0	0	0	7	0	4	3	1	0	4	19
740	0	1	0	5	19	4	31	16	27	23	24	150

OVERALL CHANGE	VIOLENT CRIME	NON-VIOLENT CRIME	PROPERTY CRIME
-1	-1	0	1
-1	-3	2	0
-3	-3	0	0
-5	-5	0	-2
-3	-2	-1	-2
-4	-4	0	-3
0	-1	1	0
-17	-19	2	-6
9	1	8	10
3	4	-1	1
-22	-4	-18	-19
-15	-6	-9	-13
-5	-5	0	0
2	3	-1	-1
-5	-1	-4	-3
-6	-3	-3	-4
-39	-11	-28	-29
-6	1	-7	-5
10	1	9	9
-2	-3	1	0
0	0	0	0
-1	0	-1	1
-4	-1	-3	-2
-2	2	-4	-3
-5	0	-5	0
-19	-8	-11	-19
-10	-5	-5	-6
1	1	0	-2
-21	-5	-16	-18
-12	-3	-9	-11
3	-1	4	3
0	-2	2	-2
4	6	-2	-3
-54	-17	-37	-58

LAST YEAR 28 DAYS 1/13/2013 THRU 2/9/2013

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	1	1	0	0	0	2	5	1	2	0	0	12
712	0	0	0	3	2	1	0	2	0	0	0	8
713	0	0	0	1	4	1	2	0	2	0	2	12
714	0	0	0	2	4	2	1	1	1	0	0	11
715	0	0	0	2	2	1	3	1	0	0	2	11
716	0	0	0	3	2	0	3	2	0	0	0	10
717	0	0	0	1	2	0	0	3	1	0	3	10
710	1	1	0	12	16	7	14	10	6	0	7	74
721	0	0	0	0	2	0	3	0	1	0	1	7
722	0	0	0	0	1	0	1	3	2	1	1	9
723	0	0	0	1	3	1	5	5	4	1	7	27
724	0	0	1	3	2	0	6	3	5	0	5	25
725	0	0	0	1	6	0	2	1	10	2	0	22
726	0	0	0	1	0	0	9	3	2	0	1	16
727	0	0	0	0	2	3	3	2	8	0	0	18
728	0	0	0	1	2	3	1	4	1	0	2	14
720	0	0	1	7	18	7	30	21	33	4	17	138
731	0	1	0	0	1	0	4	2	2	0	1	11
732	0	0	0	2	1	1	4	1	1	0	1	11
733	0	1	1	1	1	0	6	0	1	1	1	13
734	0	0	0	0	2	0	4	0	1	0	0	7
735	0	1	0	0	2	1	2	3	2	1	1	13
736	0	0	0	0	2	0	4	3	6	0	0	15
737	0	1	0	1	4	2	3	3	2	0	2	18
730	0	4	1	4	13	4	27	12	15	2	6	88
741	0	0	0	8	1	5	5	6	2	1	1	29
742	1	0	0	1	3	1	2	3	4	0	1	16
743	0	0	0	2	0	1	4	2	5	2	0	16
744	0	1	0	7	7	2	15	6	14	4	3	59
745	0	0	1	1	3	0	12	1	5	25	0	48
746	0	0	0	1	0	1	1	2	0	2	1	8
747	0	0	0	4	0	1	1	2	1	0	4	13
748	0	0	0	1	0	1	5	1	3	0	4	15
740	1	1	1	25	14	12	45	23	34	34	14	204

VIOLENT CRIMES = MURDER,RAPE,ROBBERY,AGG ASSAULT
 NON-VIOLENT CRIMES = BURGLARY,THEFTS,UUMV,SHOPLIFT,BMV
 PROPERTY CRIMES = ROBBERY,BURGLARY,THEFTS,SHOPLIFT,UUMV,BMV

Top 5 Beats For Increased Counts

*Sex Assaults for 2014 reflect new UCR definition

Date of Report 2/10/2014
 Counts are Based On Date of Offense

SOUTH CENTRAL PATROL DIVISION 28 DAY BEAT REPORT - 1ST WATCH

LAST YEAR 28 DAYS 1/13/2013 THRU 2/9/2013

CURRENT 28 DAYS 1/13/2014 THRU 2/9/2014

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	0	0	1	0	0	0	0	0	1
712	0	0	0	0	0	0	0	0	0	0	0	0
713	0	0	0	0	0	0	0	1	1	0	0	2
714	0	1	0	0	0	0	0	0	0	0	0	1
715	0	1	0	0	0	1	1	0	0	0	0	3
716	0	0	0	0	1	0	0	0	1	0	1	3
717	0	0	0	0	0	0	0	0	0	0	1	1
710	0	2	0	0	1	2	1	1	2	0	2	11
721	0	0	0	0	1	0	0	0	5	0	1	7
722	0	0	0	1	0	0	0	0	1	0	0	2
723	0	0	0	0	0	0	0	1	0	0	2	3
724	0	0	0	0	0	0	0	0	1	0	0	1
725	0	0	0	0	0	1	2	0	1	0	1	5
726	0	0	0	1	0	2	0	0	5	0	0	8
727	0	0	0	0	0	0	2	0	4	0	1	7
728	0	0	0	0	0	0	1	1	0	0	1	3
720	0	0	0	2	1	3	5	2	17	0	6	36
731	0	0	0	1	0	0	0	0	0	0	0	1
732	0	0	0	0	0	0	0	1	1	0	0	2
733	0	0	0	0	0	0	1	1	0	0	2	4
734	0	0	0	0	0	0	0	0	0	0	0	0
735	0	0	0	0	0	2	0	1	0	0	0	3
736	0	0	0	0	0	0	0	0	1	0	2	3
737	0	0	0	0	1	1	0	0	0	0	0	2
730	0	0	0	1	1	3	1	3	2	0	4	15
741	0	0	0	0	0	0	0	1	1	0	1	3
742	0	0	0	0	0	0	0	0	3	0	1	4
743	0	0	0	0	0	0	0	0	2	0	3	5
744	0	0	0	1	0	0	0	1	2	1	3	8
745	0	0	0	0	0	0	0	0	1	1	0	2
746	0	0	0	0	0	1	0	1	1	0	1	4
747	0	0	0	0	0	1	0	0	1	0	1	3
748	0	0	0	0	0	0	0	2	1	0	2	5
740	0	0	0	1	0	2	0	5	12	2	12	34

OVERALL CHANGE	VIOLENT CRIME	NON-VIOLENT CRIME	PROPERTY CRIME
-6	-2	-4	-4
-5	-4	-1	-3
-1	0	-1	-1
-3	0	-3	-4
0	-1	1	1
0	0	0	-1
-2	0	-2	-2
-17	-7	-10	-14
3	0	3	3
-1	1	-2	-1
-4	-1	-3	-3
-7	0	-7	-7
-8	-6	-2	-2
3	1	2	3
2	0	2	2
-2	0	-2	-2
-14	-5	-9	-7
-1	1	-2	-1
0	0	0	0
0	-1	1	0
0	0	0	0
2	0	2	2
-2	0	-2	-2
-4	-1	-3	-3
-5	-1	-4	-4
-2	-1	-1	-2
-2	-1	-1	-1
-4	-2	-2	-4
-7	-1	-6	-6
-1	0	-1	-1
3	0	3	3
-2	-1	-1	-2
-1	0	-1	-1
-16	-6	-10	-14

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	1	1	0	0	0	2	0	1	2	0	0	7
712	0	0	0	2	2	0	0	1	0	0	0	5
713	0	0	0	0	0	1	0	0	0	0	2	3
714	0	0	0	1	0	1	0	1	1	0	0	4
715	0	0	0	0	2	0	0	0	0	0	1	3
716	0	0	0	1	0	0	1	1	0	0	0	3
717	0	0	0	0	0	0	0	1	1	0	1	3
710	1	1	0	4	4	4	1	5	4	0	4	28
721	0	0	0	0	1	0	1	0	1	0	1	4
722	0	0	0	0	0	0	0	2	0	0	1	3
723	0	0	0	0	1	0	1	0	3	0	2	7
724	0	0	0	0	0	0	0	1	4	0	3	8
725	0	0	0	0	6	0	1	0	6	0	0	13
726	0	0	0	0	0	0	2	0	2	0	1	5
727	0	0	0	0	0	0	1	0	4	0	0	5
728	0	0	0	0	0	1	0	2	1	0	1	5
720	0	0	0	0	8	1	6	5	21	0	9	50
731	0	0	0	0	0	0	1	0	1	0	0	2
732	0	0	0	0	0	1	0	0	1	0	0	2
733	0	0	0	1	0	0	0	0	1	1	1	4
734	0	0	0	0	0	0	0	0	0	0	0	0
735	0	0	0	0	0	0	1	0	0	0	0	1
736	0	0	0	0	0	0	2	0	3	0	0	5
737	0	1	0	0	1	0	0	2	1	0	1	6
730	0	1	0	1	1	1	4	2	7	1	2	20
741	0	0	0	1	0	2	0	1	1	0	0	5
742	1	0	0	0	0	0	1	1	2	0	1	6
743	0	0	0	2	0	0	1	0	5	1	0	9
744	0	1	0	1	0	1	3	1	6	0	2	15
745	0	0	0	0	0	0	1	0	2	0	0	3
746	0	0	0	0	0	0	0	0	0	0	1	1
747	0	0	0	1	0	0	0	0	1	0	3	5
748	0	0	0	0	0	0	1	0	2	0	3	6
740	1	1	0	5	0	3	7	3	19	1	10	50

VIOLENT CRIMES = MURDER,RAPE,ROBBERY,AGG ASSAULT
 NON-VIOLENT CRIMES = BURGLARY,THEFTS,UUMV,SHOPLIFT,BMV
 PROPERTY CRIMES = ROBBERY,BURGLARY,THEFTS,SHOPLIFT,UUMV,BMV

Top 5 Beats For Increased Counts

*Sex Assaults for 2014 reflect new UCR definition

Date of Report 2/10/2014
 Counts are Based On Date of Offense

SOUTH CENTRAL PATROL DIVISION 28 DAY BEAT REPORT - 2ND WATCH

CURRENT 28 DAYS 1/13/2014 THRU 2/9/2014

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	0	0	0	1	1	0	0	0	2
712	0	0	0	0	0	1	0	0	0	0	0	1
713	0	0	0	1	1	0	1	0	1	0	0	4
714	0	0	0	0	0	0	1	1	0	0	0	2
715	0	0	0	0	0	0	1	0	0	0	1	2
716	0	0	0	0	0	0	0	0	0	1	0	1
717	0	0	0	0	2	0	0	0	1	0	0	3
710	0	0	0	1	3	1	4	2	2	1	1	15
721	0	0	0	1	0	0	2	1	0	0	0	4
722	0	0	0	0	0	0	1	1	0	1	0	3
723	0	0	0	0	0	0	0	2	0	0	0	2
724	0	0	0	0	0	0	2	0	0	0	1	3
725	0	0	0	0	0	1	1	2	0	0	1	5
726	0	0	0	0	2	0	0	0	1	0	0	3
727	0	0	0	0	0	0	1	0	0	0	0	1
728	0	0	0	0	0	0	1	0	1	0	0	2
720	0	0	0	1	2	1	8	6	2	1	2	23
731	1	0	0	0	0	0	0	0	0	0	1	2
732	0	0	0	2	1	0	3	1	0	0	3	10
733	0	0	0	0	0	0	2	0	0	0	0	2
734	0	0	0	0	0	0	0	1	0	0	0	1
735	0	0	0	0	1	0	2	0	1	0	0	4
736	0	0	0	1	0	0	0	2	0	0	0	3
737	0	0	2	0	0	0	1	1	0	0	1	5
730	1	0	2	3	2	0	8	5	1	0	5	27
741	0	1	0	0	0	0	2	1	0	0	0	4
742	0	0	0	0	0	0	0	0	1	0	0	1
743	0	0	0	0	3	0	0	0	1	1	0	5
744	0	0	0	0	1	0	7	1	1	0	1	11
745	0	0	0	0	0	0	4	1	3	9	0	17
746	0	0	0	0	0	0	2	1	0	0	2	5
747	0	0	0	0	1	0	3	0	1	0	1	6
748	0	0	0	0	1	0	4	1	0	0	0	6
740	0	1	0	0	6	0	22	5	7	10	4	55

OVERALL CHANGE	VIOLENT CRIME	NON-VIOLENT CRIME	PROPERTY CRIME
0	0	0	0
1	0	1	1
-3	-1	-2	-1
1	0	1	1
-2	-1	-1	-2
-4	-2	-2	-2
0	0	0	-1
-7	-4	-3	-4
3	1	2	3
0	0	0	0
-8	-1	-7	-7
-3	-1	-2	-2
1	0	1	1
-1	2	-3	-3
-3	-1	-2	-2
-1	-2	1	0
-12	-2	-10	-10
-3	0	-3	-3
6	1	5	6
-2	-1	-1	-1
-2	-2	0	0
-1	-1	0	0
-4	0	-4	-3
4	2	2	4
-2	-1	-1	3
-6	1	-7	-7
-3	-1	-2	-3
1	3	-2	-2
0	0	0	-1
-13	-3	-10	-10
1	-1	2	1
5	1	4	4
3	1	2	2
-12	1	-13	-16

LAST YEAR 28 DAYS 1/13/2013 THRU 2/9/2013

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	0	0	0	2	0	0	0	0	2
712	0	0	0	0	0	0	0	0	0	0	0	0
713	0	0	0	0	3	0	2	0	2	0	0	7
714	0	0	0	0	0	1	0	0	0	0	0	1
715	0	0	0	1	0	0	1	1	0	0	1	4
716	0	0	0	0	2	0	2	1	0	0	0	5
717	0	0	0	1	1	0	0	1	0	0	0	3
710	0	0	0	2	6	1	7	3	2	0	1	22
721	0	0	0	0	0	0	1	0	0	0	0	1
722	0	0	0	0	0	0	1	0	1	1	0	3
723	0	0	0	0	1	0	4	2	1	0	2	10
724	0	0	0	0	1	0	4	0	0	0	1	6
725	0	0	0	0	0	0	0	0	3	1	0	4
726	0	0	0	0	0	0	4	0	0	0	0	4
727	0	0	0	0	1	0	0	1	2	0	0	4
728	0	0	0	1	1	1	0	0	0	0	0	3
720	0	0	0	1	4	1	14	3	7	2	3	35
731	0	0	0	0	1	0	1	2	1	0	0	5
732	0	0	0	1	1	0	2	0	0	0	0	4
733	0	0	0	0	1	0	3	0	0	0	0	4
734	0	0	0	0	2	0	1	0	0	0	0	3
735	0	0	0	0	2	0	1	1	1	0	0	5
736	0	0	0	0	1	0	1	2	3	0	0	7
737	0	0	0	0	0	0	0	0	0	0	1	1
730	0	0	0	1	8	0	9	5	5	0	1	29
741	0	0	0	0	0	1	4	4	1	0	0	10
742	0	0	0	1	0	0	1	1	1	0	0	4
743	0	0	0	0	0	0	3	0	0	1	0	4
744	0	0	0	1	0	0	6	0	2	2	0	11
745	0	0	0	0	3	0	6	1	3	17	0	30
746	0	0	0	1	0	0	1	0	0	2	0	4
747	0	0	0	0	0	0	0	0	0	0	1	1
748	0	0	0	0	0	0	3	0	0	0	0	3
740	0	0	0	3	3	1	24	6	7	22	1	67

VIOLENT CRIMES = MURDER, RAPE, ROBBERY, AGG ASSAULT
 NON-VIOLENT CRIMES = BURGLARY, THEFTS, UUMV, SHOPLIFT, BMV
 PROPERTY CRIMES = ROBBERY, BURGLARY, THEFTS, SHOPLIFT, UUMV, BMV

Top 5 Beats For Increased Counts

*Sex Assault is for 2014 reflects new UCR definition

Date of Report: 2/10/2014
 Counts are Based On Date of Offense

SOUTH CENTRAL PATROL DIVISION 28 DAY BEAT REPORT - 3RD WATCH

CURRENT 28 DAYS 1/13/2014 THRU 2/9/2014

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	1	0	0	1	1	1	0	1	5
712	0	0	0	1	1	0	0	1	0	0	0	3
713	0	0	0	0	0	0	0	0	1	0	0	1
714	0	0	0	0	0	0	0	1	1	0	0	2
715	0	0	1	0	0	0	0	1	0	0	0	2
716	0	0	0	0	0	0	0	0	0	1	0	1
717	0	0	0	0	0	0	1	1	1	0	0	3
710	0	0	1	2	1	0	2	5	4	1	1	17
721	0	0	0	1	0	0	1	0	3	0	0	5
722	2	0	0	1	1	0	0	0	0	0	0	4
723	0	0	0	0	0	0	0	0	0	0	0	0
724	0	0	0	0	0	0	0	2	1	1	0	4
725	0	1	0	1	0	0	0	1	0	0	0	3
726	0	0	0	0	1	0	1	1	1	0	0	4
727	0	0	0	1	0	0	2	0	0	0	1	4
728	0	0	0	0	0	0	0	0	1	0	0	1
720	2	1	0	4	2	0	4	4	6	1	1	25
731	0	0	0	1	0	0	0	0	0	0	0	1
732	0	0	0	0	1	0	0	1	2	0	0	4
733	0	0	0	1	0	0	2	0	1	0	0	4
734	0	1	0	0	1	0	1	1	1	0	0	5
735	0	0	0	2	0	0	0	1	0	1	0	4
736	0	0	0	0	0	0	3	0	0	0	1	4
737	2	0	0	0	3	0	1	0	0	0	0	6
730	2	1	0	4	5	0	7	3	4	1	1	28
741	0	0	0	0	0	0	2	0	0	0	0	2
742	0	0	0	0	0	0	0	0	0	0	0	0
743	0	0	0	0	0	1	0	0	1	4	0	6
744	0	0	0	4	4	0	1	1	1	0	4	15
745	0	0	0	0	2	0	0	3	4	6	1	16
746	0	0	0	0	0	1	0	0	0	1	0	2
747	0	0	0	0	1	0	0	2	0	0	0	3
748	0	0	0	0	6	0	0	0	0	0	0	6
740	0	0	0	4	13	2	3	6	6	11	5	50

VIOLENT CRIMES = MURDER,RAPE,ROBBERY,AGG ASSAULT
 NON-VIOLENT CRIMES = BURGLARY,THEFTS,UUMV,SHOPLIFT,BMV
 PROPERTY CRIMES = ROBBERY,BURGLARY,THEFTS,SHOPLIFT,UUMV,BMV

LAST YEAR 28 DAYS 1/13/2013 THRU 2/9/2013

OVERALL CHANGE	VIOLENT CRIME	NON-VIOLENT CRIME	PROPERTY CRIME
4	1	3	4
2	1	1	1
-1	-2	1	0
-3	-5	2	1
-1	0	-1	-1
-1	-2	1	-1
1	-1	2	2
1	-8	9	6
4	0	4	5
2	3	-1	0
-6	-2	-4	-5
-3	-5	2	-2
1	1	0	0
0	0	0	-1
1	0	1	2
-2	-1	-1	-1
-3	-4	1	-2
-2	0	-2	-1
1	0	1	0
-1	-1	0	0
3	2	1	1
0	2	-2	0
3	-1	4	4
-2	1	-3	-4
2	3	-1	0
-9	-8	-1	-8
-4	-3	-1	-1
6	0	6	6
-14	-3	-11	-12
2	0	2	0
1	0	1	1
-2	-2	0	-3
2	5	-3	-4
-18	-11	-7	-21

BEAT	MURDER	RAPE	ROBBERY-BUSINESS	ROBBERY-INDIVIDUAL	AGG ASSAULT	BURGLARY-BUSINESS	BURGLARY-RESIDENCE	OTHER THEFTS	THEFT/BMV	THEFT/SHOPLIFT	UUMV	TOTAL BY BEAT
711	0	0	0	0	0	0	1	0	0	0	0	1
712	0	0	0	1	0	0	0	0	0	0	0	1
713	0	0	0	1	1	0	0	0	0	0	0	2
714	0	0	0	1	4	0	0	0	0	0	0	5
715	0	0	0	1	0	0	2	0	0	0	0	3
716	0	0	0	2	0	0	0	0	0	0	0	2
717	0	0	0	0	1	0	0	1	0	0	0	2
710	0	0	0	6	6	0	3	1	0	0	0	16
721	0	0	0	0	1	0	0	0	0	0	0	1
722	0	0	0	0	1	0	0	0	1	0	0	2
723	0	0	0	1	1	0	0	1	0	1	2	6
724	0	0	1	3	1	0	1	0	1	0	0	7
725	0	0	0	1	0	0	0	0	1	0	0	2
726	0	0	0	1	0	0	1	2	0	0	0	4
727	0	0	0	0	1	0	1	1	0	0	0	3
728	0	0	0	0	1	0	0	1	0	0	1	3
720	0	0	1	6	6	0	3	5	3	1	3	28
731	0	1	0	0	0	0	1	0	0	0	1	3
732	0	0	0	1	0	0	1	0	0	0	1	3
733	0	1	1	0	0	0	3	0	0	0	0	5
734	0	0	0	0	0	0	2	0	0	0	0	2
735	0	0	0	0	0	0	0	1	1	1	1	4
736	0	0	0	0	1	0	0	0	0	0	0	1
737	0	0	0	1	3	1	2	0	1	0	0	8
730	0	2	1	2	4	1	9	1	2	1	3	26
741	0	0	0	7	1	1	0	0	0	1	1	11
742	0	0	0	0	3	0	0	0	1	0	0	4
743	0	0	0	0	0	0	0	0	0	0	0	0
744	0	0	0	5	6	0	5	4	6	2	1	29
745	0	0	1	1	0	0	4	0	0	8	0	14
746	0	0	0	0	0	0	0	1	0	0	0	1
747	0	0	0	3	0	0	0	2	0	0	0	5
748	0	0	0	1	0	1	1	0	1	0	0	4
740	0	0	1	17	10	2	10	7	8	11	2	68

Top 5 Beats For Increased Counts

*Sex Assaults for 2014 reflect new UCR definition

Date of Report: 2/10/2014
 Counts are Based On Date of Offense

Exhibit D

Support Letter from
Senator Royce West
and City of Dallas Resolution



January 9, 2014

Teresa Morales
Multifamily Division Manager
Texas Dept. of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Yigal Lelah, Managing Member
Patriot's Crossing Development
2768 N. St. Augustine
Dallas, TX 75227

Re: Development #13609, Patriot's Crossing Development (162-Unit)

Dear Ms. Morales:

This letter is being sent to you to demonstrate the City of Dallas ("City") further support of the Texas Department of Housing and Community Affairs (TDHCA) 4% Low Income Housing Tax Credit (LIHTC) application for Patriot's Crossing Development at 4623 S. Lancaster Road for the proposed 162-unit multifamily residential development for low income families, in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4). On January 8, 2014, the Dallas City Council voted in further support of the Patriot's Crossing Development by Resolution No. 14-0146, which is attached.

If you need additional information, please contact me at (214) 670-3619.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bernadette M. Mitchell'.

Bernadette M. Mitchell, Interim Director
Department of Housing/Community Services

c: **Cameron Dorsey, Multifamily Housing Director, TDHCA**
Etoria Anderson, Housing/Community Services Department

WHEREAS, on February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credit financing, when the State of Texas does not require direct City of Dallas approval by Resolution No. 10-0498; and

WHEREAS, the Managing Member, Yigal Lelah, submitted an application to the City of Dallas on behalf of Sapphire Road Development Patriots Crossing South, LLC ("the Applicant"), for support of their application to TDHCA for the 2013 Low Income Housing Tax Credit Program; and

WHEREAS, on February 4, 2013 and February 19, 2013, the Low Income Housing Tax Credit multifamily project to be located at 4623 S. Lancaster Road was briefed to the Housing Committee; and

WHEREAS, the Tax Credit multifamily project to be located at 4623 S. Lancaster Road was selected as contributing most significantly to the concerted revitalization efforts of the city, pursuant to §11.9(d)(6)(A)(ii)(III) of the 2013 Housing Tax Credit Qualified Allocation Plan; and

WHEREAS, as a condition for being considered for the award of the 4% tax credit, the Applicant has committed to renting all 162 units at 60% of area median family income; and

WHEREAS, as with the City of Dallas' funding and endorsement of the TDHCA LIHTC application for Sapphire Road Development Patriots Crossing South, LLC the owner of the project will provide social services with the project approved by the Housing/Community Services Department, if the Project Owner is utilizing City funding in the financing of the low income housing tax credit project; and

WHEREAS, the City of Dallas desires to provide approval of the TDHCA 4% LIHTC application for the project located at 4623 S. Lancaster Road; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to amend Resolution No. 13-1867, previously approved on October 23, 2013, to add language requested by Texas Department of Housing & Community Affairs (TDHCA) in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), in further support of the proposed project to be located at 4623 South Lancaster Road for a multifamily residential development for low income families.

SECTION 2. That some of the terms of the loan documents previously approved include:

- a. Sapphire Road Development Patriots Crossing South, LLC must adhere to all applicable HOME Program requirements.
- b. Sapphire Road Development Patriots Crossing South, LLC must execute a note, deed of trust, and deed restrictions for a thirty-five year affordability period.
- c. The outstanding principal balance of the City's \$1,350,000 loan shall bear an interest rate of zero percent 0% per year forgivable in equal amounts annually over a thirty-five year period.
- d. The balance will be due and payable upon the sale or refinancing of the project.

SECTION 3. That the City of Dallas' funding and endorsement of the TDHCA LIHTC application for the project to be located at 4623 S. Lancaster Road will be contingent on the following if the owner is utilizing City funding in financing of the low income housing tax credit project: (1) the Project Owner expending a minimum of \$40,000 (a minimum of \$40,000 or \$200 per unit per year, whichever is greater) for social services for, and at no cost, to the residents of the development, based on a survey of residents needs, to be implemented within three months of project completion; (2) inclusion of this requirement in the City's Deed Restrictions containing the social services requirement (up to 50% of the social service requirement can be fulfilled with in kind social services provided the Housing/Community Services Department gives prior approval of the social service plan).

SECTION 4. That prior to receiving a conditional City of Dallas building permit required by TDHCA prior to closing on the tax credits, the Project Developer will consult with the City of Dallas Sustainable Development and Construction Department with regard to security related design standards.

SECTION 5. That the City of Dallas' funding and endorsement for this project will be contingent on the Project Owner paying to the City an annual monitoring review fee in the amount of \$500, beginning on the anniversary of the closing on the 4% tax credits and ending at the end of the tax credit compliance period, for the cost of monitoring compliance with the social service requirement, if the Project Owner is utilizing City funding in the financing of the low income housing tax credit project

SECTION 6. That in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), it is hereby found that:

1. Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a); and
2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; and
3. The Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b); and
4. After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

SECTION 7. That the City of Dallas hereby supports the proposed Patriots Crossing and has voted specifically to approve the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development.

SECTION 8. This formal action has been taken to put on record the support expressed by the City of Dallas on January 8, 2014, and that for and on behalf of the Governing Body, the Interim City Manager, A.C. Gonzalez, or his designee are hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

SECTION 9. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

JAN - 8 2014


City Secretary



The Senate of The State of Texas

SENATE COMMITTEES:
CHAIRMAN
Jurisprudence
MEMBER
Education
Finance
Health and Human Services
Higher Education

Senator Royce West
District 23
President Pro Tempore
2006

DISTRICT OFFICE:
5787 South Hampton Road
Suite 385
Dallas, Texas 75232
214/467-0123
Fax: 214/467-0050

DISTRICT OFFICE:
2612 Main Street, Suite 100
Dallas, Texas 75226
214/741-0123
Fax: 214/749-7830

CAPITOL OFFICE:
P.O. Box 12068
Austin, Texas 78711
512/463-0123
Fax: 512/463-0299
Dial 711 for Relay Calls

March 29, 2013

Mr. Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

RE: TDHCA Housing Tax Credit Application #13023, Patriot's Crossing, Dallas, TX

Dear Mr. Irvine:

Please accept this letter as confirmation of my support for the above referenced development, Patriot's Crossing, which is located at 4623 S. Lancaster, Dallas, TX.

I recognize the need for affordable housing throughout the State of Texas, and applaud the work of both TDHCA and the Development Community in their efforts to provide clean, safe, affordable housing to Texans in need. I appreciate your efforts to bring 150 multi-family units to this site located directly across the street from the Dallas Veteran's Hospital and to provide much needed housing for our veteran's. I am pleased to lend my support to this Development which will serve the constituents in my District.

If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Royce West".

Royce West
State Senator
District 23

Public Hearing Transcript

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PUBLIC HEARING

ON

PATRIOT'S CROSSING APARTMENTS

Paul Laurence Dunbar Lancaster-Kiest Branch Library
2008 E. Kiest Boulevard
Dallas, Texas

6:00 p.m.
Tuesday,
January 28, 2014

PRESIDING: Shannon Roth, TDHCA

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>SPEAKER</u>	<u>PAGE</u>
Phil Foster	6
Debra Byrd	7

P R O C E E D I N G S

1
2 MS. ROTH: Good evening. My name is Shannon
3 Roth, and I'd like to proceed with the public hearing.
4 Let the record show that it is 6:08 p.m., Tuesday, January
5 28, 2014, and we are at the Paul Laurence Dunbar
6 Lancaster-Kiest Branch Library located at 2008 East Kiest
7 Boulevard, Dallas, Texas 75216.

8 I'm here to conduct the public hearing on
9 behalf of the Texas Department of Housing and Community
10 Affairs with respect to an issue of tax-exempt multifamily
11 revenue bonds for a residential rental community.

12 This hearing is required by the Internal
13 Revenue Code. The sole purpose of this hearing is provide
14 a reasonable opportunity for interested individuals to
15 express their views regarding the development and the
16 proposed bond issue.

17 No decisions regarding the development will be
18 made at this hearing. The department's board is scheduled
19 to meet to consider the transaction on February 20, 2014.
20

21 In addition to providing your comments at this
22 hearing, the public is also invited to provide comment
23 directly to the board at any of their meetings.
24 Department staff will also accept written comments from
25 the public up to 5:00 p.m. on February 11, 2014.

1 The bonds will be issued as tax-exempt
2 multifamily revenue bonds in the aggregate principal
3 amount not to exceed 13 million and taxable bonds, if
4 necessary, in an amount to be determined and issued in one
5 or more series by the Texas Department of Housing and
6 Community Affairs, the issuer.

7 The proceeds of the bonds will be loaned to
8 Sapphire Road Development Patriot Crossing South, LLC, or
9 a related person or affiliate entity thereof, to finance a
10 portion of the cost of acquiring, constructing, and
11 equipping a multifamily rental housing community described
12 as follows: a 162-unit multifamily residential rental
13 development to be constructed on approximately 10.5 acres
14 of land located at 4623 South Lancaster Road, Dallas
15 County, Texas.

16 The proposed multifamily housing rental
17 community will be initially owned and operated by the
18 borrower or a related person or affiliate thereof.

19 I would now like to open the floor for public
20 comment, and at this time it looks like no one would like
21 to speak, so thank you for attending this hearing, and the
22 meeting is now adjourned. The time is 6:10.

23 (Off the record.)

24 MS. ROTH: Okay. If you do want to speak, if
25 you'll fill out that form and then hand it up to me, and

1 we'll -- and you can come on up to the podium.

2 MR. LELAH: Okay.

3 MS. ROTH: Your form also -- speak or not
4 speak, your form will count as support as well.

5 MR. LELAH: Okay. Can I ask a question while
6 we're not running?

7 MS. ROTH: She is running -- recording.

8 MR. LELAH: Can I ask a question?

9 MS. ROTH: Sure.

10 THE REPORTER: State your name, please.

11 MR. LELAH: Yigal Lelah, Y-I-G-A-L L-E-L-A-H.
12 How many acres did you say it was?

13 MS. ROTH: I have 10.5. Is that?

14 FEMALE VOICE: It's actually 6.28 [sic].

15 THE REPORTER: You have to speak real loud;
16 you're not by a mic.

17 FEMALE VOICE: It's actually 6.88 acres.

18 MS. ROTH: Okay. So let me correct my
19 statement, then: constructing, and equipping a
20 multifamily rental housing community described as follows:
21 a 162-unit multifamily residential rental development to
22 be constructed on approximately 6.88 acres of land located
23 at 4623 South Lancaster Road, Dallas County, Texas.

24 The proposed multifamily housing rental
25 community will be initially owned and operated by the

1 borrower or a related person or affiliate thereof.

2 Okay. Sorry about that.

3 MR. LELAH: Okay.

4 (Off the record.)

5 MS. ROTH: Back on the record. Okay. We've
6 had a couple of people who have joined us and decided they
7 would like to speak, so first we have Phil Foster. Is
8 that correct?

9 MR. FOSTER: Yes.

10 MS. ROTH: Okay. And if you'll just state your
11 name again, please, for the record.

12 MR. FOSTER: Again, my name is Phil Foster, and
13 I reside here in Dallas on Mentor Avenue, Dallas, Texas
14 75216. And I'm here to speak on behalf of the VA project.
15 I support it 100 percent.

16 And the reason why I'm supporting this project
17 is because it's in a wonderful location, a very vital
18 location in the city of Dallas. It's near elementary
19 school; it's near churches; it's near grocery stores, and
20 it's very convenient to public transportation where, if
21 one does not have transportation, there is DART light rail
22 right across from where this project, and I think it's a
23 great location. And, again, I support the VA project. I
24 am the chairperson of the Adelaide Crime Watch; we meet
25 once a month, on the third Tuesday of each month, right

1 around the corner where this project is being proposed.

2 Thank you.

3 MS. ROTH: Okay. Thank you very much.

4 And, Ms. Byrd?

5 MS. BYRD: Okay. My name is Debra Byrd, and I
6 do live in the neighborhood, on 1415 Mentor, which is
7 going to be just down the street from the project.

8 And I support the project because it's
9 something that I think is going to revitalize the area.
10 Like Mr. Foster said, there are a group of businesses that
11 are going to be around the project, so it's going to add
12 to the neighborhood in that way that there's another
13 business entity that is going to be coming.

14 I think it will be good for our neighborhood,
15 for the young people that are around to see that
16 revitalization of the neighborhood growing, and so that's
17 why I support the project.

18 MS. ROTH: Thank you very much, ma'am.

19 Okay. So before we go off the record, let me
20 make sure no one else wants to speak. Right?

21 (No response.)

22 MS. ROTH: Okay. So we're going to now
23 adjourn, and the time is 6:18 p.m.

24 (Whereupon, at 6:18 p.m., the hearing was
25 concluded.)

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C E R T I F I C A T E

IN RE: Patriot's Crossing Apartments
LOCATION: Dallas, Texas
DATE: January 28, 2014

I do hereby certify that the foregoing pages,
numbers 1 through 8, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Barbara Wall before the
Texas Department of Housing and Community Affairs.

/s/ Laurel H. Stoddard 2/04/2014
(Transcriber) (Date)

On the Record Reporting
3636 Executive Ctr Dr., G-22
Austin, Texas 78731

RESOLUTION NO. 14-013

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY HOUSING REVENUE BONDS (PATRIOT'S CROSSING APARTMENTS), SERIES 2014; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Board has determined to authorize the issuance of its Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Patriot's Crossing Apartments), Series 2014 (the "Bonds") pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") between the Department and Wilmington Trust, National Association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Sapphire Road Development Patriot Crossing South, LLC, a Texas limited liability company (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental development described in Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on November 7, 2013, declared its intent to issue its revenue bonds to provide financing for the Development; and

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

WHEREAS, it is anticipated that the Department and the Borrower will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the cost

of acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing (the "Bond Mortgage") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Borrower will obtain a first lien mortgage loan from Rockhall Funding Corp. (the "HUD Lender"), and the Board has determined that the HUD Lender, the Trustee, the Department, and the Borrower will execute and deliver a Loan Disbursement Procedures Agreement (the "Disbursement Agreement") pursuant to which the HUD Lender will deposit a portion of the proceeds of such first lien mortgage loan with the Trustee, to be held by the Trustee as security for the Bonds in accordance with the Indenture; and

WHEREAS, the Board has determined that the Department, the Trustee, and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") with respect to the Development, which will be filed of record in the real property records of Dallas County, Texas; and

WHEREAS, the Board has been presented with a draft of, has considered and desires to ratify, approve, confirm and authorize the use and distribution in the public offering of the Bonds of an Official Statement (the "Official Statement") and to authorize the authorized representatives of the Department to deem the Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statement as may be required to provide a final Official Statement for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Purchase Contract (the "Bond Purchase Agreement") with Raymond James & Associates, Inc. (the "Underwriter"), and the Borrower, setting forth certain terms and conditions upon which the Underwriter will purchase all of the Bonds from the Department and the Department will sell the Bonds to the Underwriter; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Loan Agreement, the Regulatory Agreement, the Disbursement Agreement, the Official Statement and the Bond Purchase Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Bond Mortgage and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Bond Mortgage and the Note and the taking of such other actions as may be necessary or convenient in connection therewith;

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

ARTICLE 1

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1 Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized pursuant to the Act, including particularly Section 2306.353 thereof, and Chapter 1371, Texas Government Code, all under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the

Bonds and to deliver the Bonds to the Attorney General of the State (the “Attorney General”) for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or upon the order of the initial purchaser thereof pursuant to the Bond Purchase Agreement.

Section 1.2 Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chair of the Board or the Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption and tender provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Bond Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair or Vice Chair of the Board or the Executive Director of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest at the initial interest rate set forth in the Bond Purchase Agreement and thereafter shall bear interest at the rates determined from time to time by the Remarketing Agent (as such term is defined in the Indenture) in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; and provided further that the initial interest rate on the Bonds shall not exceed 3%; (ii) the aggregate principal amount of the Bonds shall not exceed \$13,000,000; (iii) the final maturity of the Bonds shall occur not later than May 1, 2019; and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Bond Purchase Agreement shall not exceed 100% of the principal amount thereof.

Section 1.3 Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Indenture, and to deliver the Indenture to the Trustee.

Section 1.4 Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Loan Agreement, and to deliver the Loan Agreement to the Borrower.

Section 1.5 Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute, attest and affix the Department’s seal to the Regulatory Agreement, and to deliver the Regulatory Agreement to the Borrower and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Dallas County, Texas.

Section 1.6 Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Underwriter and/or any other parties pursuant to the Bond Purchase Agreement is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower, the Underwriter, and/or any other parties to the Bond Purchase Agreement, as appropriate.

Section 1.7 Approval, Execution and Delivery of the Disbursement Agreement. That the form and substance of the Disbursement Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Disbursement Agreement, and to deliver the Disbursement Agreement to the HUD Lender, the Trustee and the Borrower.

Section 1.8 Acceptance of the Note and the Bond Mortgage. That the form and substance of the Note and the Bond Mortgage are hereby accepted by the Department and that the Authorized Representatives each are hereby authorized to endorse and deliver the Note to the order of the Trustee without recourse.

Section 1.9 Approval, Execution, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Underwriter in accordance with the

terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chair and Vice Chair of the Board and the Executive Director of the Department are hereby severally authorized to deem the Official Statement “final” for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934; that the Authorized Representatives named in this Resolution each are authorized hereby to make or approve such changes in the Official Statement as may be required to provide a final Official Statement for the Bonds; that the Authorized Representatives named in this Resolution each are authorized hereby to accept the Official Statement, as required; and that the use and distribution of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the Executive Director of the Department and the Department’s counsel.

Section 1.10 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department’s seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell & Giuliani LLP and Bates & Coleman, P.C., Co-Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.12 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Bond Purchase Agreement
- Exhibit F - Note
- Exhibit G - Bond Mortgage
- Exhibit H - Official Statement
- Exhibit I - Disbursement Agreement

Section 1.13 Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Bond Finance of the Department, the Director of Multifamily Finance of the Department, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1 Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2 Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Co-Bond Counsel to the Attorney General, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3 Certification of the Minutes and Records. That the Secretary or Assistant Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4 Approval of Requests for Rating from Rating Agency. That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, is approved, ratified and confirmed hereby.

Section 2.5 Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.6 Underwriter. That the underwriter with respect to the issuance of the Bonds will be Raymond James & Associates, Inc., or any other party identified in the Bond Purchase Agreement.

Section 2.7 Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of Co-Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

Section 2.8 Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE 3

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1 Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement and the Regulatory Agreement, will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2 Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Regulatory Agreement.

Section 3.3 Sufficiency of Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds

and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4 No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

ARTICLE 4

GENERAL PROVISIONS

Section 4.1 Limited Obligations. That the Bonds and the interest thereon shall be special limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2 Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3 Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

[Execution page follows]

PASSED AND APPROVED this 20th day of February, 2014.

[SEAL]

J. Paul Oxer, Chair

ATTEST:

Secretary

EXHIBIT A

Description of Development

Borrower: Sapphire Road Development Patriot Crossing South, LLC, a Texas limited liability company

Development: The Development is a 162-unit 100% affordable multifamily community to be known as Patriot's Crossing Apartments, to be located at 4623 S. Lancaster Road, Dallas, Texas 75216. It will consist of one residential apartment building with approximately 131,930 net rentable square feet. The unit mix will consist of:

24	zero-bedroom/one-bath units
58	one-bedroom/one-bath units
80	two-bedroom/two-bath units
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162	Total Units

Unit sizes will range from approximately 600 square feet to approximately 958 square feet. The development is located across the street from the Dallas VA Medical Center, the largest employer in South Dallas. It is also within walking distance of the DART rail line and transit stop.

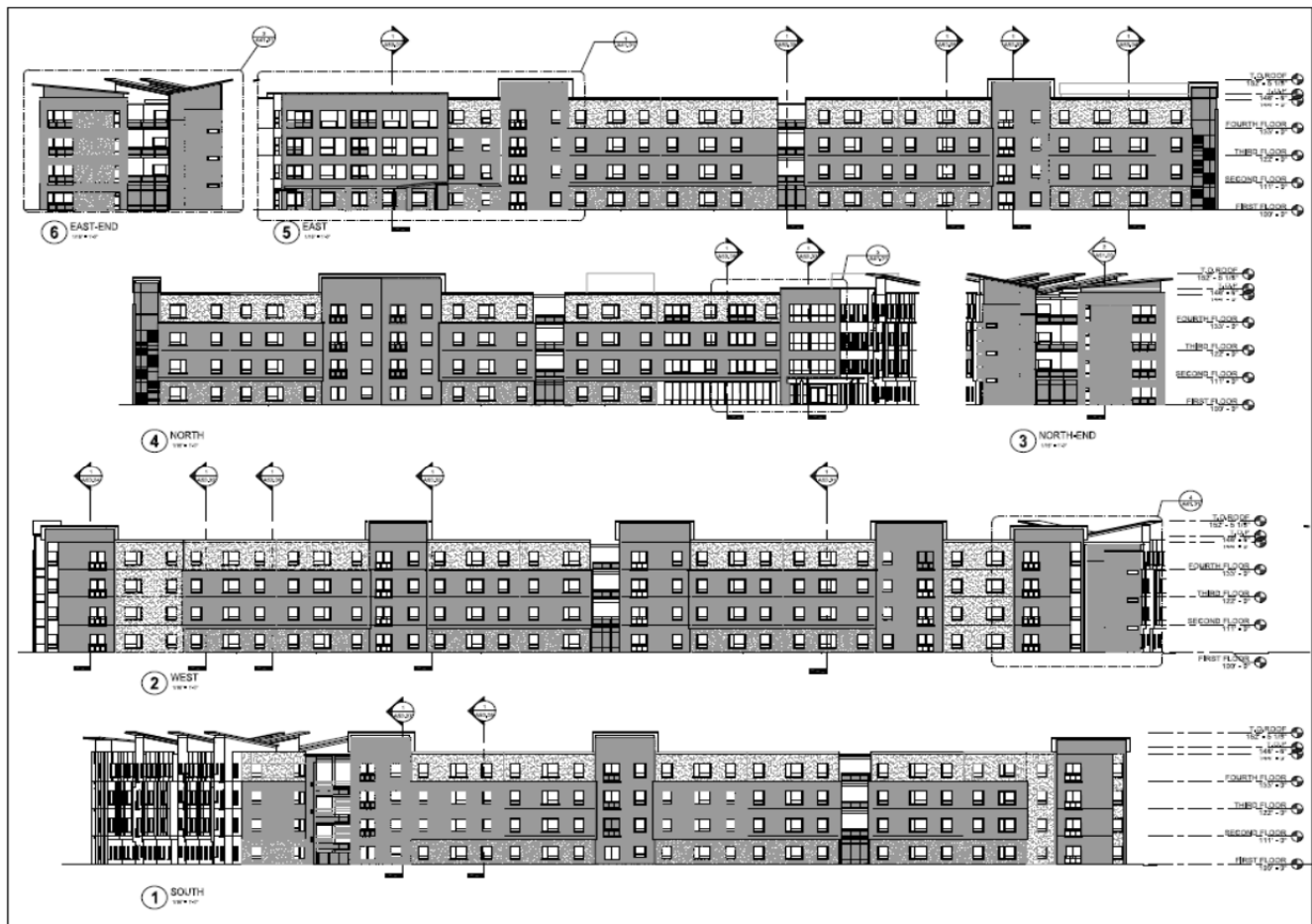
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Multifamily Housing Mortgage Revenue Bonds
(Patriot's Crossing Apartments)
Series 2014 Bonds

February 2014

Introduction

Texas Department of Housing and Community Affairs ("TDHCA") approved the bond inducement resolution for the issuance of Multifamily Housing Mortgage Revenue Bonds (Patriot's Crossing Apartments) Series 2014 during the November 7, 2013 Board Meeting. The application was filed by Sapphire Road Development Patriot's Crossing South, LLC (the "Applicant").

Project Rendering



Summary of the Project

The Applicant provided the following summary of the Project:

Patriot's Crossing is a 162 unit multi-family development on approximately 3.7 acres located directly across Lancaster Road from the Dallas VA Medical Center. It is phase 1 of a larger mixed-use development on 7.53 acres. The location is also in a Tax Increment Finance District and a Transit Oriented Development. The Dallas VA Medical Center employs approximately 5000 persons and is the largest employer in Southern Dallas. Additionally it is the second largest VA Facility in the United States seeing over 1.2 million patients annually.

Of the 162 units, all units will serve tenants at 60% or less of the Area Median Income. The unit mix is 24 efficiencies, 58 one bedroom, 80 two bedroom units.

The City Council of Dallas passed a resolution supporting Patriot's Crossing 2013 application to build affordable housing within the Dallas City limits. In doing so the City Council of Dallas provided a firm commitment for \$1,350,000.00 in addition to the \$1,900,000.00 already funded to purchase the real estate. Furthermore the City of Dallas chose Patriot's Crossing as this year's significant project and number one priority for development of affordable housing. In an effort to provide additional due diligence a market study was performed to ensure a sufficient demand for affordable housing existed. The market study yielded a considerable need for affordable housing in the area.

The real estate has already been re-zoned to accommodate Patriot's Crossing design and the building plans are complete at this time. The entire site has a clean Phase 1 Environmental Report that has been submitted as part of our application. Our surveyor, engineer and architect are all Registered Professionals in their respective fields and the State of Texas. Each will sign and seal all documents for submission.

Patriot's Crossing will look to serve all in need of affordable housing but due to its unique and ideal location across from the Dallas VA Medical Center there will be significant focus on veterans and veteran families. Patriot's Crossing will provide decent, safe, affordable housing that serves the needs of the citizens of the City of Dallas.

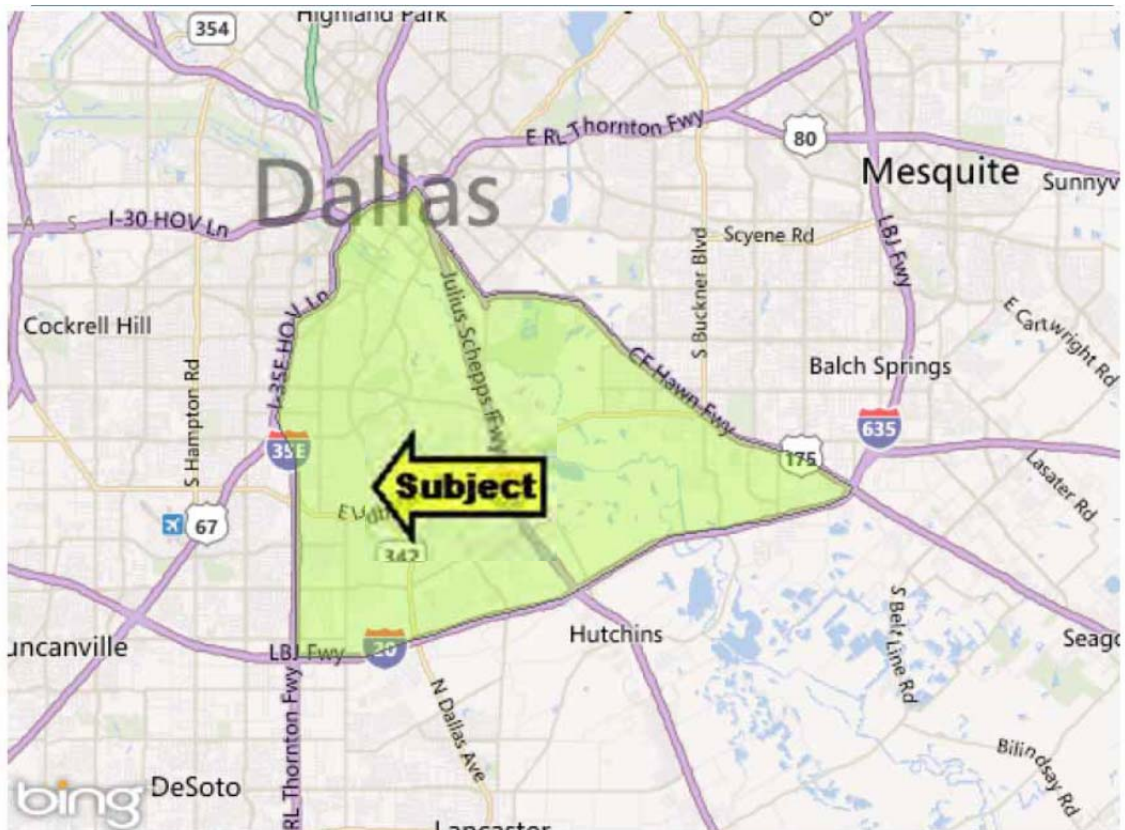
Borrower / Ownership

The ownership of the Patriot’s Crossing Apartments provided by the Applicant is described as follows:

1. The Borrower is Sapphire Road Development Patriot’s Crossing South, LLC , a Texas limited liability corporation organized under the laws of the State of Texas;
2. The General Partner is Sapphire Road I GP, LLC, a Texas limited liability company ("General Partner"); and
3. Sapphire Road PCD, LLC is the project developer ("Project Developer").

Location of Property:

The subject is located at 4623 Lancaster Road, Dallas Texas which is within the south portion of the Dallas area.



Description of the Property

The Market Study provided the following property description:

Apartment units would provide efficient floor plans, with separate kitchens and baths. Each unit would also have individually controlled heating and air conditioning. The common areas would be lighted, providing added security for residents.

The subject would be newer in age than other existing projects in the area. The entire development would be fully landscaped, and feature an attractive design. The interior of the units would be designed more efficiently than comparable affordable projects in the area. The subject would be well suited to the tenant base, and a welcomed addition to a market that has need for low income housing units. The subject improvements would have an estimated effective age and economic life of more than 45 years. Units and the overall building style would be functional for their use as apartment rental units in the South Dallas area.

Patroit's Crossing Apartments Unit Mix and Rents

Units	%	Unit Type	Income Type	Size (Net SF)	Rent	Rent/sf	Total Rent	Total Sq. Ft.
24	14.8%	EFF	60%	600	\$661	\$1.10	\$15,864	14,400
58	35.8%	1-1	60%	705	\$698	\$0.99	\$40,484	40,890
80	49.4%	2-2	60%	958	\$833	\$0.87	\$66,640	76,640
162				814	\$759	\$0.93	\$122,988	131,930

The Management Company

The underwriter has provided the following information about the management company:

Capstone Real Estate Services, Inc. will be the managing agent for the project. Capstone, founded in 1969, manages 40,000 multifamily units and 1,000,000 square feet of commercial space. Capstone has handled lease-up for over 125 new construction projects totaling 29,000 units since 1994 in 58 cities and 6 states. 75% of Capstone's new construction lease-ups have been completed in nine months or less and more than half have been completed in six months or less.

Capstone has experience managing communities under the LIHTC (Section 42 Tax Credit Program), RTC/ADHP Affordable Housing Program, Tax Exempt Bond (501 C3), Home Programs, Section 8, Military Rent-Restricted, Public Housing, etc. Currently, Capstone manages affordable apartment communities totaling over 17,000 units. Capstone is currently ranked by NAHMA as the 14th largest manager of affordable housing in the country. Rockhall recommended Capstone as the managing agent because of their experience and knowledge of all aspects of HUD and fair housing requirements.

Contact List (see attached)

Sources & Uses of Funds:

**Project Statistics:
Patriot's Crossing Apartments, Dallas - Texas
Scenario: 4% LIHTC**

Sources of Funds:

Tax Exempt Multifamily Bonds (1)	\$9,900,000
LIHTC Equity	7,684,540
City of Dallas Loan A	2,000,000
City of Dallas Loan B	1,350,000
Deferred Development Fee	1,879,011
	<hr/>
Total Sources:	<u><u>\$22,813,551</u></u>

Uses of Funds:

Land Cost & Site Work	\$2,000,000
GC Construction Cost	13,851,928
Architectural & Indirect Const Costs	726,439
Bond Transaction Costs	456,776
Tax Credit Cost of Equity	66,850
Lender, Carrying & Legal Fees	1,183,135
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Subtotal Acquisition, Const & Trans	\$18,285,128
HUD Required Reserves	2,133,423
Developer Fees	2,395,000
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Total Uses:	<u><u>\$22,813,551</u></u>

(1) \$9,897,500 of HUD Insured Loans will be issued at the same time.

Plan of Finance:

The Patriot's Crossing Apartments ("the Project") will be financed using a combination of tax-exempt multifamily housing revenue bonds, a 221(d)(4) mortgage, and 4% Low Income Housing Tax Credits. All Monies will be used to fund the construction costs and related soft and financing costs associated with the development. This includes reserves required under the FHA 221(d)(4) loan program and by the tax credit syndicator.

The City of Dallas has provided a zero interest cash flow only loan of which \$1,900,000 has been allocated to the purchase of the land. The City of Dallas has also provided a loan of HOME funds in the amount of \$1,350,000 at 0% interest for a term of 35 years. The Applicant expects the Project will receive a grant in the amount of \$500,000, but the grant has not been guaranteed.

221(d)(4) (the "HUD" loan)

The 221(d)(4) loan program provides both construction and permanent finance. The loan of approximately \$9,897,500 is being originated by Rockhall Funding Corp. The development team has met with the Fort Worth Regional HUD office. The financing application package was submitted to HUD on January 10, 2014. Rockhall is in the process of finalizing all of the various materials (third party reports, architectural & engineering plans, etc.) required to complete the application.

4% Low Income Housing Tax Credits

The development team anticipates that the syndication of 4% tax credits will generate proceeds to satisfy the equity requirement in the transaction. Raymond James Tax Credit Funds, Inc. is engaged as the tax credit syndicator.

Tax Exempt Bonds

The Applicant anticipates that the Bonds will be short term cash collateralized tax-exempt variable-rate bonds estimated at \$9,900,000, although the authorization is up to \$13,000,000. The bond proceeds will be utilized for project costs and as bond proceeds are drawn down, the proceeds from the FHA mortgage loan plus other loans and equity are simultaneously drawn and placed in an escrow account for the benefit of the bondholders. Once all bond proceeds are drawn, there will continue to be draws on the remaining balances of other loans and equity. As a result, the Bonds are always fully cash collateralized. After the final "Placed-in-Service" date, the Bonds will be paid off and the FHA mortgage loan will serve as the permanent financing for the Property.

Evaluation of Pro Forma
Patriot's Crossing-Angle Apartments

INCOME	LEASE-UP	YEAR 1	YEAR 2	YEAR 3
Income Growth Rate	2.0%			
Vacancy Rate	7.5%			
Expense Growth Rate	3.0%			
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,475,856	\$1,505,373	\$1,535,481	\$1,566,190
Secondary Income	33,210	33,874	34,552	35,243
POTENTIAL GROSS ANNUAL INCOME	\$1,509,066	\$1,539,247	\$1,570,032	\$1,601,433
Provision for Vacancy & Collection Loss	(113,180)	(115,444)	(117,752)	(120,107)
Rental Concessions				
EFFECTIVE GROSS ANNUAL INCOME	\$1,395,886	\$1,423,804	\$1,452,280	\$1,481,325
EXPENSES				
Advertising	12,515	12,890	13,277	13,675
Management Fee	56,137	57,821	59,556	61,342
Other (Prof Fees: G&A)	25,029	25,780	26,553	27,350
Lighting/Misc Power	55,898	57,575	59,302	61,081
Payroll	175,203	180,459	185,873	191,449
Other (Payroll Tax)	35,041	36,092	37,175	38,290
Repairs & Maintenance	41,715	42,966	44,255	45,583
Insurance	33,972	34,991	36,041	37,122
Other (Social Services)	20,000	20,600	21,218	21,855
Replacement Reserve	64,363	66,294	68,283	70,331
Real Estate Taxes	132,715	136,696	140,797	145,021
Other (Gross Margin Tax)	8,070	8,312	8,561	8,818
Compliance Monitoring (162 x \$40.00)	6,480			
TDHCA Issuer Compliance Fees (162 x \$25.00)	4,050			
Issuer Admini & Trustee Fee (10 bp + Trustee)	9,000			
TOTAL ANNUAL EXPENSES	\$680,188	\$680,478	\$700,892	\$721,919
NET OPERATING INCOME	\$715,698	\$743,326	\$751,388	\$759,407
DEBT SERVICE ***		\$637,047	\$637,047	\$637,047
NET CASH FLOW		\$106,279	\$114,341	\$122,360
Debt Coverage Ratio		1.17	1.18	1.19

Source : Provided by Applicant

We have reviewed the pro forma cash flow statement for the Project's first three years of occupancy provided by the Applicant.

Gross rental income provided in the pro forma in the application states that \$1,505,373, \$1,535,481 and \$1,566,190 are produced in the first three years respectively. Rents are assumed to grow at a rate of 2% annually and expenses to grow at a rate of 3%, as provided by the Applicant. Gross operating income is reduced by an assumed 7.5% on-going vacancy rate.

Projected bottom-line income is sufficient to cover estimated expenses and debt service. Debt service coverage in the first three years is 1.17x, 1.18x, and 1.19x based on annual debt service of approximately \$637,047.50. The projected first year stabilized debt service coverage ratio is 1.17 times which is between the minimum allowable 1.15 times and maximum allowable 1.35 times, under TDHCA's 2013 Real Estate Analysis Rules * [page 5, (4)(D)].

The applicant has provided a market study to support its projections used in the pro-forma. George K. Baum & Company is not providing an independent verification of the projections.

Recommendation/Conclusion

We have reviewed the information supplied by Applicant, including the market study and have observed the following:

- The project has a projected Debt Coverage Ratio ("DCR") of 1.17 times (which is between the minimum and maximum allowable under TDHCA's Real Estate Analysis Rules);
- Expense ratio of 49% and break-even occupancy of 84% are favorable when compared to a 97% overall occupancy reported for the market area; and
- Management company is ranked by the National Affordable Housing Management Association ("NAHMA") as the 14th largest manager of affordable housing in the U.S.

A summary of the market summary mentions:

- Subject's units are needed and will serve the south Dallas market with a stock of new "affordable" units;
- LIHTC projects tend to derive most of their demand from households already living in the area.
- According to market participants, the market in this area is strong and the level of demand for quality "affordable" housing is growing;
- According to the Applicant, 100% of the units will be set aside for tenants making at or below 60% of the area median gross income; and
- The level of rent to be charged is comparable with newer "affordable" rental communities found in and around the PMA.

Based on our review of the information provided by the applicant, we recommend to the Texas Department of Housing and Community Affairs (“TDHCA”) to issue bonds on this project. George K. Baum and Company has relied upon the information provided to us and TDHCA by the Applicant as the basis for our review. Users of this report should recognize that cash flow projections are based upon hypothetical assumptions, the reasonableness of which we have not examined, with respect to revenues and expenses. This report makes no attestation to the ability of the indenture to meet its financial obligation to bond holders.

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